DOMINION RESOURCES INC /VA/
Form PRE 14A
March 11, 2015
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Dominion Resources, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

Table of Contents

2015 Proxy Statement Contents

Important Notice Regarding the Availability of Proxy Materials for

Dominion s 2015 Annual Meeting of Shareholders to be Held on May 6, 2015

Dominion s Notice of Annual Meeting, 2015 Proxy Statement, 2014 Summary Annual Report

and 2014 Annual Report on Form 10-K are available on our website at

www.dom.com/proxy

Table of Contents

Notice of Annual Meeting

Dominion Resources, Inc.

P.O. Box 26532

Richmond, Virginia 23261

March 23, 2015

Dear Fellow Shareholder:

On May 6, 2015, Dominion Resources, Inc. (Dominion) will hold its 2015 Annual Meeting of Shareholders at the Innsbrook Technical Center, 5000 Dominion Boulevard, Glen Allen, VA 23060. The meeting will begin at 9:00 a.m. Eastern Time. Only shareholders who owned stock at the close of business on February 27, 2015, may vote at this meeting or any adjournments that may take place.

Matters to be voted on at this meeting are as follows:

- Election of the 10 director nominees named in this Proxy Statement;
- Ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2015;
- Advisory vote on approval of executive compensation (Say on Pay);
- Approval of an amendment to our Bylaws;
- Seven shareholder proposals, if presented; and
- Consideration of other business properly presented at the meeting.

We are pleased to deliver proxy materials again this year to shareholders over the Internet. Utilizing Internet delivery allows us to distribute our proxy materials in an environmentally responsible and cost-effective manner. For more information, please see the Notice Regarding the Availability of Proxy Materials narrative on page 6.

This Proxy Statement, our 2014 Summary Annual Report and Dominion s Annual Report on Form 10-K for the year ended December 31, 2014, will be made available to shareholders electronically on or around March 23, 2015, or mailed on or around the same date to those shareholders who have previously requested printed materials. If you wish to attend the 2015 Annual Meeting, an Admission Ticket and government-issued photo identification are required. To request an Admission Ticket, please see the information on pages 8 and 9.

Please vote your proxy as soon as possible. Your vote is very important to us, and we want your shares to be represented at the meeting.

By Order of the Board of Directors,

Carter M. Reid

Senior Vice President,

Chief Administrative & Compliance Officer

and Corporate Secretary

Table of Contents

Proxy Statement Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

Annual Meeting of Shareholders

Date and Time:	May 6, 2015, 9:00 a.m.
Place:	Innsbrook Technical Center, 5000 Dominion Boulevard, Glen Allen, VA 23060
Record date:	February 27, 2015
Voting:	Shareholders as of the record date are entitled to vote. Each share of Dominion common stock is entitled to one vote on each matter properly brought before the 2015 Annual Meeting.
Admission:	You must request an Admission Ticket in advance to attend the 2015 Annual Meeting by either emailing us at shareholder.services@dom.com or contacting Dominion Shareholder Services at (800) 552-4034. See pages 8 and 9 for admission requirements. Admission Tickets are not transferrable.

Voting Matters

	Board Vote Recommendation	Page Reference (for more detail)
Election of Director Nominees Named in this Proxy Statement	FOR each director nominee	Page 21
Ratification of the Appointment of Deloitte & Touche LLP as our Independent Auditors for 2015	FOR	Page 28
Advisory Vote on Approval of Executive Compensation	FOR	Page 64
Approval of Amendment to Bylaws	FOR	Page 65
All Shareholder Proposals	AGAINST	Page 66

Board Nominees

The following table provides summary information about each director nominee. Each director nominee is elected annually by a majority of votes cast unless there is a contested election, in which case the election is by plurality vote.

Nominee	Age	Director Since	Principal Occupation	Committees
William P. Barr	64	2009	Retired Executive Vice President and General Counsel of Verizon Communications Inc.; Former Attorney General of the United States	A; C
Helen E. Dragas	53	2010	President and CEO of The Dragas Companies	F
James O. Ellis, Jr.	67	2013	Former President and CEO of the Institute of Nuclear Power Operations	A
Thomas F. Farrell II	60	2005	Chairman, President & CEO of Dominion	
John W. Harris	67	1999	President and CEO of Lincoln Harris LLC	C; L
Mark J. Kington	55	2005	Managing Director of Kington Management, LLC	C; F^
Pamela J. Royal, M.D.	52	2013	Dermatologist and President of Royal Dermatology and Aesthetic Skin Care, Inc. and community leader	A
Robert H. Spilman, Jr.	58	2009	President and CEO of Bassett Furniture Industries, Incorporated	A^; C
Michael E. Szymanczyk	66	2012	Former Chairman and CEO of Altria Group, Inc.	F
David A. Wollard	77	1999	Founding Chairman, Emeritus, Exempla Healthcare	C^

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

2

Table of Contents

2014 Business Highlights

In 2014, Dominion capitalized on its experience and strategically located assets to maximize today s business opportunities and meet tomorrow s energy needs. We formed a joint venture to build the Atlantic Coast Pipeline, a proposed 550-mile natural gas pipeline that will support growing demand for natural gas-fired generation and gas utility service in Virginia and North Carolina. Our plan to export liquefied natural gas from our Cove Point facility received regulatory approval, facilitating the initial public offering of Dominion Midstream Partners, LP (Dominion Midstream). We also acquired new solar projects that are expected to increase our solar generating capacity more than eight-fold by the end of 2015.

These and other projects made 2014 a transformational year for Dominion. By executing on our business plan, we delivered value to shareholders with our continued focus on earnings growth through regulated and long-term contracted businesses. Our new investments in energy infrastructure and the creation of Dominion Midstream have positioned Dominion for continued growth opportunities to meet the needs of the U.S. economy.

We were named *Electric Light & Power* magazine s 2014 Utility of the Year, an award that reflects our standing as an industry leader and our commitment to our core values of safety, ethics, excellence and One Dominion, our term for teamwork. In February 2015, we were honored to be ranked first on *Fortune* magazine s World s Most Admired Companies list in the electric and gas utility category. Dominion also ranked first in our industry for people management, use of corporate assets, quality of management, financial soundness and long-term investment value in the *Fortune* magazine survey.

As shown in the chart below, Dominion s three-year total shareholder return (TSR) of 62.08% outperformed the Compensation Peer Group median and the Philadelphia Stock Exchange Utility Index.

The Board of Directors increased the annual dividend rate by about 7% from $2.25 per share for 2013 to $2.40 per share for 2014. Dominion s market capitalization was $44.9 billion as of December 31, 2014, which ranked third relative to our Compensation Peer Group.

Table of Contents

Consolidated operating earnings for 2014 were $3.43 per share*, up from $3.25 per share* in 2013, and within our guidance range of $3.35 to $3.65 per share. Consolidated earnings reported under Generally Accepted Accounting Principles (GAAP) were $2.24 per share in 2014, down from $2.93 per share in 2013.

We continued to demonstrate our commitment to safety, our first core value. For the second year in a row, we achieved companywide all-time bests for Occupational Safety and Health Administration (OSHA) recordable and lost-time/restricted duty rates, reducing 2013 rates by 11% and 3%, respectively.

Our core value of excellence was evident in our operational results. The nuclear fleet s net capacity factor topped 93% for the second year in a row, and Dominion Virginia Power s System Average Interruption Duration Index (SAIDI) of 154.2 minutes, including major storms, was our best performance since 2001. Excluding major storms, Dominion Virginia Power achieved a SAIDI of 112.9 minutes, its second best performance since we began tracking this statistic.

Compensation Highlights

For 2014, Messrs. Farrell and McGettrick each received a 5% base salary increase and Messrs. Christian, Koonce and Heacock received base salary increases of 3%, 8.7% and 10%, respectively.

We disclosed consolidated operating earnings per share of $3.43 per share* for the year ended December 31, 2014, which included 100% funding for the 2014 Annual Incentive Plan (AIP).

Payout under the 2013 Performance Grants was 155.0% of target. The payout was based on TSR performance in the 89th percentile versus our performance grant peer group over the two-year period ended December 31, 2014, and a Return on Invested Capital (ROIC) percentage of 7.49%. Dominion s two-year TSR for the period ended December 31, 2014, was 59.7%.

Messrs. Farrell and McGettrick each earned performance-based strategic incentive awards for the development of a strategic plan for Dominion Midstream and its role in Dominion s long-term financial performance as well as development of an enhanced long-term plan for generation, midstream and pipeline opportunities.

Dominion also rewarded top executives in connection with the company s Atlantic Coast Pipeline project; the implementation of the company s solar energy strategy; and the receipt of all material approvals for the Cove Point liquefaction project, which facilitated Dominion Midstream s initial public offering.

* *See **Reconciliation of 2013 and 2014 Consolidated Operating Earnings to Reported Earnings*** in Appendix B.

Table of Contents

Our performance-driven philosophy is reflected in Mr. Farrell s compensation, which has closely tracked shareholder value over the past three years:

For purposes of this chart, total direct compensation means Mr. Farrell s total compensation (as reported in the final column in the Summary Compensation Table) less the change in pension value and nonqualified deferred compensation earnings column of the Summary Compensation Table, which are driven primarily by changes in actuarial assumptions and over which the Compensation, Governance and Nominating (CGN) Committee has limited control from year to year. The cumulative three-year TSR in the chart represents the change in value (including reinvested dividends) of a $1,000 investment in Dominion common stock made on January 1, 2012.

Table of Contents

Questions and Answers About the Annual Meeting and Voting

Why did I receive these proxy materials?

You received these materials because you owned shares of Dominion Resources, Inc. (Dominion) common stock as of February 27, 2015 (the record date), and are therefore eligible to vote at Dominion s Annual Meeting of Shareholders to be held on May 6, 2015 (the 2015 Annual Meeting). These materials allow you to exercise your right to vote at the 2015 Annual Meeting and provide you with important information about Dominion and the items to be presented for a vote at this meeting.

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

Most shareholders received a Notice Regarding the Availability of Proxy Materials (the Notice) instead of a full set of printed proxy materials. The Notice provides access to proxy materials in a fast and efficient manner via the Internet. This reduces the amount of paper necessary to produce these materials, as well as costs associated with mailing these materials to shareholders. On or around March 23, 2015, we began mailing the Notice to certain shareholders of record as of February 27, 2015, and posted our proxy materials on the website referenced in the Notice. As more fully described in the Notice, shareholders may choose to access our proxy materials on the website or may request to receive a printed set of our proxy materials. The Notice and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by email for this meeting and on an ongoing basis. Shareholders who previously requested printed proxy materials or electronic materials on an ongoing basis received those materials in the format requested.

What is a proxy?

A proxy is your legal designation of another person to vote your shares at the 2015 Annual Meeting. The person you designate is called a proxy. When you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card.

The proxy card accompanying this Proxy Statement is solicited by your Board of Directors (the Board) for the 2015 Annual Meeting. By signing and returning it, you will be designating two non-employee members of the Board and Dominion s Corporate Secretary as proxies to vote your shares at the 2015 Annual Meeting based on your direction. You also may vote your shares by telephone or over the Internet as described below.

Who is entitled to vote?

All shareholders who owned Dominion common stock at the close of business on February 27, 2015, may vote. Each share of Dominion common stock is entitled to one vote on each matter properly brought before the 2015 Annual Meeting. There were 588,376,221 shares of Dominion common stock outstanding on the record date.

What are the matters on which I will be casting a vote?

You will be voting on the following:

- Election of the 10 director nominees named in this Proxy Statement;
- Ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2015;
- Advisory vote on approval of executive compensation (Say on Pay);
- Approval of an amendment to our Bylaws;
- Seven shareholder proposals, if presented; and
- Other business properly presented at the meeting.

Your Board is soliciting this proxy for the 2015 Annual Meeting and recommends that you vote **FOR** all of the director nominees named in this Proxy Statement, **FOR** the ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2015, **FOR** approving, on a non-binding, advisory basis, the executive compensation of those officers named in this Proxy Statement and **FOR** approving an amendment to our Bylaws.

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

How do I vote my shares?

Your voting method varies depending on whether you are a Shareholder of Record, Beneficial Owner or participant in a Dominion Employee Savings Plan.

Table of Contents

Shareholders of Record

If your shares are registered directly in your name on Dominion s records (including any shares held in Dominion Direct®, Dominion s direct stock purchase and dividend reinvestment plan), you are considered, for those shares, to be the Shareholder of Record. The proxy materials or Notice have been sent directly to you by Dominion.

If you received your proxy materials in the mail, you may vote your shares by proxy over the Internet, by telephone or by returning your proxy card by mail in the envelope provided. Instructions to vote over the Internet or by telephone are printed on your proxy card. If you received an electronic or paper Notice, you may vote over the Internet using the instructions provided. All votes must be received by the proxy tabulator no later than 6:00 a.m. Eastern Time on the day of the 2015 Annual Meeting.

If you attend the 2015 Annual Meeting, you may vote your shares in person. For admission requirements, please see *How do I attend the 2015 Annual Meeting in person?* on pages 8 and 9.

You may revoke your proxy and change your vote before the 2015 Annual Meeting by submitting a written notice to our Corporate Secretary, by submitting a later dated and properly signed proxy (including by means of a telephone or Internet vote), or by voting in person at the 2015 Annual Meeting.

All shares will be voted according to your instructions if you properly vote your proxy by one of the methods listed above. If you sign your proxy card but do not specify how you want your shares voted on any matter, you will be deemed to have directed the proxies to vote your shares as recommended by the Board. However, no vote will be recorded if you do not properly sign your proxy card, regardless of whether you specify how you want your shares voted.

Beneficial Owners

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

Follow the instructions on the voting instruction form or Notice provided by the institution that holds your shares.

To vote in person at the 2015 Annual Meeting, you must present a government-issued photo identification, admission ticket and a legal proxy provided by the institution that holds your shares. For admission requirements, please see *How do I attend the 2015 Annual Meeting in person?* on page 8.

If you do not provide your broker with timely voting instructions, your broker will not be able to vote on most of the items on the agenda of the 2015 Annual Meeting. Please see *What is discretionary voting by brokers?* on page 8.

Dominion Employee Savings Plan Participants

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

Only the Trustee can vote your Plan shares. To allow sufficient time for the Trustee to vote your shares, your voting instructions must be received by 6:00 a.m. Eastern Time, April 30, 2015.

You may revoke or change your voting instructions any time prior to the deadline by submitting a later dated Internet vote or by submitting a written notice to the agent for the Plan Trustee, Corporate Election Services, at P.O. Box 125, Pittsburgh, PA 15230-0125.

The Trustee will vote according to your instructions, except as otherwise provided in accordance with the Employee Retirement Income Security Act of 1974, as amended. The Trustee will keep your vote confidential. Under the terms of the Plans, you are not allowed to vote your own Plan shares, even if you attend the meeting in person.

If you do not vote your Plan shares or if you return your voting instruction card signed with no direction given, your shares will be voted by the Trustee as directed by the independent fiduciary hired by the Plan Administrator.

Table of Contents

What is discretionary voting by brokers?

If you hold your shares in street name and you do not provide your broker with timely voting instructions, New York Stock Exchange (NYSE) rules permit brokerage firms to vote at their discretion on certain routine matters. At this meeting, the only routine matter is the ratification of the appointment of Deloitte & Touche LLP as our independent auditors. Brokerage firms may not vote without instructions from you on the following matters: election of directors, advisory vote on approval of executive compensation (Say on Pay), amendment to Bylaws or on any of the shareholder proposals. Without your voting instructions on items that require them, a broker non-vote will occur.

How many shares must be present to hold the 2015 Annual Meeting?

In order for us to conduct the 2015 Annual Meeting, a majority of the shares outstanding on the record date of February 27, 2015, must be present in person or represented by proxy. This is referred to as a quorum. Your shares are counted as present if you attend the 2015 Annual Meeting in person or if you return a properly executed proxy by mail or place your vote over the Internet or by telephone.

What are the voting requirements to elect the directors and to approve each of the proposals in this Proxy Statement?

Our Bylaws and Corporate Governance Guidelines require that directors be elected by a majority of the votes cast unless the election is contested. A majority of votes cast means that the number of shares voted for a director exceeds the number of votes cast against the director. In a contested election, where the number of nominees for director exceeds the number of directors to be elected, directors are elected by a plurality of the votes cast. The affirmative vote of a majority of the votes entitled to be cast is required for approval of the amendment to the Bylaws. All other items on the agenda will be approved if the votes cast favoring the action exceed the votes cast opposing the action. Broker discretionary voting is permitted only for Item 2, which is the proposed ratification of the appointment of our independent auditors. Broker non-votes or abstentions will not be counted as a vote cast in favor or against any of the items presented.

Will any other matters be voted on at the 2015 Annual Meeting?

Management and the Board are not aware of any matters that may properly be brought before the 2015 Annual Meeting other than the matters disclosed in this Proxy Statement. If any other matters not disclosed in this Proxy Statement are properly presented at the 2015 Annual Meeting for consideration, the person or persons voting the proxies solicited by the Board for the meeting will vote them in accordance with their best judgment.

Do I have to attend the 2015 Annual Meeting in order to vote my shares?

No. Whether or not you plan to attend this year s meeting, you may vote your shares by proxy. It is important that all Dominion shareholders participate by voting, regardless of the number of shares owned.

How do I attend the 2015 Annual Meeting in person?

If you plan to attend the 2015 Annual Meeting, *you must request an Admission Ticket in advance*.

Please submit your request for an Admission Ticket on or before Thursday, April 30, 2015, by emailing a request to shareholder.services@dom.com or contacting Dominion Shareholder Services at (800) 552-4034. Please provide the following information with your request:

- your name, mailing address and email address;
- whether you need special assistance at the meeting; and
- if your shares are held for you in the name of your broker, bank or other Shareholder of Record, evidence of your stock ownership (such as a current letter from your broker or bank or a photocopy of a current brokerage or other account statement) as of February 27, 2015.

You will need both the Admission Ticket and government-issued photo identification to enter the 2015 Annual Meeting. An authorized proxy must also present an Admission Ticket, government-issued photo identification and proof that he or she is an authorized proxy of a shareholder.

For safety and security reasons, video and still cameras, recording equipment, electronic devices (including cell phones, smartphones, tablets, laptops, other portable electronic devices, etc.), large purses or bags, briefcases and

8

packages will not be permitted in the 2015 Annual Meeting, other than for company-authorized purposes. Security measures may include bag and hand-wand searches. Rules of the meeting will be printed on the back of the agenda given to you at the meeting. We thank you in advance for your patience and cooperation with these rules.

Will seating be limited at the 2015 Annual Meeting?

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

Will shareholders be given the opportunity to ask questions at the 2015 Annual Meeting?

Yes. The Chairman will answer questions asked by shareholders during a designated portion of the meeting. When speaking, shareholders must direct questions and comments to the Chairman and limit their remarks to matters that relate directly to the business of the meeting. For other rules, please see the back of the agenda that will be given to you at the meeting.

Who will pay for the cost of this proxy solicitation and who will count the votes?

Dominion will pay for the cost of this proxy solicitation. Some of our employees may telephone shareholders after the initial mail solicitation, but will not receive any special compensation for making the calls. We have also retained Georgeson Inc., a proxy solicitation firm, to assist in the solicitation of proxies for a fee of $14,000 and reimbursement of expenses. In addition, we may reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable expenses in sending proxy materials to the Beneficial Owners of stock. We have retained Corporate Election Services, Inc. to tabulate the votes and to assist with the 2015 Annual Meeting.

Can I access the Notice of Annual Meeting, 2015 Proxy Statement, 2014 Summary Annual Report and 2014 Annual Report on Form 10-K over the Internet?

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

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

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

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

What is householding and how does it affect me?

Householding refers to practices used to reduce the number of copies of proxy materials sent to one address. For Shareholders of Record who received printed proxy materials, a single copy of the 2015 Proxy Statement, 2014 Summary Annual Report and 2014 Annual Report on Form 10-K (annual report package) has been sent to multiple shareholders who reside at the same address, unless we have received instructions from you to the contrary. Any shareholder who would like to receive a separate annual report package may call or write us at the telephone number and address above, and we will promptly deliver it. If you received multiple copies of the annual report package and would like to receive combined mailings in the future, please contact us as shown above. Beneficial Owners of shares should contact the institution that holds the shares regarding combined mailing.

Table of Contents

Corporate Governance and Board Matters

The Board is charged with the responsibility of overseeing Dominion s management as well as the business and affairs of Dominion on behalf of its shareholders. The Board and management also recognize that the interests of Dominion are advanced by responsibly addressing the concerns of other constituencies, including employees, customers and the communities in which Dominion operates. Dominion s Corporate Governance Guidelines are intended to support the Board in its oversight role and in fulfilling its obligation to shareholders. Our Corporate Governance Guidelines address, among other things, the composition and responsibilities of the Board, director independence standards, details of our Bylaws concerning the election of directors by majority vote, the duties and responsibilities of our Lead Director, stock ownership requirements and compensation of non-employee directors, management succession and review, and the recovery of performance-based compensation in the event financial results are restated due to fraud or intentional misconduct. The CGN Committee regularly reviews our Corporate Governance Guidelines and recommends modifications of these guidelines to the Board when appropriate and when NYSE and U.S. Securities and Exchange Commission (SEC) regulations require changes.

Our Corporate Governance Guidelines may be found on Dominion s website at https://www.dom.com/library/domcom/pdfs/investors/corp-gov-guidelines.pdf. In addition to our Corporate Governance Guidelines, other information relating to governance may be found on the governance page of our website, https://www.dom.com/corporate/investors/governance, including:

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

Our Code of Ethics and Business Conduct applies to our Board of Directors, our principal executive, financial and accounting officers, and all other employees, and may be found on our website at https://www.dom.com/corporate/investors/governance/governance-guidelines. Any waivers or changes to our Code of Ethics and Business Conduct relating to our executive officers will also be posted at this web address.

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

Director Independence

Our Corporate Governance Guidelines and the NYSE listing standards require that the Board be composed of a majority of independent directors. To assist in assessing director independence, the Board has adopted a set of independence standards that meets the independence requirements of the NYSE listing standards. In applying our independence standards and applicable SEC and NYSE criteria, the Board considers relevant facts and circumstances in making an independence determination.

Our independence standards also include categorical standards that identify categories of commercial and charitable relationships that the Board has determined are not material relationships and, therefore, do not affect a director s independence. As such, these categorical relationships are not considered by the Board in determining independence, but are reported to the CGN Committee annually. The Board may determine that a director is independent even if that director has a relationship that does not meet these categorical standards, provided that relationship does not violate NYSE rules. If such a determination is made, the basis for the Board s determination will be explained in Dominion s next proxy statement. The full text of our independence standards is included in the appendix to our Corporate Governance Guidelines and may be found on our website at https://www.dom.com/library/domcom/pdfs/investors/corp-gov-guidelines.pdf.

Table of Contents

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

Based on the NYSE s and Dominion s independence standards and all relevant facts and circumstances, the Board determined that the following directors are independent: Messrs. Barr, Ellis, Harris, Kington, Spilman and Wollard, Drs. Brown and Royal, and Ms. Dragas. The Board determined that Mr. Farrell is not independent because he is a current Dominion employee. The Board also determined that Mr. Szymanczyk is not independent under the NYSE s and Dominion s independence standards because he served as the chief executive officer of Altria Group, Inc., at the same time Mr. Farrell served on the compensation committee of Altria Group, Inc.

In determining the independence of Mr. Harris, the CGN Committee considered the employment of an adult, financially independent immediate family member during 2014 by a law firm that provides services to Dominion and concluded that Mr. Harris did not have a material interest in that employment relationship. Mr. Harris son-in-law is employed by the North Carolina office of a law firm used by Dominion. Dominion s legal work is directed and performed principally by the firm s lawyers in the Richmond, Virginia, office where Dominion s headquarters are located. Mr. Harris son-in-law became employed by the law firm in January 2011 as an attorney in the financial services litigation practice group and works primarily on matters for banks and other financial service industry participants. Mr. Harris son-in-law does not work on any Dominion matter and his compensation is not tied to the work that the firm does for Dominion. The CGN Committee recommended and the Board concurred that such employment relationship does not affect Mr. Harris independence.

In determining the independence of Dr. Brown, the CGN Committee considered the employment of an adult, financially independent immediate family member during 2014 by Dominion. Dr. Brown s daughter is a staff attorney with Dominion s services company. She is not an executive officer of Dominion or any of its subsidiaries. The CGN Committee recommended and the Board concurred that such employment relationship does not affect Dr. Brown s independence.

Related Party Transactions

The Board has adopted related party transaction guidelines for the purpose of identifying potential conflicts of interests arising out of financial transactions, arrangements and relations between Dominion and any related person. Under our guidelines, a related person is a director, executive officer, director nominee, beneficial owner of more than 5% of Dominion s common stock or any immediate family member of one of the foregoing persons. A related party transaction is any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in excess of $120,000 in which Dominion (and/or any of its consolidated subsidiaries) is a party and in which the related person has or will have a direct or indirect material interest.

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

The CGN Committee has reviewed certain categories of transactions and determined that transactions between Dominion and a related person that fall within such categories will not result in the related person having a direct or indirect material interest. Under our guidelines, such transactions are not deemed related party transactions and, therefore, are not subject to review by the CGN Committee. The categories of excluded transactions include, among other items, compensation and expense reimbursements paid to directors and executive officers in the ordinary

course of performing their duties; transactions with other companies where the related party s only relationship is as an employee, if the aggregate amount involved does not exceed the greater of $1 million or 2% of that company s gross revenues; and charitable contributions that are less than the greater of $1 million or 2% of the charity s annual receipts. The full text of the guidelines can be found on our website at https://www.dom.com/library/domcom/pdfs/investors/related-party-guidelines.pdf.

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

Other than as described below, since January 1, 2014, there have been no related party transactions that were required either to be approved or ratified under Dominion s related party transaction guidelines or reported under the SEC s related party transaction rules.

During 2014, Mr. Wohlfarth, the spouse of Ms. Diane Leopold, President of Dominion Energy, one of the company s principal business units, was employed by Dominion s services company as Senior Vice President, Regulatory Affairs. Mr. Wohlfarth received aggregate compensation of approximately $1.1 million, consisting of salary, annual and long-term incentive plan payouts, restricted stock (including dividend payments) and other benefits. His compensation and benefits are consistent with the company s overall compensation principles based on his years of experience, performance and position within the company. The transaction involving the compensation paid to Mr. Wohlfarth was reviewed and approved by the CGN Committee in accordance with Dominion s related party transaction guidelines.

During 2014, Ms. Mathews, the adult, financially independent daughter of Dr. Brown, was employed by Dominion s services company as a staff attorney. Ms. Mathews total compensation for 2014 was approximately $173,000, and she was eligible for company benefits available to all other employees in a similar position. The transaction involving the compensation paid to Ms. Mathews was reviewed and approved by the CGN Committee in accordance with Dominion s related party transaction guidelines.

During 2014, three providers of asset management services were also beneficial owners of at least 5% of Dominion common stock: BlackRock, Inc. (BlackRock), The Vanguard Group (Vanguard) and State Street Corporation (State Street). The nature and value of services provided by these 5% shareholders and their affiliates are described below.

- Affiliates of BlackRock provided asset management services to the company s pension plan and received approximately $444,000 in fees for such services in 2014.
- Affiliates of Vanguard provided asset management services to various trusts associated with the company s employee benefit plans and received approximately $453,000 in fees for such services in 2014.
- Affiliates of State Street provided asset management services to the company s pension plan and various trusts associated with the company s employee benefit plans and received approximately $387,000 in fees for such services in 2014.

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

Board Leadership Structure And Role In Risk Oversight

Our Corporate Governance Guidelines provide that the Board will determine whether to have a joint CEO and Chairman position or whether to separate these offices, taking into consideration succession planning, skills and experience of the individuals filling these positions and other relevant factors. The Board believes that the most effective leadership structure for Dominion at this time is for Mr. Farrell to serve as both Dominion s CEO and Chairman of the Board of Directors for the reasons set forth below.

12

Table of Contents

The Board believes a combined CEO and Chairman position provides an efficient and effective leadership model for the company. A combined CEO and Chairman role promotes unified leadership and direction for the company and the effective execution of the company s strategy and business plans. The Board believes Mr. Farrell provides the necessary experience and skills to lead the company in addressing the energy demands of the communities where Dominion does business, financial and economic issues, and environmental and regulatory challenges of the future.

The Board believes there is no single best leadership structure that is the most effective in all circumstances, and may decide to separate the positions of CEO and Chairman in the future if it deems it appropriate and in the best interests of the company. Also, the Board has adopted governance policies and practices to ensure a strong and independent board that provides balance to the combined CEO and Chairman position. All directors, except for Messrs. Farrell and Szymanczyk, are independent and our Audit and CGN Committees of the Board consist entirely of independent directors. Dominion has an independent Lead Director who leads the executive session of our independent, non-management directors at each regularly scheduled Board meeting. Our Corporate Governance Guidelines dictate that the non-management directors shall elect an independent Lead Director when the Chairman of the Board is not an independent director. If the Lead Director is not available, the Chair of the CGN Committee acts as the Lead Director. Mr. Harris serves as the Lead Director. The duties and responsibilities of the Lead Director include:

- Presiding at all meetings of the Board when the Chairman of the Board is not present, including executive sessions of the independent directors;
- Serving as a liaison on Board-wide issues between the Chairman of the Board and the independent directors;
- Having the authority to call meetings of the independent directors, as needed;
- Approving Board meeting agendas and information sent to the Board;
- Approving Board meeting schedules to assure sufficient time for discussion of all agenda items;
- Being available for communications if requested by major shareholders; and
- In consultation with the Board, being authorized to retain independent advisers and consultants on behalf of the Board.

The Lead Director also leads the evaluation of the performance of our CEO, oversees the Board s annual self-evaluation, encourages and facilitates active participation of all directors, and monitors and coordinates with management on corporate governance issues and developments. The Board believes that designating a Lead Director, as well as having a majority of independent directors, provides an effective counterbalance to the combined Chairman and CEO role.

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

The Board believes that Dominion s current Board leadership structure enhances its ability to engage in risk oversight because Mr. Farrell s understanding and insights of the material risks inherent in Dominion s business allow him to identify and raise key risks to the Board. His role as Chairman ensures that the Board and its standing committees give attention to areas of concern. Ultimately, the full Board has responsibility for risk oversight, but our committees help oversee risk in areas over which they have responsibility. The full Board receives regular updates related to various risks for both our company and our industry. As provided under our Corporate Governance Guidelines and the respective committees charters, the Board of Directors and the Audit and Finance and Risk Oversight Committees receive and discuss reports regularly from members of management, including the Chief Risk Officer, who are involved in the risk assessment and risk management functions on a daily basis. In addition, the CGN Committee reviews with management an annual assessment of the overall structure of the company s compensation program and key policies for all employees as they relate to the company s risk management practices.

Executive Sessions Of Directors

Executive sessions of our non-management, independent directors are held at each regularly scheduled Board meeting and are presided over by our Lead Director.

Table of Contents

COMMITTEES AND MEETING ATTENDANCE

Under our Corporate Governance Guidelines, directors are expected to attend all Board and committee meetings. The Board met twelve times in 2014. Each Board member attended at least 75% of all Board and committee meetings on which he or she served. All of our directors attended the 2014 Annual Meeting of Shareholders.

The Board has established the following standing committees of the Board to assist with the performance of its responsibilities: Audit Committee, CGN Committee, and Finance and Risk Oversight Committee. The Board has adopted charters for each of these committees and these charters are available on our website at https://www.dom.com/corporate/investors/governance/board-committees-and-charters.

Audit Committee

The members of the Audit Committee are Robert H. Spilman, Jr. (chairman), William P. Barr, James O. Ellis, Jr. and Pamela J. Royal. Each member of the Audit Committee has been determined independent by the Board in accordance with NYSE listing standards, SEC regulations and the company s independence standards. The Board has also determined that Mr. Spilman and Dr. Royal are audit committee financial experts as defined under SEC rules. This committee is responsible for assisting the Board with oversight of the independence, performance and qualification of our independent auditor; the integrity of Dominion s financial statements and reporting practices; the company s compliance with legal and regulatory requirements; and the performance of the company s internal audit function. This committee also reviews and discusses policies with respect to risk assessment and risk management, and reviews and discusses periodic reports pertaining to the oversight of nuclear operations.

The Audit Committee also retains the independent auditor for the next year and pre-approves the audit and non-audit services to be provided by the independent auditor. This committee periodically meets with both the independent auditor and internal auditor in separate sessions without management present. This committee also consults with the independent and internal auditors regarding audits of Dominion s consolidated financial statements and the adequacy of internal controls. The Audit Committee s report to shareholders is on page 26. In 2014, this committee met nine times.

Compensation, Governance and Nominating Committee

The members of the CGN Committee are David A. Wollard (chairman), William P. Barr, John W. Harris, Mark J. Kington and Robert H. Spilman, Jr. Each member of the CGN Committee has been determined independent by the Board in accordance with NYSE listing standards, SEC regulations and the company s independence standards. This committee consults directly with its independent compensation consultant, Frederic W. Cook & Co. (Cook & Co.), as needed, and with management to review and evaluate Dominion s organizational structure and compensation practices, which include both Dominion s executive and director compensation programs. This committee also meets with Cook & Co. as needed, without the CEO present, to review and discuss CEO compensation and other matters. The company s processes for the consideration and determination of executive and director compensation, including the roles of the CGN Committee, management and Cook & Co. in designing our executive and director compensation programs, are discussed in *Compensation Discussion and Analysis* and *Non-Employee Director Compensation*.

The CGN Committee is also responsible for overseeing Dominion s corporate governance practices, evaluating the Board s effectiveness and reviewing the qualifications of director candidates. It makes recommendations to the Board regarding all of these matters, including director nominees, and administers certain compensation plans. The CGN Committee s policies for consideration of director candidates recommended by shareholders, the procedures to be followed by shareholders in submitting such recommendations, the qualifications and skills that the CGN Committee considers, and the process it uses in identifying and selecting director nominees, are discussed in *Shareholder Proposals and Director Nominations* and *Item 1 Election of Directors*. The CGN Committee s report to shareholders is on page 29. In 2014, this committee met eight times.

Finance and Risk Oversight Committee

The members of the Finance and Risk Oversight Committee are Mark J. Kington (chairman), Peter W. Brown, Helen E. Dragas and Michael E. Szymanczyk. Each member of the Finance and Risk Oversight Committee, except for Mr. Szymanczyk, has been determined independent by the

Board in accordance with NYSE listing standards, SEC

Table of Contents

regulations and the company s independence standards. This committee oversees the company s financial policies and objectives, reviews the company s capital structure, considers our dividend policy and reviews the company s financing activities. In addition, this committee oversees the implementation of the company s risk assessment and risk management policies and objectives and reviews its insurance coverage. In 2014, this committee met four times.

Compensation Committee Interlocks And Insider Participation

No member of the CGN Committee has served as an officer or employee of Dominion at any time. No Dominion executive officer serves as a member of the compensation committee or on the board of directors of any company at which a member of Dominion s CGN Committee or Board of Directors serves as an executive officer.

Section 16(a) Beneficial Ownership Reporting Compliance

To the company s knowledge, no executive officer, director or 10% beneficial owner failed to file, on a timely basis, the reports required by Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), for the fiscal year ended December 31, 2014, with the exception of one amended Form 4 filed for Mr. Kington due to an inadvertent clerical error. The amended Form 4 was filed in May 2014 to correct the reported number of shares indirectly acquired as a result of an annual retainer deferral.

Shareholder Proposals And Director Nominations

Under SEC rules, if a shareholder wishes to submit a proposal for possible inclusion in the 2016 Proxy Statement, Dominion s Corporate Secretary must receive it no later than 5 p.m., Eastern Time, on November 24, 2015. Shareholders should refer to Rule 14a-8 of the Exchange Act, which sets standards for eligibility and specifies the types of proposals that are not appropriate for inclusion in the 2016 Proxy Statement. Shareholder proposals should be sent to our Corporate Secretary at Dominion Resources, Inc., 120 Tredegar Street, Richmond, Virginia 23219.

To nominate a director at the 2016 Annual Meeting, you must be a shareholder and deliver written notice to our Corporate Secretary at least 60 days before the meeting. If the meeting date has not been publicly announced 70 days before the meeting, then notice can be given up to 10 days following the public announcement. Any notice must include the following information:

1. Your name and address;
2. Each nominee s name and address;
3. A statement that you are an owner of Dominion stock entitled to vote at the meeting and you intend to appear in person or by proxy to nominate your nominee;
4. A description of all arrangements or understandings between you and each nominee and any other person concerning the nomination;
5. Other information about the nominee that would be included in a proxy statement soliciting proxies for the election of directors; and
6. The consent of the nominee to serve as a director.

If you wish to bring any other matter (other than the nomination of a director) in person before the 2016 Annual Meeting, Dominion s Bylaws require you to notify the Corporate Secretary in writing no less than 90 days and not more than 120 days prior to the one-year anniversary of the date of the 2015 Annual Meeting. This means that for the 2016 Annual Meeting, your notice must be delivered, or mailed and received, between January 7, 2016, and February 6, 2016, and must contain the information specified by our Bylaws regarding each matter, including:

- A brief description of the business you wish to bring before the 2016 Annual Meeting, including the complete text of any related resolutions to be presented and the reasons for conducting such business at the meeting;
- Your name and address and the name and address of any associated person of yours, as they appear on Dominion s records;
- The number of shares of stock that you, and any associated person of yours, own or beneficially own, including a description of any agreement, arrangement or understanding relating to such shares, and a written agreement by you to update and supplement this information as of the record date for the 2016 Annual Meeting; and
- Any material interest you and any associated person of yours have in such business.

Table of Contents

If you do not provide the proper notice in the specified timeframe, the chairman of the meeting may exclude the matter, and it will not be acted upon at the meeting. If the chairman does not exclude the matter, the proxies may vote on it in the manner they believe is appropriate, in accordance with SEC rules. A copy of our Bylaws may be found on our website at https://www.dom.com/library/domcom/pdfs/investors/bylaws.pdf and will be furnished to shareholders without charge upon written request to the Corporate Secretary.

COMMUNICATIONS WITH DIRECTORS

The Board has established a process for shareholders and other interested persons to communicate directly with Dominion s non-management directors. Information regarding this process, including how to email or write our non-management directors, may be found on our website at https://www.dom.com/corporate/investors/governance/contact-the-board. Concerns relating to accounting, internal accounting controls and auditing matters may also be submitted confidentially and anonymously through this website. You may direct your communications to our non-management directors as a group or to any committee of the Board. The Board has directed the Corporate Secretary or her representative to monitor, review and sort all written communications to the non-management directors. Communications related to matters that are within the scope of the responsibilities of the Board are forwarded to the Board, Board committee or individual director, as appropriate.

The Corporate Secretary and her representative are authorized to exclude communications that are related to routine business and customer service matters, bulk advertising or otherwise inappropriate communications, including, but not limited to, business and product solicitations, unsolicited publications, résumés and job inquiries, spam, junk mail, mass mailing and material containing profanity, hostility or of a similar nature. The Board has also directed the Corporate Secretary or her representative to forward correspondence related to routine business and customer service matters to the appropriate management personnel. When appropriate, the Corporate Secretary will consult with the Audit Committee Chairman, who will determine whether to communicate further with the Audit Committee and/or the full Board with respect to the correspondence received.

Letters may be sent to the non-management directors as a group or individually, care of the Corporate Secretary, Dominion Resources, Inc., P.O. Box 26532, Richmond, Virginia 23261.

NON-EMPLOYEE DIRECTOR COMPENSATION

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

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

- Annual cash retainer: $77,500
- Annual stock retainer: $127,500
- Lead director annual cash retainer: $27,500
- Committee chair annual cash retainer: Audit and CGN Committees, $22,500; Finance and Risk Oversight Committee, $15,000

Board and committee meeting fees: $2,000 per meeting

The following tables and footnotes reflect the compensation and fees received in 2014 by our non-employee directors for their services. Mr. Farrell does not receive any separate compensation for his service as a director.

16

Table of Contents

Non-Employee Director Compensation

Name	Fees earned or paid in cash[1]	Stock Awards[2]	All Other Compensation[3]	Total
William P. Barr	$137,500	$127,505	$5,000	$270,005
Peter W. Brown	111,500	127,505	51,874	290,879
Helen E. Dragas	115,500	127,505		243,005
James O. Ellis, Jr.	119,500	127,505		247,005
John W. Harris	149,000	127,505	88,487	364,992
Robert S. Jepson, Jr.[4]	12,000		11,446	23,446
Mark J. Kington	142,500	127,505	5,000	275,005
Pamela J. Royal	121,500	127,505	2,250	251,255
Robert H. Spilman, Jr.	152,000	127,505		279,505
Michael E. Szymanczyk	111,500	127,505		239,005
David A. Wollard	150,000	127,505	88,487	365,992
All directors	$1,322,500	$1,275,050	$252,544	$2,850,094

(1) Directors may defer all or a portion of their compensation or choose to receive stock in lieu of cash for meeting fees under the Non-Employee Directors Compensation Plan. Ms. Dragas, Mr. Kington and Dr. Royal deferred all fees to stock unit accounts in lieu of cash for their 2014 meeting fees and annual cash retainer. Mr. Szymanczyk received stock in lieu of cash for his 2014 meeting fees and deferred his annual cash retainer to a stock unit account.

(2) Each non-employee director who was elected in May 2014 received an annual stock retainer valued at approximately $127,500, which was equal to 1,805 shares, valued at $70.64 per share based on the closing price of Dominion common stock on May 6, 2014. Directors may defer all or a portion of this stock retainer. (See the *Director and Officer Share Ownership* table for February 27, 2015, balances.) A total of 18,050 shares of stock, in aggregate, were distributed to these directors, or to a trust account for deferrals, for their annual stock retainers. Mr. Jepson did not receive an annual stock retainer because he did not stand for re-election at the May 2014 Annual Meeting.

No options have been granted to directors since 2001. No directors had options outstanding as of December 31, 2014.

(3) *All Other Compensation* amounts for 2014 are as follows:

For Dr. Brown and Messrs. Harris, Jepson and Wollard, amounts represent dividend equivalents earned on the Directors Stock Accumulation Plan (SAP) balances. For certain directors elected to the Board prior to 2004, the SAP provided non-employee directors a one-time stock award equivalent in value to approximately 17 times the annual cash retainer then in effect. Stock units were credited to a book account and a separate account continues to be credited with additional stock units equal in value to dividends on all stock units held in the director s account. A director must have 17 years of service to receive all of the stock units awarded and accumulated under the SAP. Reduced distributions are made where a director has at least 10 years of service or has reached age 62 when service as a director ends. Dividend earnings under the SAP are paid at the same rate declared by the company for all shareholders.

For Messrs. Barr and Kington and Dr. Royal, the amounts in this column are for matching gift contributions made by the Dominion Foundation as described under *Other Director Benefits*.

(4) Mr. Jepson served as a director until May 2014 and did not stand for re-election at the May 2014 Annual Meeting.

Expense Reimbursements

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

Director Compensation Plans

NON-EMPLOYEE DIRECTORS COMPENSATION PLAN

Our non-employee directors are paid their annual retainer and meeting fees under this plan. A director may elect to receive all or a portion of his or her meeting fees in the form of cash or stock. If a director does not make an election, meeting fees are paid in cash. The plan also allows directors to defer all or a portion of their annual cash retainer and meeting fees into stock unit or cash accounts and all or a portion of their annual stock retainer into stock unit accounts. Stock unit accounts are credited quarterly with additional stock units equal in value to dividends paid on Dominion common stock, and cash accounts are credited monthly with interest at an annual rate established for the Dominion Fixed Rate Fund (which was 3.20% in 2014) under Dominion s frozen Executive Deferred Compensation Plan. Shares of Dominion common stock equal in value to stock units held for directors under this plan are issued into a trust and directors retain all voting and other rights as shareholders. Distributions under this plan are made when a director ceases to serve on the Board. For a director who has served at least five years, he or she will be granted 1,000 shares of Dominion common stock upon departure from the Board. If that director also served as a Committee Chair or Lead Director in the year preceding the year of departure, he or she will be granted an additional 1,000 shares of Dominion common stock for each such position held upon departure from the Board. In addition, this plan provides a means for the Board to receive grants of restricted stock awards and stock options. However, no stock options or restricted stock have been granted under this plan.

Frozen Director Plans

On December 31, 2004, the Board froze the following director plans: Deferred Cash Compensation Plan, Stock Compensation Plan and Stock Accumulation Plan (described in footnote (3) under the *Non-Employee Director Compensation* table on page 17). These plans provided a means to compensate directors and allowed directors to defer receipt of that compensation, whether in cash or stock, until they ceased to be directors or reached a specified age. In the case of the Deferred Cash Compensation Plan, deferred fees were credited to either an interest bearing account (interest is credited based on the average three-month U.S. Treasury Bill rate) or a Dominion common stock equivalent account. Under the frozen plans, dividend equivalents continue to accrue and may be held in trust until distributions are made. Prior to 2005, the stock portion of a director s retainer was paid under the Stock Compensation Plan, and directors had the option to defer receipt of that stock.

Other Director Benefits

Charitable Contribution Program

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

Matching Gifts Program

The Dominion Foundation will match a director s donations, on a one-to-one basis, to one or more 501(c)(3) organizations up to a maximum of $5,000 per year. If the donation is to an organization on whose board the director serves or for which the director volunteers more than 50 hours of work during a year, the Dominion Foundation will match the donation on a two-to-one basis, up to the $5,000 maximum. This benefit is available to all Dominion employees and to our directors.

Insurance

Full-time employees and directors are covered by business travel accident insurance while traveling on business for Dominion or any of its subsidiaries. The policy provides 24-hour coverage while traveling on business and has a maximum benefit of $250,000 for employees and $200,000 for directors in the event of death or a percentage of the death benefit in the event of permanent bodily dismemberment. There is no incremental cost for covering the directors under this insurance policy, as the premium would remain the same even if coverage for the directors was discontinued. Dominion also provides director and officer indemnification and liability insurance for its non-employee directors.

Director Share Ownership Guidelines

All non-employee directors are expected to acquire and hold the lesser of 12,000 shares of Dominion stock or shares equal in value to five times the annual cash and stock retainer combined within four years of their election to the Board. All of our non-employee directors who have been members of the Board for at least four years currently meet the share ownership requirement. Our directors are also prohibited from engaging in certain types of transactions related to Dominion stock, including owning derivative securities, hedging transactions, using margin accounts and pledging shares as collateral.

Table of Contents

Share Ownership

The following table sets forth, as of February 27, 2015, the number of shares of our common stock and the number of common units of our affiliate, Dominion Midstream, beneficially owned by each of our directors, named executive officers, and by all directors and executive officers as a group.

DIRECTOR AND OFFICER BENEFICIAL OWNERSHIP

Name of Beneficial Owner	Beneficial Ownership as of February 27, 2015 Shares	Deferred Stock Accounts[1]	Restricted Shares	Total[2]	Common Units of Dominion Midstream[3]
William P. Barr	35,459			35,459	63,200
Peter W. Brown	58,822	17,572		76,394	5,000
Helen E. Dragas	27,478	18,490		45,968	25,000
James O. Ellis, Jr.	3,600	3,938		7,538	10,000
Thomas F. Farrell II	705,256		335,383	1,040,639	59,900
John W. Harris	24,616	41,175		65,791	25,000
Mark J. Kington	113,968	45,731		159,699	72,000
Pamela F. Royal		8,076		8,076	2,400
Robert H. Spilman, Jr.	10,960	4,836		15,796	12,500
Michael E. Szymanczyk	21,228	1,124		22,352	25,000
David A. Wollard	16,148	17,325		33,473	18,259
Mark F. McGettrick	203,409		115,547	318,956	59,900
David A. Christian	73,177		70,836	144,013	13,200
Paul D. Koonce	84,412		70,836	155,248	50,000
David A. Heacock	32,957		15,245	48,202	5,000
All directors and executive officers as a group (19 persons)[4]	1,479,592	158,267	644,389	2,282,248	458,359

(1) Shares in trust for which a director has voting rights. Amounts include shares issued to a trust for certain directors from their frozen deferred compensation plan accounts.

(2) No individual director or executive officer has the right to acquire beneficial ownership of shares within 60 days of February 27, 2015. Unless otherwise noted, all shares are held directly by the director or executive officer and such person has sole voting and investment power with respect to such shares. Includes shares as to which a director or executive officer has voting and/or investment discretion or voting and/or investment power is shared with or controlled by another person as follows: Mr. Farrell, 20,000 (shares held jointly with spouse); Mr. Kington, 7,411 (shares held in joint tenancy) and 68,192 (shares held in a grantor annuity trust); and all directors and executive officers as a group, 96,102.

(3) No individual director or executive officer has the right to acquire beneficial ownership of units within 60 days of February 27, 2015. Unless otherwise noted, all units are held directly by the director or executive officer and such person has sole voting and investment power with respect to such shares. Includes shares as to which a director or executive officer has voting and/or investment discretion or voting and/or investment power is shared with or controlled by another person as follows: Ms. Dragas, 10,000 (units held in trust); Mr. Kington, 72,000 (units held in trust); and all directors and executive officers as a group, 82,500.

(4) Neither any individual director or executive officer nor all of the directors or executive officers as a group owns more than 1 percent of the shares outstanding of Dominion, or more than 1 percent of the units outstanding of Dominion Midstream, as of February 27, 2015.

Table of Contents

SIGNIFICANT SHAREHOLDERS

Name and address of Beneficial Owner	Beneficial Ownership of Common Stock (based on 13G filing)	Percentage of Common Shares Outstanding
BlackRock, Inc. (1) 55 East 52nd Street New York, NY 10022	45,053,229	7.7%
The Vanguard Group (2) 100 Vanguard Boulevard Malvern, PA 19355	32,407,482	5.55%
State Street Corporation (3) One Lincoln Street Boston, MA 02111	29,538,041	5.1%

(1) According to its Schedule 13G filing for December 31, 2014, this shareholder has sole voting power over 38,530,452 shares and sole dispositive power over 45,053,229 shares.

(2) According to its Schedule 13G filing for December 31, 2014, this shareholder has sole voting power over 1,041,318 shares, sole dispositive power over 31,464,785 shares, and shared dispositive power over 942,697 shares.

(3) According to its Schedule 13G filing for December 31, 2014, this shareholder has shared voting power over 29,538,041 shares and shared dispositive power over 29,538,041 shares.

20

Table of Contents

Item 1 Election of Directors

The CGN Committee, which is composed entirely of independent directors, is responsible for reviewing the qualifications of and selecting director candidates for nomination to the Board. In identifying potential nominees for the Board, the CGN Committee considers candidates recommended by shareholders, current members of the Board, members of management or any others that come to its attention by other means. In accordance with its charter, the CGN Committee considers all nominee recommendations, including those from shareholders, in the same manner when determining candidates for the Board. A shareholder who wishes to recommend a prospective nominee for the Board must provide notice in writing to the Corporate Secretary and follow the shareholder nomination procedures described in *Shareholder Proposals and Director Nominations* on pages 15 and 16.

The CGN Committee recognizes that a Board with a diverse set of skills, experiences and perspectives creates a governing body best suited to provide oversight of the company while representing the interests of our shareholders, customers, employees and other constituents. The CGN Committee considers many attributes that it deems relevant for serving as a director, including, among others, experience as a CEO, industry experience, financial or accounting skills or oversight experience, legislative or regulatory experience, public company board experience outside of Dominion, and other attributes. These other attributes include a candidate s character, judgment, diversity of experience, business acumen and ability to act on behalf of shareholders. The CGN Committee also believes that the members of the Board should have experiences and backgrounds that complement those of each other.

Dominion does not have a formal policy with respect to director diversity, but under the company s Corporate Governance Guidelines, the CGN Committee is charged with selecting candidates who represent a mix of backgrounds and experiences that will enhance the quality of the Board s deliberations and decisions as well as those of its three committees. The CGN Committee may also consider in its assessment the Board s diversity, in its broadest sense, reflecting, but not limited to, geography, gender and ethnicity. The CGN Committee also considers whether a director candidate is independent in accordance with Dominion s and the NYSE s independence standards. Based on its deliberations, the CGN Committee recommends director candidates to the Board for nomination.

Information about each director nominee is presented below and includes specific experience, qualifications, attributes and skills that led our Board to the conclusion that he or she should serve as a director. These nominees are collegial, thoughtful, responsible and intelligent people and are diverse in terms of geographic location throughout the areas of our operations, age, gender, ethnicity and professional experience. Overall, these nominees represent a diverse mix of qualifications deemed beneficial to the formation of a cohesive and effective Board.

Our Bylaws and Corporate Governance Guidelines require that directors be elected by a majority of the votes cast unless the election is contested. A majority of votes cast means that the number of shares voted for a director exceeds the number of votes cast against the director. In a contested election, where the number of nominees for director exceeds the number of directors to be elected, directors are elected by a plurality of the votes cast. If an incumbent director in an uncontested election does not receive a majority of votes cast for his or her election, the director is required to submit a letter of resignation promptly to the Board. Within 90 days of the certification of the election results, the Board must act on the resignation, taking into consideration any recommendation by the CGN Committee and any additional relevant information and factors. The director who tenders his or her resignation does not participate in the decisions of the CGN Committee or the Board relating to the resignation.

Each nominee presented below was recommended by the CGN Committee and nominated by the Board. All of the director nominees were elected by shareholders at the 2014 Annual Meeting and are standing for re-election, with the exception of Peter W. Brown, M.D. Dr. Brown will not be standing for re-election in 2015. Directors are elected annually; therefore, each director s term of office will end at the next Annual Meeting of Shareholders or when his or her successor has been elected. If any nominee is not available to serve (for reasons such as death or disability), your proxy will be voted for a substitute nominee if the Board nominates one.

Table of Contents

William P. Barr

Director since 2009

Age: 64

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

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

Helen E. Dragas

Director since 2010

Age: 53

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

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

Table of Contents

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

Director since 2013

Age: 67

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

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

Thomas F. Farrell II

Director since 2005

Age: 60

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

Mr. Farrell s qualifications to serve as a director include his significant industry experience as well as his legal expertise, having served as general counsel for Dominion and Virginia Power and as a practicing attorney with a private firm. He is chairman of the Institute of Nuclear Power Operations and a member of the board of directors of the Edison Electric

Institute through which he actively represents the interests of Dominion, Virginia Power and the energy sector. Mr. Farrell also has extensive community and public interest involvement and serves or has served on many non-profit and university foundations.

Table of Contents

John W. Harris

Director since 1999

Age: 67

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

Mr. Harris s qualifications to serve as a director include his extensive public company board experience, with prior directorships with several Fortune 500 companies. As a former director of Piedmont Natural Gas Company, Inc., he has knowledge of and familiarity with Dominion s industry, markets and regulatory concerns. Through his current and past service as chief executive officer and equivalent positions, Mr. Harris has business leadership and management skills needed for such positions, as well as financial and capital markets experience.

Mark J. Kington

Director since 2005

Age: 55

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

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

Pamela J. Royal, M.D.

Director since 2013

Age: 52

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

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

Table of Contents

Robert H. Spilman, Jr.

Director since 2009

Age: 58

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

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

Michael E. Szymanczyk

Director since 2012

Age: 66

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

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

David A. Wollard

Director since 1999

Age: 77

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

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

Your Board of Directors recommends that you vote

FOR these nominees.

Table of Contents

The Audit Committee Report

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

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

Throughout 2014, we met with the internal and independent auditors, with and without management present, to discuss the plans for, and scope and results of, their audits and reviews of Dominion s financial statements and internal controls over financial reporting, and the overall quality of Dominion s financial reporting. At three of the Committee s meetings, we also met with the internal auditors, independent auditors and management in separate executive sessions.

Management has represented that Dominion s consolidated financial statements were prepared in accordance with GAAP. We reviewed and discussed the audited consolidated financial statements with management and the independent auditors. In accordance with the requirements established by the Public Company Accounting Oversight Board (PCAOB) AU 380, *Communication with Audit Committees*, this discussion included a review of significant accounting estimates and controls, and the quality of Dominion s accounting principles.

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

2014 Consolidated Financial Statements

Relying on these reviews and discussions, we recommended to the Board, and the Board approved, the inclusion of the audited financial statements and management s annual report on internal control over financial reporting in Dominion s Annual Report on Form 10-K for the year ended December 31, 2014, for filing with the SEC.

Independent Auditors For 2015

Our Committee discussed with management and reviewed with the independent auditors their plans and proposed fees for auditing the 2015 consolidated financial statements and internal controls over financial reporting of Dominion and its subsidiaries, as well as their proposed audit-related services and fees. Based on our discussions and review of the proposed fee schedule, we have retained Deloitte & Touche LLP, a registered public accounting firm that is independent of us, as Dominion s independent auditors for 2015 and in accordance with our pre-approval policy, approved the fees for the services presented to us. Permission for any non-audit related services will require prior approval by our Committee or its chairman.

Robert H. Spilman, Jr., *Chairman*

William P. Barr

James O. Ellis, Jr.

Pamela J. Royal

Table of Contents

Auditors

Fees And Pre-approval Policy

The Audit Committee has a pre-approval policy for Deloitte & Touche LLP s services and fees. Each year, the Audit Committee pre-approves a schedule that details the services to be provided for the following year and an estimated charge for such services. The Audit Committee approved the schedule of services and fees for 2015. In accordance with Dominion s pre-approval policy, any changes to the schedule may be approved by the Audit Committee at its next meeting.

The following table presents fees paid to Deloitte & Touche LLP for the fiscal years ended December 31, 2014, and 2013, all of which were pre-approved by the Audit Committee.

Type of Fees (millions)	2014	2013
Audit fees	$ 6.93	$ 7.20
Audit-related fees	0.55	0.43
Tax fees		.01
All other fees	0.02	
Total	$ 7.50	$ 7.64

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

Audit-Related Fees. Audit-Related Fees consist of assurance and related services that are reasonably related to the performance of the audit or review of Dominion s consolidated financial statements or internal control over financial reporting. This category may include fees related to the performance of audits and attest services not required by statute or regulations, including audits in connection with acquisitions and divestitures, audits of our employee benefit plans, due diligence related to mergers, acquisitions and investments, and accounting consultations about the application of GAAP to proposed transactions.

Tax Fees. These amounts are for tax compliance services, tax consulting services and related costs.

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

Other Information About The Auditors

Representatives of Deloitte & Touche LLP will be present at the 2015 Annual Meeting. They will have an opportunity to make a statement if they desire, and will be available to respond to shareholder questions.

Table of Contents

Item 2 Ratification of Appointment of Auditors

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent external audit firm retained to audit the company s financial statements. The Audit Committee has appointed Deloitte & Touche LLP as the company s independent external auditor for the fiscal year 2015. Deloitte & Touche LLP has served as Dominion s independent external auditor continuously since 1988. The Audit Committee is responsible for the audit fee negotiations associated with the retention of Deloitte & Touche LLP. In order to ensure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of the independent external audit firm. Further, in conjunction with the mandated rotation of the auditing firm s lead engagement partner, the Audit Committee and its chairperson will continue to be directly involved in the selection of Deloitte & Touche LLP s new lead engagement partner. The members of the Audit Committee and the Board believe that the continued retention of Deloitte & Touche LLP to serve as the company s independent external auditor is in the best interests of Dominion and its shareholders.

Your Board of Directors recommends that you vote

FOR ratification of the Audit Committee s action.

Table of Contents

Compensation, Governance and Nominating Committee Report

In preparation for filing this Proxy Statement, the CGN Committee reviewed and discussed the following Compensation Discussion and Analysis (CD&A) with management. Based on this review and discussion, we recommended to the Board of Directors that the CD&A be included in this Proxy Statement and incorporated by reference into Dominion s Annual Report on Form 10-K for the year ended December 31, 2014. This report was prepared by the following independent directors who compose the CGN Committee:

David A. Wollard, *Chairman*

William P. Barr

John W. Harris

Mark J. Kington

Robert H. Spilman, Jr.

Compensation Discussion and Analysis

This CD&A explains the objectives and principles of Dominion s executive compensation program, its elements and how performance is measured, evaluated and rewarded. It also describes our compensation decision-making process. Dominion s executive compensation program is designed to pay for performance and plays an important role in the company s success by linking a significant amount of compensation to the achievement of performance goals.

Our program and processes generally apply to all of Dominion s officers, but this discussion and analysis focuses primarily on compensation for our NEOs. Dominion s NEOs are:

Thomas F. Farrell II, Chairman, President and Chief Executive Officer (CEO)
Mark F. McGettrick, Executive Vice President and Chief Financial Officer (CFO)
David A. Christian, Executive Vice President and Chief Executive Officer Dominion Generation Group
Paul D. Koonce, Executive Vice President and Chief Executive Officer Energy Infrastructure Group
David A. Heacock, President and Chief Nuclear Officer (CNO), Dominion Nuclear

Table of Contents

EXECUTIVE SUMMARY

2014 Business Highlights

In 2014, Dominion capitalized on its experience and strategically located assets to maximize today s business opportunities and meet tomorrow s energy needs. We formed a joint venture to build the Atlantic Coast Pipeline, a proposed 550-mile natural gas pipeline that will support growing demand for natural gas-fired generation and gas utility service in Virginia and North Carolina. Our plan to export liquefied natural gas from our Cove Point facility received regulatory approval, facilitating the initial public offering of Dominion Midstream. We also acquired new solar projects in 2014 that are expected to increase our solar generating capacity more than eight-fold by the end of 2015.

These and other projects made 2014 a transformational year for Dominion. By executing on our business plan, we delivered value to shareholders with our continued focus on earnings growth through regulated and long-term contracted businesses. Our new investments in energy infrastructure and the creation of Dominion Midstream have positioned Dominion for continued growth opportunities to meet the needs of the U.S. economy.

We were named *Electric Light & Power* magazine s 2014 Utility of the Year, an award that reflects our standing as an industry leader and our commitment to our core values of safety, ethics, excellence and One Dominion, our term for teamwork. In February 2015, we were honored to be ranked first on *Fortune* magazine s World s Most Admired Companies list in the electric and gas utility category. Dominion also ranked first in our industry for people management, use of corporate assets, quality of management, financial soundness and long-term investment value in the *Fortune* magazine survey.

FINANCIAL RESULTS

As shown in the chart below, Dominion s three-year TSR of 62.08% outperformed the Compensation Peer Group median and the Philadelphia Stock Exchange Utility Index.

The Board increased the annual dividend rate by about 7% from $2.25 per share for 2013 to $2.40 per share for 2014.

Dominion s market capitalization was $44.9 billion as of December 31, 2014, which ranked third relative to our Compensation Peer Group.

Consolidated operating earnings for 2014 were $3.43 per share*, up from $3.25 per share* in 2013, and within our guidance range of $3.35 to $3.65 per share. Consolidated earnings reported under GAAP were $2.24 per share in 2014, down from $2.93 per share in 2013.

* *See* ***Reconciliation of 2013 and 2014 Consolidated Operating Earnings to Reported Earnings*** in Appendix B.

Table of Contents

Operational Excellence

We continued to demonstrate our commitment to safety, our first core value. For the second year in a row, we achieved companywide all-time bests for OSHA recordable and lost-time restricted duty rates, reducing the 2013 OSHA recordable rate by 11% to 0.74 and reducing our lost-time/restricted duty rate by 3% to 0.33.

Our core value of excellence was evident in our operational results. The nuclear fleet s net capacity factor topped 93% for the second year in a row, and Dominion Virginia Power s SAIDI of 154.2 minutes, including major storms, was our best performance since 2001. Excluding major storms, Dominion Virginia Power achieved a SAIDI of 112.9 minutes, its second best performance since we began tracking this statistic.

Strategic Initiatives

In September 2014, Dominion announced the formation of a joint venture to build the Atlantic Coast Pipeline, a $4.5 to $5 billion project that is expected to transport approximately 1.5 billion cubic feet of natural gas per day from the Appalachian Basin to North Carolina and Virginia. The proposed pipeline would provide a new route for direct access to additional supplies of natural gas in the region. Subject to regulatory approvals, the pipeline is expected to be in service by late 2018. Dominion owns 45% of the joint venture.

Dominion Midstream completed its initial public offering in October 2014. Dominion Midstream is a master limited partnership created to own, operate and develop natural gas infrastructure assets, and its primary initial asset is a preferred equity interest in Dominion Cove Point LNG, LP which operates our Cove Point liquefied natural gas facility. In October 2014, we commenced construction of the Cove Point liquefaction project, which is anticipated to be in service in late 2017. Dominion Midstream s general partner is a wholly-owned subsidiary of Dominion, and Dominion owns approximately 68.5% of the limited partnership interest in Dominion Midstream.

In December 2014, Dominion announced an agreement to acquire Carolina Gas Transmission from SCANA Corporation. The acquisition closed in January 2015, adding nearly 1,500 miles of FERC-regulated interstate pipeline to Dominion s natural gas business.

Dominion began a large-scale program to place the most outage-prone distribution lines underground by investing up to $175 million per year over the next decade, helping to minimize the effects of severe weather on our customers.

New Generation

In 2014, Dominion brought a new 1,342 megawatt natural gas power station online in Warren County, Virginia and broke ground on construction of a 1,358 megawatt natural gas facility in Brunswick County, Virginia.

We significantly expanded our solar assets in 2014 by acquiring new projects in California, Tennessee and Utah. The new projects each have long-term power purchase agreements and are expected to add a combined 261 megawatts of generation capacity. We plan to have up to 625 megawatts of contracted solar generating capacity in service by the end of 2016. In early 2015, Dominion announced that it anticipates constructing 400 megawatts of utility solar by the end of 2020, including a 20 megawatt project near Remington, Virginia. Dominion also completed the installation of more than 8,300 ground-mounted and rooftop solar panels in Virginia through its Solar Partnership Program, allowing the company to evaluate the benefits of distributed solar generation.

* *See* ***Reconciliation of 2013 and 2014 Consolidated Operating Earnings to Reported Earnings*** *in Appendix B.*

Table of Contents

2014 Compensation Highlights

For 2014, Messrs. Farrell and McGettrick each received a 5% base salary increase and Messrs. Christian, Koonce and Heacock received base salary increases of 3%, 8.7% and 10%, respectively.
We disclosed consolidated operating earnings of $3.43 earnings per share* for the year ended December 31, 2014, which included 100% funding for the 2014 AIP.
Payout under the 2013 Performance Grants was 155.0% of target. The payout was based on TSR performance in the 89th percentile versus our performance grant peer group over the two-year period ended December 31, 2014, and an ROIC percentage of 7.49%. Dominion s two-year TSR for the period ended December 31, 2014, was 59.7%.
Messrs. Farrell and McGettrick each earned performance-based strategic incentive awards for the development of a strategic plan for Dominion Midstream and its role in Dominion s long-term financial performance as well as development of an enhanced long-term plan for generation, midstream and pipeline opportunities.
Dominion also rewarded top executives in connection with the company s Atlantic Coast Pipeline project, the implementation of the company s solar energy strategy, and the receipt of all material approvals for the Cove Point liquefaction project, which facilitated Dominion Midstream s initial public offering.

Our performance-driven philosophy is reflected in Mr. Farrell s compensation, which has closely tracked shareholder value over the past three years:

For purposes of this chart, total direct compensation means Mr. Farrell s total compensation (as reported in the final column in the Summary Compensation Table) less the change in pension value and nonqualified deferred compensation earnings column of the Summary Compensation Table, which are driven primarily by changes in actuarial assumptions and over which the CGN Committee has limited control from year to year. The cumulative three-year TSR in the chart represents the change in value (including reinvested dividends) of a $1,000 investment in Dominion common stock made on January 1, 2012.

Compensation Governance

Our compensation governance practices emphasize Dominion s focus on an executive compensation program that pays for performance and aligns management s interests with those of our shareholders, employees and customers. Our compensation governance practices include the following:

* *See* ***Reconciliation of 2014 Consolidated Operating Earnings to Reported Earnings*** in Appendix B.

Table of Contents

- Our CGN Committee is composed solely of independent directors.
- The CGN Committee s independent compensation consultant is retained directly by the Committee to advise it on executive and director compensation and performs no other services for the company. The CGN Committee reviews the independence of its compensation consultant to ensure its work does not present any conflicts of interests.
- Our AIP and long-term incentive program performance grants include a clawback provision to recoup payouts from any employee whose fraudulent or intentional misconduct causes a restatement of a financial statement or affects the company s operations or the employee s duties. See *Recovery of Incentive Compensation* for additional information on our clawback provision.
- Our officers and non-employee directors are subject to share ownership guidelines that require a significant investment in Dominion stock. All NEOs have met their ownership targets. In addition, both officers and non-employee directors are prohibited from engaging in certain transactions related to Dominion stock, including hedging, owning derivative securities, using margin accounts and pledging shares as collateral. See *Share Ownership Guidelines* and *Directors Share Ownership Guidelines* for additional information.
- Our officers do not receive tax gross-ups on the limited perquisites provided to them. Also, tax gross-ups are not provided on imputed income to our non-employee directors.
- Our Employment Continuity Agreements require two triggers for the payment of most benefits both the occurrence of an actual change in control and the officer s involuntary or constructive termination without cause.
- Excise tax gross-up provisions are no longer included in the Employment Continuity Agreement for any new officer elected after February 1, 2013.

Objectives Of Dominion s Executive Compensation Program And The Compensation Decision-making Process

Our Objectives

Dominion s executive compensation philosophy is to provide a competitive total compensation program tied to performance and aligned with the interests of our shareholders, employees and customers.

The major objectives of our compensation program are to:

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

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

Dominion s 2014 performance indicates that the design of our compensation program continues to meet these objectives. Our NEOs have service with Dominion ranging from 16 to 38 years. We have attracted, motivated and maintained a superior leadership team with skills, industry knowledge and institutional experience that strengthen their ability to act as sound stewards of shareholder dollars.

Our shareholders voted on an advisory basis on our executive compensation program (also known as Say on Pay) and approved it with a 97% vote at the 2014 Annual Meeting of Shareholders, which followed an approval by a 96% vote in 2013. The CGN Committee considered the very strong shareholder endorsement of our executive compensation program in continuing the pay-for-performance program that is currently in place without any specific changes based on the vote. Unless the Board modifies its policy on the frequency of future Say on Pay advisory votes, shareholders will have an opportunity annually to cast an advisory vote to approve our executive compensation program. We will ask shareholders, on an advisory basis, to vote on the frequency of the Say on Pay vote at least once every six years, with the next advisory vote on frequency to be held no later than the 2017 Annual Meeting of Shareholders.

Table of Contents

Our Process for Setting Compensation

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

The Role Of The Independent Compensation Consultant

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

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

In 2014, the CGN Committee reviewed and assessed the independence of Cook & Co. and concluded that Cook & Co. s work did not raise any conflicts of interest. Cook & Co. did not provide any additional services to Dominion during 2014.

Management s Role In Our Process

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

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

The Compensation Peer Group

The CGN Committee uses two peer groups for executive compensation purposes. The Compensation Peer Group is used to assess the competitiveness of the compensation of our NEOs. A separate Performance Grant Peer Group is used to evaluate the relative performance of the company for purposes of our long-term incentive program. (See *2014 Performance Grants* and *Performance Grant Peer Group* for additional information.)

In the fall of each year, the CGN Committee reviews and approves the Compensation Peer Group. In selecting the Compensation Peer Group, we identify companies in our industry that compete for customers, executive talent and investment capital. We screen this group based on size and usually eliminate companies that are much smaller or larger than Dominion in revenues, assets or market capitalization. We also consider the geographic locations and the regulatory environment in which potential peer companies operate.

Table of Contents

Dominion s Compensation Peer Group is generally consistent from year to year, with merger and acquisition activity being the primary reason for changes. No changes were made to the Compensation Peer Group for 2014. Dominion s Compensation Peer Group for 2014 was comprised of the following companies:

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

The CGN Committee and management use the Compensation Peer Group to: (i) compare Dominion s stock and financial performance against these peers using a number of different metrics and time periods to evaluate how we are performing as compared to our peers; (ii) analyze compensation practices within our industry; (iii) evaluate peer company practices and determine peer median and 75th percentile ranges for base pay, annual incentive pay, long-term incentive pay and total direct compensation, both generally and for specific positions; and (iv) compare our benefits and perquisites. In setting the levels for base pay, annual incentive pay, long-term incentive pay and total direct compensation, the CGN Committee also takes into consideration Dominion s size compared with the median of the Compensation Peer Group and the complexity of its business. As of year-end 2014, Dominion ranked third in market capitalization, sixth in assets and eighth in revenues as compared to the Compensation Peer Group.

Survey And Other Data

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

Compensation Design And Risk

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

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

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

Table of Contents

Based on management s review, the CGN Committee believes the company s well-balanced mix of salary and short-term and long-term incentives, as well as the performance metrics that are included in the incentive programs, are appropriate and consistent with the company s risk management practices and overall strategies.

Other Tools

The CGN Committee uses a number of tools in its annual review of the compensation of the CEO and other NEOs, including charts illustrating the total range of payouts for performance-based compensation elements under a number of different scenarios; spreadsheets showing the cumulative dollar impact on total direct compensation that could result from implementing compensation proposals; graphs demonstrating the proportion of pay at risk for the CEO, the other NEOs and officers generally; and other information the CGN Committee may request in its discretion. Management s internal compensation specialists provide the CGN Committee with detailed comparisons of the design and features of Dominion s long-term incentive and other executive benefit programs with available information regarding similar programs at the companies in the Compensation Peer Group. These tools are used as part of the overall process to ensure that our compensation program results in appropriate pay relationships as compared to our peer companies and internally among the NEOs, and that an appropriate balance of at-risk, performance-based compensation is maintained to support the program s core objectives. No material adjustments were made to any NEO s compensation as a result of using these tools.

Elements of Dominion s Compensation Program

Our executive compensation program consists of four basic elements:

Pay Element	Primary Objectives	Key Features & Behavioral Focus
Base Salary	Provide competitive level of fixed cash compensation for performing day-to-day responsibilities Attract and retain talent	Generally targeted at or slightly above peer median, with individual and companywide considerations Rewards individual performance and level of experience
Annual Incentive Plan	Provide competitive level of at-risk cash compensation for achievement of short-term financial and operational goals Align short-term compensation with our annual budget, earnings goals, business plans and core values	Cash payments reward achievement of Dominion s annual financial goals as well as business unit and individual operating and stewardship goals selected to support longer-term strategies Payouts for NEOs are based on achievement of the consolidated operating earnings goal; the CGN Committee may exercise negative discretion, taking into account accomplishment of discretionary goals such as business unit financial and operating and stewardship goals
Long-Term Incentive Program	Provide competitive level of at-risk compensation for achievement of long-term performance goals Create long-term shareholder value Retain talent and support the succession planning process	A 50/50 combination of performance-based cash and restricted stock awards Encourages and rewards officers for making decisions and investments that create long-term shareholder value as reflected in superior relative total shareholder returns, as well as achieving desired returns on invested capital
Employee and Executive		

Benefits	Provide competitive retirement and other benefit programs that attract and retain highly qualified individuals Provide competitive terms to encourage officers to remain with Dominion during any potential change in control to ensure an orderly transition of management	Includes companywide benefit programs, executive retirement plans, limited perquisites, and change in control and other agreements, supplemented with non-compete provisions in the non-qualified retirement plans Encourages officers to remain with Dominion long-term and to act in the best interests of shareholders, even during any potential change in control

Table of Contents

Factors in Setting Compensation

As part of the process of setting compensation targets, approving payouts and designing future programs, the CGN Committee evaluates the company s overall performance versus its business plans and strategies, its short-term and long-term goals and the performance of its peer companies. In addition to considering Dominion s overall performance for the year, the CGN Committee takes into consideration several individual factors for each NEO that are not given any specific weighting in setting each element of compensation, including:

- An officer s experience and job performance;
- The scope, complexity and significance of responsibility for a position, including any differences from peer company positions;
- Internal pay equity considerations, such as the relative importance of a particular position or individual officer to Dominion s strategy and success, and comparability to other officer positions at Dominion;
- Retention and market competitive concerns; and
- The officer s role in any succession plan for other key positions.

The CGN Committee evaluates each NEO s base salary, total cash compensation (base salary plus target AIP award) and total direct compensation (base salary plus target AIP award plus target long-term incentive award) against data from our Compensation Peer Group to ensure the compensation levels are appropriately competitive. It does not, however, target these compensation levels at a particular percentile or range of the peer group data. As part of its analysis, the CGN Committee also takes into account Dominion s size, including market capitalization and price-to-earnings ratio, and complexity compared to the companies in our Compensation Peer Group, as well as the tenure of the NEO as compared to executives in a similar position in a Compensation Peer Group company.

CEO Compensation Relative to Other NEOs

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

We consider CEO compensation trends as compared to the next highest-paid officer, as well as to our executive officers as a group, over a multi-year period to monitor the ratio of Mr. Farrell s pay relative to the pay of other executive officers based on (i) salary only and (ii) total direct compensation. We also compare the individual compensation components for Mr. Farrell to that of our peers, in addition to the other factors listed above, for CGN Committee consideration of year-to-year trends and comparisons with our peers. The CGN Committee did not make any adjustments to the compensation of any NEOs based on this review for 2014.

Allocation of Total Direct Compensation in 2014

Consistent with our objective to reward strong performance based on the achievement of short-term and long-term goals, a significant portion of total cash and total direct compensation is at risk. Approximately 91% of Mr. Farrell s targeted 2014 total direct compensation is performance-based, tied to pre-approved performance metrics, including relative TSR and ROIC, or tied to the performance of our stock. For the other NEOs, performance-based and stock-based compensation ranges from 68% to 85% of targeted 2014 total direct compensation. This compares to an average of approximately 56% of targeted compensation at risk for most of our officers at the vice president level and an average of approximately 12% of total pay at risk for our non-officer employees.

Table of Contents

The charts below illustrate the elements of targeted total direct compensation opportunities in 2014 for Mr. Farrell and the average of the other NEOs as a group and the allocation of such compensation among base salary, targeted 2014 AIP award and targeted 2014 long-term incentive compensation.

In addition to base salary, AIP and awards under our annual long-term incentive program, two of our NEOs received cash-based Strategic Initiative Performance Awards and four of our NEOs received special restricted stock awards to recognize their role in accomplishing major strategic objectives in 2014, as detailed below in *Other 2014 Grants*. In the analysis above, the Strategic Initiative Performance Grant awarded to Messrs. Farrell and McGettrick in January 2014 is included as an annual incentive and the Special Restricted Stock Awards granted in October 2014 are included as long-term incentives.

Base Salary

Base salary compensates our officers, along with the rest of our workforce, for committing significant time to working on Dominion s behalf. Base salary may be adjusted to keep salaries competitive with the Compensation Peer Group and to reflect changes in responsibility. Base salary adjustments are also a motivational tool to acknowledge and reward excellent individual performance, special skills, experience, the strategic impact of a position relative to other Dominion executives and other relevant considerations.

Our primary goal is to compensate our officers at a level that best achieves our objectives and reflects the considerations discussed above. We believe that an overall goal of targeting base salary at or slightly above the Compensation Peer Group median is a conservative but appropriate target for base pay. However, an individual s compensation may be below or above our target range based on a number of factors such as performance, tenure and other factors explained above in *Factors in Setting Compensation*. In addition to being ranked above the Compensation Peer Group median in 2014 in terms of market capitalization, the scope of Dominion s business operations is complex and unique in its industry. Successfully managing such a broad and complex business requires a skilled and experienced management team. We believe we would not be able to successfully recruit and retain such a team if the base pay for officers was generally below the Compensation Peer Group median.

The CGN Committee approved base salary increases for most officers, including a 5.0% base salary increase for Messrs. Farrell and McGettrick and a 3.0% increase for Mr. Christian, in recognition of the company s overall growth and excellent performance. In recognition of the rapid growth of the businesses he oversees and for reasons of internal equity, the CGN Committee provided an 8.7% increase for Mr. Koonce. The CGN Committee also approved a 10.0% increase for Mr. Heacock in light of the acutely competitive market for talent in the nuclear energy industry. The base salary increases were each effective March 1, 2014.

Annual Incentive Plan

Overview

The AIP plays an important role in meeting Dominion s overall objective of rewarding strong performance. The AIP is a cash-based program focused on short-term goal accomplishments and is designed to:

Tie interests of shareholders, customers and employees closely together;

Table of Contents

- Focus our workforce on company, operating group, team and individual goals that ultimately influence operational and financial results;
- Reward corporate and operating unit earnings performance;
- Reward safety, diversity and other operating and stewardship goal successes;
- Emphasize teamwork by focusing on common goals;
- Appropriately balance risk and reward; and
- Provide a competitive total compensation opportunity.

TARGET AWARDS

An NEO s compensation opportunity under the AIP is determined as a percentage of a participant s base salary. The target award is the amount of cash that will be paid if the plan is funded at 100% for the year and a participant achieves a score of 100% for the payout goals. Participants who retire during the plan year are eligible to receive a prorated payment of their AIP award after the end of the plan year based on final funding and goal achievement. Participants who voluntarily terminate employment during the plan year and who are not eligible to retire (before attainment of age 55 and three years of service) forfeit their AIP award.

AIP target award levels are established based on a number of factors, including historical practice, individual and company performance, and internal pay equity considerations, and are compared against Compensation Peer Group data to ensure the appropriate competitiveness of an NEO s total cash compensation opportunity. However, as discussed above, AIP target awards are not targeted at a specific percentile or range of the peer group data, nor were market survey data used in setting AIP target award levels for 2014. AIP target award levels are also consistent with our intent to have a significant portion of NEO compensation at risk. There were no changes to the AIP targets from 2013 as a percentage of salary for any NEO for 2014.

Name	2014 AIP Target Award*
Thomas F. Farrell II	125%
Mark F. McGettrick	100%
David A. Christian	90%
Paul D. Koonce	90%
David A. Heacock	70%

*As a % of base salary

2014 AIP FUNDING

For the NEOs, funding of the 2014 AIP was based solely on consolidated operating earnings per share, with potential funding ranging from 0% to 200% of the target funding. Consolidated operating earnings are our reported earnings determined in accordance with GAAP, adjusted for certain items. We believe that by placing a focus on pre-established consolidated operating earnings per share targets, we encourage behavior and performance that will help achieve these objectives.

For the 2014 AIP, the CGN Committee established a full funding target at 100% for the NEOs of operating earnings per share between $3.15 and $3.45, inclusive of funding for all plan participants. The maximum funding target of 200% was set at $3.65 operating earnings per share, with no funding if operating earnings were less than $3.10 per share (threshold), and with the CGN Committee retaining negative discretion to determine the final funding level for the NEOs. Full funding means that the AIP is 100% funded and participants may receive their full targeted AIP payout if they achieve a score of 100% for their particular goal package, as described below in *How We Determine AIP Payouts*. At the maximum plan funding level of 200%, the NEOs may earn up to two times their targeted AIP payout, subject to achievement of their individual goal packages.

Dominion s consolidated operating earnings for the year ended December 31, 2014 were $2.00 billion or $3.43 per share*, which met the target goal for 100% funding. Consolidated reported earnings in accordance with GAAP for the year ended December 31, 2014, were $1.31 billion or $2.24 per share.

* *See* ***Reconciliation of 2014 Consolidated Operating Earnings to Reported Earnings*** in Appendix B.

Table of Contents

How We Determine AIP Payouts

For the NEOs, payout of funded AIP awards is contingent solely on the achievement of the consolidated operating financial funding goal, which was fully achieved for the 2014 AIP. The CGN Committee retains negative discretion to lower the earned payout as it deems appropriate, taking into consideration the accomplishment of the discretionary consolidated financial, business unit financial and operating and stewardship goals, including safety and diversity goals, and any other relevant factors.

The percentage allocated to each category of discretionary goals represents the percentage of the funded award subject to the performance of that goal, provided that the CGN Committee retains ultimate authority to reduce payouts for any reason. Business unit financial goals provide a line-of-sight performance target for officers within a business unit and, on a combined basis, support the consolidated operating earnings target for Dominion. Operating and stewardship goals provide line-of-sight performance targets that may not be financial and that can be customized for each individual or by segments of each business unit. Operating and stewardship goals promote our core values of safety, ethics, excellence and teamwork, which in turn contribute to our financial success.

The discretionary payout goals adopted for each of the NEOs are described under *2014 AIP Payouts.* The overall score for an NEO s discretionary goals cannot exceed 100%. Discretionary officer goals are weighted according to their responsibilities, as shown in the table below.

	Consolidated Financial Goal	Business Unit Financial Goals	Operating and Stewardship (O&S) Goals Safety	Diversity	Other O&S Goals
Thomas F. Farrell II	90%		5%	5%	
Mark F. McGettrick	90%		5%	5%	
David A. Christian	45%	45%	5%	5%	
Paul D. Koonce	45%	45%	5%	5%	
David A. Heacock	20%	45%	5%	5%	25%

2014 AIP Payouts

The formula for calculating an award is:

Dominion s operating earnings per share for the year ended December 31, 2014, was $3.43, which met the target AIP payout goal for NEOs of achievement of consolidated operating earnings between $3.15 and $3.45 per share.* The CGN Committee approved a payout score of 100% for Messrs. Farrell and McGettrick and exercised negative discretion to reduce the payout scores for Messrs. Christian, Koonce and Heacock to 99.25%, 99.38% and 95% respectively, due to missed discretionary goals, which are discussed below.

Each of the business units met its 2014 financial goal, as shown in the table below:

Business Unit	Goal Threshold (Net Income)	Goal 100% Payout (Net Income)	Actual 2014 Net Income

(Million/$)			
Dominion Virginia Power	$ 387	$ 484	$ 502
Dominion Generation	829	1,036	1,101
Dominion Energy	468	585	678

* *See* ***Reconciliation of 2014 Consolidated Operating Earnings to Reported Earnings*** in Appendix B.

40

Table of Contents

Although Messrs. Christian, Koonce and Heacock did not fully achieve their safety goals, we set new companywide safety records in 2014, reporting all-time best OSHA recordable and lost-time restricted duty rates of 0.74 and 0.33, respectively. With respect to Messrs. Farrell and McGettrick, the Dominion Resources Services business unit met its safety goal of fewer than four OSHA recordable incidents or fewer than 20 failures in individual performance, reporting only 11 failures in individual performance. Mr. Christian is part of the Dominion Generation business unit, which met its target safety goal in three out of the four generation segments by achieving a recordable incidence rate of less than 1.20 for the business development segment, having no recordable incidences in the financial management segment and achieving fewer than 12 recordable incidents in the power generation fleet. Mr. Christian is also part of the nuclear segment, which missed its goal of fewer than 13 recordable incidents. Mr. Koonce is part of the Dominion Virginia Power and Dominion Energy business units, each of which had safety goals measured by OSHA incidence rates and lost time/restricted duty rates. The Dominion Virginia Power business unit met its target OSHA incidence rate of 1.20 but did not meet its target lost time/restricted duty rate of 0.25, while the Dominion Energy business unit met its target lost time/restricted duty rate of 0.55 but did not achieve the OSHA incidence rate of 1.26. Mr. Heacock is part of the nuclear segment, which missed its safety goal as noted above.

Each of the NEOs met his discretionary diversity goal relating to one or more of the following areas: talent review, internship program improvements, and workforce training. In addition to safety and diversity goals, Mr. Heacock had discretionary operating and stewardship goals in the following four categories: nuclear safety (based on fleet wide total number of station event-free day clock resets); total online radiation exposure for the fleet; fleet capacity factor percentage; and environmental compliance (based on the number of environmental performance points assessed at the nuclear stations). Mr. Heacock missed his fleet-wide environmental compliance goal but met all other additional goals.

Amounts earned under the 2014 AIP for each NEO are shown below and are reflected in the *Non-Equity Incentive Plan Compensation* column of the *Summary Compensation Table*.

Name	Base Salary		Target Award*		Funding %		Total Payout Score %		2014 AIP Payout
Thomas F. Farrell II	$ 1,423,038	X	125%	X	100%	X	100%	=	$ 1,778,797
Mark F. McGettrick	753,929	X	100%	X	100%	X	100%	=	753,929
David A. Christian	644,223	X	90%	X	100%	X	99.25%	=	575,452
Paul D. Koonce	644,223	X	90%	X	100%	X	99.38%	=	576,206
David A. Heacock	500,211	X	70%	X	100%	X	95.00%	=	332,640

* As a % of base salary.

For Messrs. Christian, Koonce, and Heacock, payout scores were calculated as follows:

Name	Consolidated Financial Goal Accomplishment		Goal Weighting		Business Unit Financial Goal Accomplishment		Goal Weighting		Operating/ Stewardship Goal Accomplishment		Goal Weighting		Total Payout Score
David A. Christian	100%	X	45%	+	100%	X	45%	+	92.5%	X	10%	=	99.25%
Paul D. Koonce	100%	X	45%	+	100%	X	45%	+	93.8%	X	10%	=	99.38%
David A. Heacock	100%	X	20%	+	100%	X	45%	+	85.7%	X	35%	=	95.00%

Long-Term Incentive Program

Overview

Our long-term incentive program is designed to focus on Dominion s longer-term strategic goals and the retention of our executives. Each long-term incentive award consists of two components: 50% of the award is a full value equity award in the form of restricted stock with time-based vesting and the other 50% is a performance-based cash award. We believe restricted stock serves as a strong retention tool and also creates a focus on Dominion s stock price to further align the interests of officers with the interests of our shareholders and customers. Our performance-based award encourages and rewards officers for making decisions and investments that create and maintain long-term shareholder value and benefit our customers. For those officers who have made substantial progress toward their share ownership guideline, the performance-based award is in the form of a cash performance grant. Officers who have not achieved 50% of their targeted share ownership guideline receive goal-based stock performance grants instead of a cash performance grant. Dividend equivalents are not paid on any performance-based grants. Because officers are expected to retain ownership of shares upon vesting of restricted stock awards, as explained in *Share Ownership Guidelines,* the long-term cash performance grant balances the program and allows a portion of the long-term incentive award to be accessible to our NEOs during the course of their employment. As all of our NEOs have met their full targeted share ownership guidelines, all of our NEOs received the performance-based component of their 2014 long-term incentive award in the form of a cash performance grant.

The CGN Committee approves long-term incentive awards in January each year with a grant date in early February. This process ensures incentive-based awards are made at the beginning of the performance period and shortly after the public disclosure of Dominion s earnings for the prior year. Like the AIP target award levels discussed above, long-term incentive target award levels for the NEOs are established based on a number of factors, including historical practice, individual and company performance, and internal pay equity considerations, and are compared against Compensation Peer Group data to ensure the appropriate competitiveness of an NEO s total direct compensation opportunity. However, as discussed above, long-term incentive target award levels were not targeted at a specific percentile or range of the Compensation Peer Group data, and neither were market survey data factors in setting long-term incentive target award levels for 2014.

In light of the highly competitive market for talent in the nuclear energy industry, the CGN Committee approved a $100,000 increase in the long-term incentive target for Mr. Heacock. There were no changes to the long-term incentive targets for any of the other NEOs.

The CGN Committee approved the following target long-term incentive awards for the NEOs for 2014:

Name	2014 Performance Grant	2014 Restricted Stock Grant	2014 Total Target Long-Term Incentive Award	2013 Total Target Long-Term Incentive Award
Thomas F. Farrell II	$ 4,200,000	$ 4,200,000	$ 8,400,000	$ 8,400,000
Mark F. McGettrick	1,168,750	1,168,750	2,337,500	2,337,500
David A. Christian	728,750	728,750	1,457,500	1,457,500
Paul D. Koonce	728,750	728,750	1,457,500	1,457,500
David A. Heacock	350,000	350,000	700,000	600,000

Information regarding the fair value of the 2014 restricted stock grants and target cash performance grants for the NEOs is provided in the *Grants of Plan-Based Awards* table.

2014 Restricted Stock Grants

All NEOs received a restricted stock grant on February 1, 2014, based on the stated dollar value above. The number of shares awarded was determined by dividing the stated dollar value by the closing price of Dominion s common stock on January 31, 2014. The grants have a three-year vesting term, with cliff vesting at the end of the restricted period on February 1, 2017. Dividends are paid to officers during the restricted period. The grant date fair value and vesting terms of the 2014 restricted stock grant awards made to the NEOs are disclosed in the *Grants of Plan-Based Awards* table and related footnotes.

2014 Performance Grants

In January 2014, the CGN Committee approved cash performance grants for the NEOs, effective February 1, 2014 (2014 Performance Grants). The performance period commenced on January 1, 2014, and will end on December 31, 2015. The 2014 Performance Grants are denominated as a target award, with potential payouts ranging from 0% to 200% of the target based on Dominion s TSR relative to the Philadelphia Stock Exchange Utility Index and ROIC, weighted equally. (See *Performance Grant Peer Group* for additional information on the Philadelphia Stock Exchange Utility Index.)

42

Table of Contents

The TSR metric was selected to focus our officers on long-term shareholder value when developing and implementing strategic plans and reward management based on the achievement of TSR levels as measured relative to the Performance Grant Peer Group. The ROIC metric was selected to reward officers for the achievement of expected levels of return on the company s investments. We believe an ROIC measure encourages management to choose the right investments, and with those investments, to achieve the highest returns possible through prudent decisions, management and cost control. The target awards and vesting terms of the 2014 Performance Grants made to the NEOs are disclosed in the *Grants of Plan-Based Awards* table and related footnotes.

Performance Grant Peer Group

TSR performance for the 2014 Performance Grant is measured against the TSR of the companies listed as members of the Philadelphia Stock Exchange Utility Index at the end of the performance period (the Performance Grant Peer Group). In selecting the Philadelphia Stock Exchange Utility Index, the CGN Committee took into consideration that the companies represented in the Philadelphia Stock Exchange Utility Index are similar to those companies currently included in Dominion s Compensation Peer Group, and the index is a recognized published index whose members are determined externally and independently from the company. The companies in the Philadelphia Stock Exchange Utility Index as of the grant date of the 2014 Performance Grants were as follows:

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

Payout Under 2013 Performance Grants

In February 2015, final payouts were made to officers who received cash performance grants in February 2013 (2013 Performance Grants), including the NEOs. The 2013 Performance Grants were based on two goals: TSR for the two-year period ended December 31, 2014, relative to the companies in the Philadelphia Stock Exchange Utility Index as of the end of the performance period (weighted 50%) and ROIC for the same two-year period (weighted 50%).

Relative TSR (50% weighting). TSR is the difference between the value of a share of common stock at the beginning and end of the two-year performance period, plus dividends paid as if reinvested in stock. For this metric, Dominion s TSR is compared to TSR levels of the companies in the Philadelphia Stock Exchange Utility Index as of the end of the same two-year period. The relative TSR targets and corresponding payout scores for the 2013 Performance Grant were as follows:

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

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

Table of Contents

Actual relative TSR performance for the 2013-2014 period was in the 89th percentile, which produced a goal achievement percentage of 200.0%. Dominion s TSR for the two-year period ended December 31, 2014, was 59.7%.

ROIC (50% weighting). ROIC reflects the company s total return divided by average invested capital for the performance period. The ROIC goal at target is consistent with the strategic plan/annual business plan as approved by the Board. For this purpose, total return is the company s consolidated operating earnings plus its after-tax interest and related charges, plus preferred dividends. We designed our 2013 ROIC goals to provide 100% payout if the company achieved an ROIC between 7.15% and 7.40% over the two-year performance period. The ROIC performance targets and corresponding payout scores for the 2013 Performance Grant were as follows:

ROIC Performance	Goal Achievement Percentage*
7.89% and above	200%
7.64%	125%
7.15% 7.40%	100%
7.07%	50%
Below 7.07%	0%

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

Actual ROIC performance for the 2013-2014 period was 7.49%, which produced a goal achievement percentage of 110.0%.

Based on the achievement of the TSR and ROIC performance goals, the CGN Committee approved a 155.0% payout for the 2013 Performance Grants, determined as follows:

Measure	Goal Weight%		Goal Achievement%		Payout%
Relative TSR	50%	X	200.0%	=	100.0%
ROIC	50%	X	110.0%	=	55.0%
			Combined Overall Performance Score		155.0%

The resulting payout amounts for the NEOs for the 2013 Performance Grants are shown below and are also reflected in the *Non-Equity Incentive Plan Compensation* column of the *Summary Compensation Table*.

Name	2013 Performance Grant Award		Overall Performance Score		Calculated Performance Grant Payout
Thomas F. Farrell II	$ 4,200,000	X	155.0%	=	$ 6,510,000
Mark F. McGettrick	1,168,750	X	155.0%	=	1,811,563
David A. Christian	728,750	X	155.0%	=	1,129,563
Paul D. Koonce	728,750	X	155.0%	=	1,129,563
David A. Heacock	300,000	X	155.0%	=	465,000

Other 2014 Grants

The CGN Committee may consider other types of awards for selected individuals to support important company initiatives in addition to awards under the annual and long-term incentive programs. In 2014, the CGN Committee approved additional awards to certain NEOs as described below. The target amounts and vesting terms of these awards are disclosed in the *Grants of Plan-Based Awards* table and related footnotes, and the values of the awards are reflected in the *Stock Awards* and *Non Equity Incentive Plan Compensation* columns in the *Summary Compensation Table*.

Strategic Initiative Performance Grants

In January 2014, the CGN Committee awarded both Messrs. Farrell and McGettrick a one-time cash performance grant equal in value up to approximately 100% and 75%, respectively, of their 2014 AIP targets (Strategic Initiative Performance Grants). The performance goals for these grants were to develop a strategic plan for Dominion Midstream and its role in the long-term financial performance of Dominion as well as to develop an enhanced long-term plan for generation, midstream and pipeline opportunities during 2014. These awards recognize that long-term planning is central to the company s continued ability to take strategic advantage of opportunities in these areas.

Potential payout of these cash performance grants ranged from 0% to 100% of the grant amount based on the CGN Committee s assessment of progress made on these initiatives during the performance period. The awards would have been forfeited if the NEO s employment had terminated before the end of the performance period for any reason other than a change in control, death or disability. In the event of termination due to death or disability, the awards were subject to prorated vesting, and in the event of termination due to a change in control, the awards would have been paid at 100%. Messrs. Farrell and McGettrick each received 100% payouts of these performance grants, following the CGN Committee s determination that the goals had been satisfied.

Special Restricted Stock Awards

In October 2014, the CGN Committee approved special one-time restricted stock awards for Messrs. Farrell, McGettrick, Christian and Koonce. The awards recognize the critical role of Dominion s leadership in accomplishing three major objectives: the negotiation and announcement of the Atlantic Coast Pipeline project; Dominion s successful implementation of its solar energy strategy; and the receipt of all material approvals for the Cove Point expansion, which permitted Dominion Midstream s initial public offering.

The Atlantic Coast Pipeline project is a $4.5 to $5 billion joint venture, which is expected to deliver natural gas supplies to growing markets in Virginia and North Carolina and would provide a new route for direct access to the Marcellus and Utica shale basins of West Virginia, Pennsylvania and Ohio. New solar acquisitions announced in 2014 are expected to increase Dominion s solar generating capacity more than 800 percent, and Dominion Midstream s initial public offering generated $392.2 million in new capital for Dominion. These special restricted stock awards acknowledge the value created by these important achievements.

The awards for Messrs. Farrell and McGettrick reflect their contributions to the accomplishment of all three of these objectives, while Mr. Koonce s award primarily reflects his contributions to the Atlantic Coast Pipeline and Cove Point projects, and Mr. Christian s award primarily reflects his business unit s contributions to the execution of Dominion s solar energy strategy. As of the grant date, the special restricted stock awards received by Messrs. McGettrick, Christian and Koonce were each valued at 30% of their respective long-term incentive program award targets for 2014. Mr. Farrell s award was valued at $1,500,000 at the grant date, or approximately 18% of his long-term incentive program award target for 2014. The awards are subject to a one-year vesting period. Dividends will be paid during the restricted period.

Employee and Executive Benefits

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

Retirement Plans

We sponsor two types of tax-qualified retirement plans for eligible non-union employees, including our NEOs: a defined benefit pension plan (the Pension Plan) and a defined contribution 401(k) savings plan (the 401(k) Plan). Employees hired before 2008, including the NEOs, are eligible for a pension benefit upon attainment of retirement age based on a formula that takes into account final compensation and years of service. They also receive a cash retirement benefit under which the company contributes 2% of each participant s compensation to a special retirement account that may be paid in a lump sum or added to the annuity benefit upon retirement. The company began funding the special retirement account for eligible employees in January 2001. The formula for the Pension Plan is explained in the narrative following the *Pension Benefits* table. The change in Pension Plan value for 2014 for the NEOs is included in the *Summary Compensation Table*.

Table of Contents

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

We also maintain two nonqualified retirement plans for our executives, the Retirement Benefit Restoration Plan (BRP) and the Executive Supplemental Retirement Plan (ESRP). Unlike the Pension Plan and 401(k) Plan, these plans are unfunded, unsecured obligations of the company. These plans help us compete for executive talent. Due to the Code limits on pension plan benefits and because a more substantial portion of total compensation for our officers is paid as incentive compensation than for other employees, the Pension Plan and 401(k) Plan alone would produce a lower percentage of replacement income in retirement for officers than these plans will provide for other employees. The BRP restores benefits that cannot be paid under the Pension Plan due to Code limits. The ESRP provides a benefit that covers a portion (25%) of final base salary and target annual incentive compensation to partially make up for this gap in retirement income. The Pension Plan, 401(k) Plan, BRP and ESRP do not include long-term incentive compensation in benefit calculations and, therefore, a significant portion of the potential compensation for our officers is excluded from calculation in any retirement plan benefit. As consideration for the benefits earned under the BRP and ESRP, all officers agree to comply with confidentiality and one-year non-competition requirements set forth in the plan documents following their retirement or other termination of employment. The present value of accumulated benefits under these retirement plans is disclosed in the *Pension Benefits* table and the terms of the plans are more fully explained in the narrative following that table. Effective July 1, 2013, the ESRP was closed to any new participants.

In individual situations and primarily for mid-career changes or retention purposes, the CGN Committee has granted certain officers additional years of credited age and service for purposes of calculating benefits under the BRP. Age and service credits granted to the NEOs are described in *Dominion Retirement Benefit Restoration Plan* under *Pension Benefits.* Additional age and service may also be earned under the terms of an officer s Employment Continuity Agreement in the event of a change in control, as described in *Change in Control* under *Potential Payments Upon Termination or Change in Control.* No additional years of age or service credit were granted to the NEOs during 2014.

Other Benefit Programs

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

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

Perquisites

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

Table of Contents

- An allowance of up to $9,500 a year to be used for health club memberships and wellness programs, comprehensive executive physical exams and financial and estate planning. Dominion wants officers to be proactive with preventive healthcare and also wants executives to use professional, independent financial and estate planning consultants to ensure proper tax reporting of company-provided compensation and to help officers optimize their use of Dominion s retirement and other employee benefit programs.
- A vehicle leased by Dominion, up to an established lease-payment limit (if the lease payment exceeds the allowance, the officer pays for the excess amount on the vehicle). The costs of insurance, fuel and maintenance for company-leased vehicles are paid by the company.
- In limited circumstances, use of corporate aircraft for personal travel by executive officers. For security and other reasons, the Board has directed Mr. Farrell to use the corporate aircraft for air travel, including personal travel. Mr. Farrell s family and guests may accompany him on any personal trips. The use of corporate aircraft for personal travel by other executive officers is limited and usually related to (i) travel with the CEO or (ii) personal travel to accommodate business demands on an executive s schedule. With the exception of Mr. Farrell, personal use of corporate aircraft is not available when there is a company need for the aircraft. Use of corporate aircraft saves substantial time and allows us to have better access to our executives for business purposes. During 2014, 95% of the use of Dominion s aircraft was for business purposes.

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

Employment Continuity Agreements

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

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

Other Agreements

Dominion does not have comprehensive employment agreements or severance agreements with its NEOs. Although the CGN Committee believes the compensation and benefit programs described in this CD&A are appropriate, Dominion, as one of the nation s largest producers and transporters of energy, is part of a constantly changing and increasingly competitive environment. In recognition of their valuable knowledge and experience and to secure and retain their services, we have entered into letter agreements with certain of our NEOs to provide certain benefit enhancements or other protections, as described in *Dominion Retirement Benefit Restoration Plan, Dominion Executive Supplemental Retirement Plan* and *Potential Payments Upon Termination or Change in Control*. No new letter agreements were entered into in 2014.

Other Relevant Compensation Practices

Share Ownership Guidelines

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

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

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

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

At least annually, the CGN Committee reviews the share ownership guidelines and monitors compliance by executive officers, both individually and by the officer group as a whole. As of January 1, 2015, each NEO exceeded his share ownership target as shown below:

	Shares Owned and Counted Toward Target[1]	Share Ownership Target[2]
Thomas F. Farrell II	667,847	145,000
Mark F. McGettrick	190,505	35,000
David A. Christian	64,832	35,000
Paul D. Koonce	93,360	35,000
David A. Heacock	29,609	20,000

(1) Amounts in this column do not include shares of unvested restricted stock that are not counted toward ownership targets

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

Recovery of Incentive Compensation

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

Tax Deductibility of Compensation

Section 162(m) of the Code generally disallows a deduction by publicly held corporations for compensation in excess of $1 million paid to the CEO and the next three most highly compensated officers other than the CFO. If certain requirements are met, performance-based compensation qualifies for an exemption from the Code Section 162(m) deduction limit. We generally seek to provide competitive executive compensation while maximizing Dominion s tax deduction. While the CGN Committee considers Code Section 162(m) tax implications when designing annual and long-term incentive compensation programs and approving payouts under such programs, it reserves the right to approve, and in some cases has approved, non-deductible compensation when it feels that corporate objectives justify the cost of being unable to deduct such compensation.

Accounting for Stock-Based Compensation

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

Table of Contents

Executive Compensation

SUMMARY COMPENSATION TABLE AN OVERVIEW

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

The following highlights some of the disclosures contained in this table.

Salary. The amounts in this column are the base salaries earned by the NEOs for the years indicated.

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

Non-Equity Incentive Plan Compensation. This column includes amounts earned under two performance-based programs: the AIP and cash-based performance grant awards under our long-term incentive program. These performance programs are based on performance criteria established by the CGN Committee at the beginning of the performance period, with actual performance scored against the pre-set criteria by the CGN Committee at the end of the performance period. The Strategic Initiative Performance Grants discussed in the CD&A are also included in this column.