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ABOUT US

We are a Fortune 500 company committed to creating value for our stakeholders. We embrace the complex energy challenges of our time and pledge to work for sustainable solutions leading to a cleaner, smarter and more secure energy future.

Message from the Chairman

Energy is a highly complex, technical and vital business – the most capital-intensive sector of the American economy. How government and industry partner to meet society's dual aspirations for economic prosperity and environmental quality is one of the great challenges of our time.

The Challenge of a Sustainable Energy Future

One thing is certain: there is no silver bullet solution or quick fix waiting in the wings when it comes to achieving a secure and sustainable energy future for our nation and our planet. The scale of energy demand is huge – and growing – mirroring the universal desire for a rising standard of living. Along with abundance and affordability, the public increasingly expects energy to be clean and safe for the environment.

Success in addressing our long-term energy and environmental challenges will require unprecedented levels of public and private sector cooperation, leadership and technological

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

innovation – as well as realistic expectations about the time, money and trade-offs it will take to get there.

There is simply no precedent in human history to indicate that we can transition from one type of energy supply system – from hydrocarbons to renewable energy sources in our case – either quickly or inexpensively. A rational assessment – based on physics, engineering and economics – tells us it will take decades and trillions of dollars of investment to move to a low-carbon, green energy-based world.

In the meantime, we should continue to focus on diversifying our energy sources and using everything at our disposal – hydrocarbons, uranium and renewable resources, such as wind and solar power, not to mention smart and cost-effective conservation and energy efficiency programs to reduce consumption. We need this "all hands on deck" approach to ensure that our nation has an affordable, diverse and reliable supply of energy capable of supporting economic growth while also addressing important environmental concerns.

Our Progress

At Dominion, 2013 was notable for the continued progress we made in our economic performance, social responsibility commitments and environmental stewardship initiatives, which we are pleased to share with you in this 2013/2014 edition of our *Citizenship & Sustainability Report*.

Economic Performance

We moved forward with executing our \$14 billion, 5-year business plan by developing infrastructure projects that will provide energy supplies for our customers for decades to come – generating jobs, tax revenues and economic opportunities for local communities along the way. These initiatives are described in more detail in the Infrastructure Modernization

Message from the Chairman

and <u>Economic Development</u> sections of this CSR, as well as in Dominion's <u>2013 Summary Annual Report</u> on our corporate website.

Social Responsibility

We also continued to demonstrate our commitment to improving the quality of community life and giving back through partnerships, volunteer service, targeted social investments and other forms of engagement.

For example, our company, employees and customers partnered to provide more than \$3 million in 2013 to support EnergyShare, our signature fuel assistance program that has been helping needy families pay their energy bills for more than 30 years.

"Our progress in 2013 lays the groundwork for additional accomplishments and future opportunities to create sustainable value for our stakeholders."

Through the Dominion Foundation, our charitable giving arm, we channeled more than \$15 million last year to a variety of health and human services providers, community development groups, environmental organizations and cultural and educational institutions. In addition, employee volunteers donated about 100,000 hours of time in 2013 to a broad range of community initiatives.

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

Environmental Stewardship

Reducing the environmental impacts of our operations and investing in innovative technologies that promise to drive down the costs of clean energy are central to our sustainability efforts.

In 2013, we continued to increase our reliance on natural gas and renewable energy sources, including wind, solar and wood biomass. Together with emissions-free nuclear power and customer conservation programs, we have produced sustained reductions in the carbon intensity of our generating fleet. Dominion ranks in the top third of the nation's 100 largest power producers in minimizing carbon intensity, and we are committed to continued efforts to improve our overall environmental performance.

The <u>Energy Innovation</u> section and various topical areas under Environment provide more thorough discussion of these and other important issues.

Our progress in 2013 lays the groundwork for additional accomplishments and future opportunities to create sustainable value for our stakeholders. I look forward to reporting on them in future editions of this CSR. Until then, I invite you to explore the many dimensions of Dominion in this latest edition. We welcome your comments and questions at sustainability@dom.com.

Thomas F. Farrell II

Chairman, President & Chief Executive Officer

August 2013

About This Report

This is Dominion's seventh annual *Citizenship & Sustainability Report* (CSR), which highlights the company's social, economic and environmental performance in 2013 and some notable activities in the first half of 2014. Our reporting is web-based to reduce environmental impacts and to provide stakeholders with additional information in an interactive format. The publication date of this edition is July 2014. Our previous CSR showcased 2012 results and was published online in October 2013.

Organization and Process

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

Data collection and presentation are based on input received from internal subject matter experts and from external stakeholders via our online mailbox and other communication channels. Our reporting follows the Global Reporting Initiative's <u>G3.1 Guidelines</u> and <u>Electric Utility Sector Supplement</u> as outlined in our <u>GRI Index</u>. We are currently evaluating GRI's G4 guidelines.

We are reporting at a self-declared GRI Application Level "B" based on an internal assessment of our report content.

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

Scope and Guidance

Reporting is structured on a corporate basis and all data is aggregated by means of internal tracking and measurement systems. We have identified about 40 social, economic and environmental performance metrics that we believe are material to our sustainability reporting. These metrics can be found in the 5-Year Performance Table.

We conduct an annual materiality analysis and peer company benchmarking review to inform any modification or redirection of our report content. The 2013/2014 CSR includes new or expanded coverage of <u>cyber security</u> and the company's support for <u>education</u> through its charitable foundation, especially in the areas of environmental awareness and learning.

Feedback and Additional Information

We disclose additional GRI-related information in our submissions to the Carbon Disclosure Project, our Greenhouse

About This Report

Gas Report, and our annual 10-K filing and other company reports, which are available on our <u>Downloads</u> page. Our CSR should be read in conjunction with the <u>2013 Summary Annual Report</u>. We encourage you to explore the many aspects of the Dominion enterprise on our website, and we welcome your comments, questions and suggestions at <u>sustainability@dom.</u> com.

Forward-looking Statements

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



REPORT DOWNLOADS

Our full report, previous editions and other reports are available for download in PDF format.



Dominion [NYSE: D] is one of the nation's largest electric power and natural gas companies, serving 6 million utility and retail energy customers in 10 states. Our company is built on a proud legacy of public service, innovation and community involvement. In addition to our core energy production, transportation and storage businesses, we strive to create sustainable value by investing in the communities where we live and work and by practicing responsible environmental stewardship wherever we operate.

AT A GLANCE

Headquarters: Richmond, Va.

Market capitalization: \$37.6 billion Operating Revenue: \$13.1 billion

Dividends per share: \$2.25

Assets: \$50.1 billion

Taxes paid: \$563 million

Goods & Services: \$4.6 billion

Diverse Supplier Spend: \$393 million

Fortune 500 Rank: 210

Common share outstanding: 581.5 million **Common stock price range:** \$51.92 - \$67.97

Total # of Employees: 14,570

Wages: \$1.6 billion

Total Charitable Giving: \$15.0 million

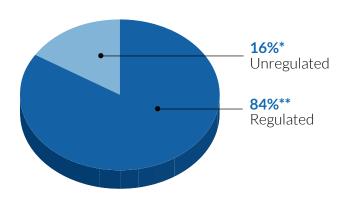
Volunteer service: \$2.2 million (100,000 hours)

Environmental Expenditures: \$246 million

Company Profile

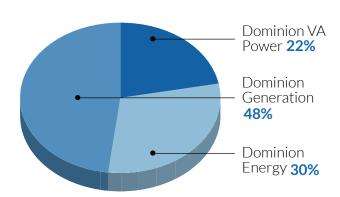
AT A GLANCE

2013 OPERATING EARNINGS MIX



^{*}Excludes Corporate and Other

2013 EARNINGS % BY PRIMARY OPERATING SEGMENT



BY THE NUMBERS

23,600

megawatts of electric generating capacity

63,400

miles of electric transmission and distribution lines

~\$14 billion

in planned infrastructure investments, 2014-2018*

100,000

hours of employee volunteer service

32,800

miles of natural gas transmission, gathering and storage pipeline

947

billion cubic feet of natural gas storage capacity

1,274

megawatts of renewable energy resources, including water, wind, biomass and solar

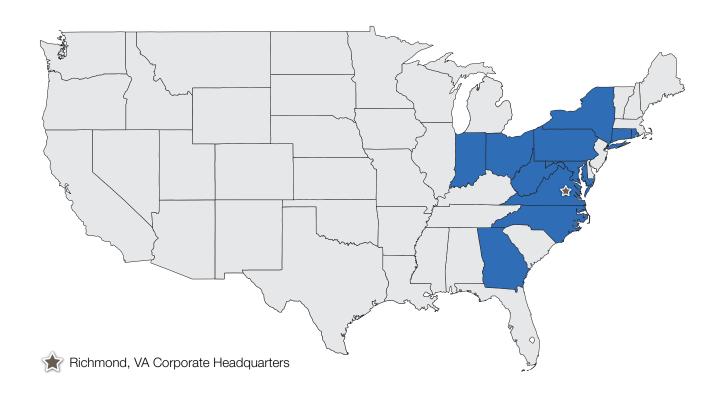
\$1.4 million

in educational grants to K-12 schools and colleges

^{*}Subject to regulatory and/or board of directors approvals

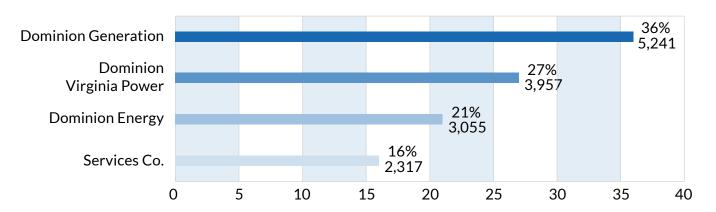
Company Profile

2013 GEOGRAPHIC FOOTPRINT



2013 WORKFORCE BY BUSINESS SEGMENT

TOTAL WORKFORCE = 14,570



^{*}Excludes student workers, contractors and credit union workers

Mission & Values



Our Mission



Our Sustainability Model

OUR VALUES



Safety

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



Ethics

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



Excellence

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



Teamwork

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

Company History

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

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

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



100 Years and Going Strong

Experience <u>Dominion's history</u> through first-hand recollections, photos and artifacts shared by present and past Dominion employees. Enjoy books and videos chronicling our century-long progress.

KEY DATES IN DOMINION'S HISTORY



1811 - 1812

Two early ancestors were the Rappahannock Company and the Roanoke Navigation Company. The former was organized in 1811 to develop canals and water power along the Rappahannock River in Virginia. The latter was established in 1812 to improve navigation on the Roanoke River in eastern North Carolina.



1859

The Richmond Union
Passenger Railway Company
was established as one of
the country's first horseor mule-drawn streetcar
companies, or horse cars,
as they came to be known.
This new mode of urban
transport became more and
more common up until the
close of the 19th century.



1882

Thomas Edison introduced the world to direct current, heralding the new era of electricity and the dawn of home lighting. Working as a consultant to George Westinghouse, Nicola Tesla introduced an alternating current system in 1885. Together, these inventions completed transformed our company and society.



1887 - 1888

The early use of electricity led to another invention – electric trolley cars. Frank Sprague, an assistant of Thomas Edison, installed the nation's first successful large electric street railway system in our home town of Richmond. Va.

Company History

KEY DATES IN DOMINION'S HISTORY



1901

The Virginia Passenger and Power Company was franchised to operate electric railways and power plants.



1909

A key milestone in Dominion's history, the Virginia Railway and Power Company was incorporated to operate railways, supply electric power and distribute manufactured gas to customers. This marked the entry of the company into the business of supplying electricity to residential and business customers.



1925

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



1947

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



1983

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

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



2000

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



2009

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



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



Ranked #2

2013 "World's Most Admired Companies," Electric & Gas Utilities Sector, Fortune magazine

Governance

Number of Directors 12	Percentage of Independent Directors 83%	Lead Independent Director YES Since 2006	Independent Directors Serving on Audit and CGN Committees 100%	Share Ownership Guidelines for Officers and Directors YES
Number of Board Committees	Number of Board Meetings Held in 2013	Annual Self-Evaluations of Board & Committees YES	Shares of Common Stock Outstanding 581.5 million*	Registered Holders of Record of Common Stock 135,374*

*As of December 31, 2013

Board of Directors

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

The <u>Dominion Board of Directors</u> is composed of ten independent directors, plus one non-independent, non-management director and the company's chairman, president and CEO. The board has three committees to help execute its responsibilities:

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

All members of the CGN and Audit committees are independent. As prescribed by our corporate governance guidelines, we also have an independent lead director.

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

EXECUTIVE COMPENSATION PROGRAM OBJECTIVES

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

Governance

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

Executive Compensation

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

These objectives provide the framework for our compensation decisions. To ensure that we are meeting the objectives of our compensation program, the CGN committee reviews and compares the company's actual performance to its short- and long-term goals, strategies and peer company performance.

Best Practices

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

- Majority voting standard in uncontested director elections
- Annual election of directors
- Regular executive session of non-management directors without management present
- Elimination of supermajority voting provisions in our Articles of Incorporation and Bylaws
- Share ownership guidelines for officers and directors
- Shareholders may call a special meeting upon request

Stakeholders may contact our independent directors on dom.com.

Correspondence should be sent to the following address:

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



Ethics

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

2013 Highlights

- Launched a detailed ethics communications and training plan, as well as Conflicts of Interest and International Business Conduct training
- Enhanced Ethics & Compliance reporting metrics to facilitate management oversight
- Joined a newly created peer company consortium for E&C officers to promote best practices

Ethics and Compliance (E&C) Program

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

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

Our internal communications program makes use of video resources, articles on the company's intranet website and various other training resources to communicate with employees on a regular basis about the company's E&C program.

Management Oversight

The Audit Committee of the board of directors oversees our E&C Program. The company's Chief Compliance Officer has appointed other company executives to serve as Compliance Officers, who are standard bearers for the *Code of Ethics and Business Conduct*. With the help of compliance attorneys, they work to ensure that Dominion complies with applicable laws, regulations and company polices and maintains high ethical standards in its business activities.

Ethics

Ethics and Compliance Training

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

All employees and officers receive comprehensive training and communications on the company's *Code of Ethics and Business Conduct*. New hires are also required to receive comprehensive training on the *Code*. Other types of interactive ethics and compliance training sessions are held regularly at different company locations.

Reporting Concerns

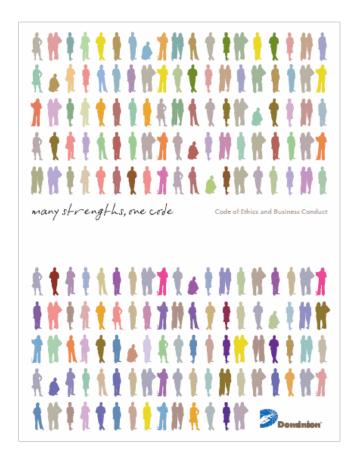
Employees are expected to report any concerns about suspected misconduct or illegal activities. A dedicated, confidential compliance telephone line and internet website allow them to do so anonymously. Employees also may report concerns by contacting the E&C Program staff and other appropriate company personnel.

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

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

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

We categorize reported concerns by type of allegation to facilitate investigation by appropriate company representatives. A compliance attorney oversees all E&C related allegations reported to the E&C Program.



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

Related Link

Code of Ethics and Business Conduct



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

Related Videos

<u>Dominion Cove Point</u> Cove Point Environmental Stewardship

Related Links

Cove Point Export Project
Cove Point Fact Book

FEATURED ISSUE: NATURAL GAS EXPORTS

Dominion is poised to become a leader in the move to bring clean, efficient American natural gas to overseas markets. The company plans to invest up to \$3.8 billion to convert its Cove Point LNG Terminal on the Chesapeake Bay to export up to 770 million cubic feet of natural gas per day beginning in 2017. Contracts covering 100 percent of the export capacity have been signed with major energy firms in Japan and India.

Public Policy

Selected Other Material Issues

- Maintaining a diverse mix of generating resources, including expanding generation from renewable energy, as well as conservation and energy efficiency programs, to meet growing customer needs
- Protecting the security of our energy infrastructure – including the electric transmission grid – from both physical and cyber attacks
- Complying with new environmental regulations, including prospective limits on carbon emissions, while working to achieve solutions that are technically feasible and cost effective
- Promoting a continued role for nuclear energy as a sustainable, carbon-free energy source and evaluating new technologies that could expand its future use
- Expanding our use of renewable resources, such as solar and biomass, as well as fuel cell technology, recognizing their environmental benefits and improving economics
- Improving the commercial viability
 of other emerging sources of energy,
 including offshore wind and small
 distributed generation resources, as well
 as the commercial viability of powering
 alternative fuel vehicles
- Deploying new technologies, including digital systems, to improve energy network operations, system efficiencies, customer service and smart energy use
- Promoting greater workforce and supplier diversity to better reflect the diverse populations we serve

FEATURED ISSUE: NATURAL GAS EXPORTS (CONT.)

Environmental Benefits

Exporting domestic LNG offers significant environmental and economic benefits – to our country and to our trading partners. To the extent that Japanese and Indian power producers substitute natural gas for coal and oil as their fuel source, they will reduce carbon emissions dramatically. Natural gas contains about half the amount of carbon as coal.

In the case of Cove Point, an exhaustive environmental assessment issued by the Federal Energy Regulatory Commission in May 2014 concluded that the terminal can be built and operated safely, with no significant environmental impacts. The facility already has an extensive record of protecting the delicate environment and natural resources of the Chesapeake Bay region. (See Biodiversity & Habitat Protection). The Cove Point project also will comply with stringent environmental and health-based requirements imposed by more than 50 federal, state and local permits. As part of this process, the company submitted 21,000 pages of studies, documentation and reports.

Economic Benefits

In addition, the export project will provide major benefits for the national, state and local economies. LNG shipments from Cove Point could reduce the U.S. trade deficit by up to \$7 billion annually and diversify global energy supplies – a plus for our allies and trading partners. A comprehensive report released by the U.S. Department of Energy found that LNG exports would produce "net economic benefits" for the entire American economy, including "an increase in U.S. households' real income and welfare."

On the local level, the project's construction phase will create thousands of jobs in Southern Maryland. Once it begins commercial operation, the facility also will employ an additional 75 permanent workers and contribute \$40 million a year in new revenues for Calvert County.



Public Policy

Political Involvement

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

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

Dominion also has long supported the <u>Virginia Public Access Project</u>, a nonprofit, nonpartisan group dedicated to improved transparency and disclosure of funding sources for state elections.

2013 POLITICAL CONTRIBUTIONS AND LOBBYING EXPENSES

2013 Corporate Political Contributions to 527 Organizations

Name of Recipient	Amount
Republican Governors Association	\$50,000
Republican Legislative Campaign Committee	\$35,000
Democratic Governors Association	\$50,000
Democratic Attorneys General Association	\$20,000
Democratic Legislative Campaign Committee	\$20,000

Lobbying Portion of 2013 Trade Association Dues and Payments

Name of Recipient (1)	Lobbying Portion of Dues/Payments (2)
American Gas Association	\$13,900
Business Roundtable	\$103,646
Center for Liquefied Natural Gas	\$7,500
Edison Electric Institute	\$311,640
Interstate Natural Gas Association of America	\$61,724
National Association of Manufacturers	\$21,242
New England Power Generators Association	\$13,400
Nuclear Energy Institute	\$77,877
Virginia Chamber of Commerce	\$8,250
Virginia Energy Providers Association	\$135,000
U.S. Chamber of Commerce	\$125,000

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

⁽i) Includes trade associations (i) to which Dominion made payments greater than \$50,000 for 2013 dues and (ii) which notified Dominion of the portion used by that organization for expenditures or contributions that if made directly by Dominion would not be deductible under section 162(e) of the Internal Revenue Code.

 $^{^{22}}$ Reported amount represents the estimated portion of Dominion's dues or payment that if made directly by Dominion would not be deductible under section 162(e) of the Internal Revenue Code and is based upon information requested and received by Dominion. Reported amounts do not include amounts for which the trade association directly pays tax on the portion that is not deductible under section 162(e) of the Internal Revenue Code.



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

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

CUSTOMERS

Channels of Engagement

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

Examples

- Dominion Virginia Power Facebook
- Dominion YouTube
- EnergyShare fuel assistance program
- Customer Connection newsletter

GOVERNMENTS & ELECTED OFFICIALS

Channels of Engagement

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

Examples

- North Carolina Utilities Commission
- <u>Sustainable Transportation Initiative of Richmond, Va.</u>
- U.S. Bureau of Ocean Energy Management
- <u>U.S. Nuclear Regulatory Commission</u>

Stakeholder Engagement

COMMUNITIES/NGOS

Channels of Engagement

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

Examples

- Dominion Cove Point Facebook page and Twitter handle
- Stakeholder roundtable discussions integrated resource planning process
- Maryland Conservation Council
- Fauquier (VA) Transmission Line Community Advisory Group

INVESTORS/WALL STREET

Channels of Engagement

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

Examples

- Barclays CEO Energy Conference, New York, NY, Sept. 12, 2013
- Investor Connection newsletter
- 2013 Summary Annual Report
- Investor Relations Reference Book

EMPLOYEES

Channels of Engagement

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

Examples

- DomNet intranet website
- Annual "<u>Volunteers of the Year</u>" recognition banquets in Virginia and Ohio
- "Dominion IDeAS" innovation program
- "Quick Pulse" and "Dominion Dialog" social media tools

SELECTED OTHER STAKEHOLDER GROUPS

- Suppliers, contractors, business partners
- Educational community
- Job candidates
- Environmental organizations
- Faith-based policy organizations
- Media outlets
- Labor unions
- Industry trade associations
- Emergency first responders
- Retirees

Awards & Recognition

Performance excellence is a core value at Dominion. We are grateful to the many organizations that have honored our efforts to excel. Here is a representative sample of awards received in 2013.









Corporate Responsibility Magazine

"100 Best Corporate Citizens"

Dominion was No. 57 on the list of America's largest companies selected for their performance in seven categories: environment, climate change, employee relations, human rights, governance, finance and philanthropy.

Fortune Magazine

"World's Most Admired Companies"

Dominion ranked 2nd overall among electric and gas utilities. The company was No. 1 in its industry in the use of corporate assets and finished no lower than 4th in eight other key attributes of reputation, including innovation, people management, social responsibility, financial soundness, quality of management, long-term investment value, quality of products/services, and global competitiveness.

Energy Intelligence New Energy

"Top 100 Green Utilities"

Dominion ranked No. 38 among the top 100 global electric utilities based on carbon emissions and renewable energy capacity, gaining nine positions from the previous year's rankings. In particular, the company was cited for its massive fuel switching from coal to natural gas and the accompanying reductions in carbon dioxide emissions.

U.S. Environmental Protection Agency

"Green Power Supplier of the Year"

Dominion was recognized by the EPA as a leader in offering voluntary renewable energy options to its electric utility customers via the Dominion Green Power program.

"Energy Star Partner of the Year Award"

Dominion East Ohio's home performance energy audit program was acknowledged for providing certified whole-house energy audits to its customers, including recommendations for needed energy efficiency appliance and insulation upgrades.

Awards & Recognition

Interstate Oil & Gas Compact Commission

"Chairman's Stewardship Award"

The IOGCC awarded Dominion its highest honor for exemplary environmental stewardship at Cove Point Marsh, a Maryland Natural Heritage area. The company partnered with the local community, regulators and the educational institutions to restore the marsh's ecosystem after a devastating storm in 2006.

Arbor Day Foundation

"Public Awareness of Trees Award"

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

"Tree Line USA Utility"

The Arbor Day Foundation also recognized Dominion Virginia Power as an electric utility whose forestry practices help protect and enhance America's urban forests.

Public Relations Society of America

"Award of Excellence"

Dominion's Digital Communications department and social media response team were recognized for outstanding crisis communications with the company's electric customers after devastating wind storms affected more than 900,000 customers in June 2012. The storms led to the largest non-hurricane restoration event in the company's history.

Military Times EDGE magazine

"Best for Vets Employers"

For the fourth consecutive year, Dominion was ranked among the top 53 companies in the nation that help vets with everything from recruiting to reserve duty.

The company also received awards for its support of the military from G.I. Jobs Magazine, "Top 100 Military Friendly Employers," and from U.S. Veterans Magazine, "Best of the Best" employers.

Equal Opportunity magazine

"Top 50 Employers"

Dominion ranked No. 30 among the nation's top 50 employers for providing a positive work environment for members of minority groups.

U.S. Small Business Administration

"Virginia Small Business Week Award Winner"

Dominion was recognized by the Richmond, Va. District Office of the SBA for championing the state of Virginia's small business community and for its support of local entrepreneurs.

Virginia Minority Supplier Development Council

"Chairman's Challenge Award"

Dominion was recognized for its leadership role on an initiative that resulted in the merger of the VMSDC with similar councils in the states of North Carolina and South Carolina.

Women Presidents' Educational Organization

"President's Award"

Dominion was recognized for its leadership and outstanding service to WPEO, a regional affiliate of the Women's Business Enterprise National Council, the premier third-party certification organization for women-owned businesses.

Site Selection magazine

"Top Utilities in Economic Development"

Dominion was one of the top 20 companies recognized for its efforts to help attract and retain businesses and capital investment in its service territory.

Virginia Mentoring Partnership

"S. Buford Scott Award"

Dominion was recognized for its commitment to volunteer mentoring and youth advocacy in the communities where the company does business. The award is named after philanthropist and VMP founder, Buford Scott.

BUSINESS

We strive to produce steady, sustainable returns for shareholders by living our core values, executing our business plans and fulfilling our commitments to customers, employees, and the communities we serve.

Corporate Strategy

We strive to create sustainable value for our owners and reduce risk by focusing on our core regulated businesses and the <u>energy infrastructure</u> <u>expansion projects</u> that will meet our customers' future energy needs.

"D (Dominion) has become a gold standard in the U.S. utilities sector."

- Macquarie Research, Dec. 19, 2013

Our Approach

Our goal is to reward investors who are interested in a company that delivers stable, sustainable and growing operating earnings from power generation and delivery and natural gas processing, transportation and storage businesses – enhanced by a competitive, growing dividend.

In 2013, we continued to execute our multi-year, multi-billion dollar regulated infrastructure investment plan to build out our electric and natural gas asset base, serve new customers, create new jobs and capitalize on growth opportunities in the mid-Atlantic region.

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

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

2013 Highlights

- Ranked 2nd in total shareholder return (29.65%) among a group of 20 peer utilities
- Grew operating earnings per share by 5.2% above 2012 level
- Increased stock dividend by 6.6% per share relative to 2012
- Created a new subsidiary, Dominion Gas Holdings, LLC, to provide more performance transparency in our regulated natural gas businesses
- Announced plans to form a master limited partnership (MLP) for certain gas assets to raise capital by selling partnership interests to investors

Related Link

2013 Summary Annual Report

Corporate Strategy

FIVE-YEAR CAPITAL INVESTMENT PLAN

2014 - 2018*

In Billions

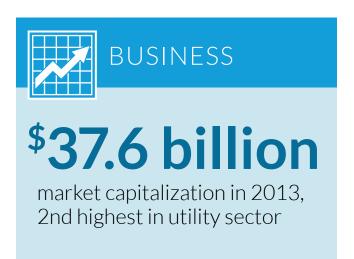
\$3.4 - \$3.8	Cove Point LNG Export Project
\$3.4	Dominion Generation
\$4.8	Dominion Virginia Power
\$2.1	Dominion Energy

\$13.8 - \$14.1 Total

YEAR-END STOCK PRICE -- (DOLLARS PER SHARE) 2009 -2013

66% GROWTH IN 5 YEARS





OUR 5-YEAR STRATEGIC GROWTH PLAN

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

^{*}Subject to regulatory and/or Board of Directors' approvals



The ability to understand and manage an array of evolving technical, financial, regulatory, geopolitical and environmental risks is critical to sustainable business performance. Dominion's comprehensive enterprise risk program is based on a continuous dialogue between senior management and the board of directors about risk and return – both threats and opportunities – across the corporation.

Dominion's risk assessment process

- Provides a planning framework to help define the optimal risk/reward balance
- Aligns with our strategic priorities and the way capital is deployed to support those priorities
- Integrates business-unit-level risk assessments into the annual budgeting and planning process
- Consolidates business unit and corporate-level risk assessments into a "Key Risks" report, which confirms management responsibility for each identified risk and risk oversight by the board

In addition, new capital projects and other significant commitments must undergo comprehensive risk/reward

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

analysis and discussion by a cross-disciplinary leadership team before being approved. Our risk process also includes periodic assessment of high impact/low probability and emerging risks. As in other areas of our risk process, the goal of these assessments is to integrate any improvements into the way we evaluate risk.

Risk Management



Risks to Our Business

Examples of enterprise risks with a potential material impact on our financial or operating performance:

- Regulatory risks. Regulators may enact costly rules governing air and water quality, for example, lower the company's allowed return on equity, disapprove certain construction projects or disallow recovery of certain expenses.
- Weather-related risks. Hurricanes, winter snow storms and other weather-related incidents can damage our utility infrastructure and cause power outages, which can result in a drop in energy use and significant repair costs.
- Cyber attack risks. Hostile cyber intrusions affecting the systems that control our energy infrastructure assets could severely disrupt operations, lead to disclosure of confidential information, damage the company's reputation and adversely affect our financial condition.

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



BUSINESS

283,000

electric customers lost power after a rare and violent summer windstorm, June 2013

Related Link

Corporate Governance

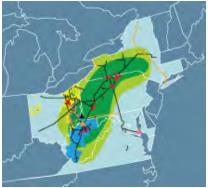
Operations

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

Principal Operating Segments







Dominion Virginia Power

Dominion Generation

Electricity Production

Operates our 23,600-megawatt regulated utility (83%) and merchant (17%) generating fleet. Our utility assets are located in Virginia, West Virginia and North Carolina. Our merchant power facilities are in the Midwest and Northeast. We actively pursue fuel diversity and balance in our generation portfolio. About half of our total fleet output is fossil-fired, and the other half is emissions-free nuclear and renewable power.

Dominion Retail, an unregulated energy products and services business, operates in competitive markets in 10 states and serves about 1.5 million customer accounts. Its product lines include natural gas and home warranty services.



Operations

Dominion Energy

Natural Gas Processing, Delivery and Storage Dominion East Ohio and Dominion Hope, our regulated natural gas distribution companies, serve 1.3 million customer accounts in Ohio and West Virginia over a 21,900-mile network of gas distribution pipeline.

Dominion Transmission, our regulated gas transmission, gathering and storage business with 10,900 miles of pipeline in Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia; and about 950 Bcf of natural gas in 26 underground gas storage fields in New York, Pennsylvania, West Virginia and Ohio.

Blue Racer Midstream, LLC, a joint venture with Caiman Energy II, LLC, focuses on natural gas liquids gathering and processing in the Utica Shale region of Ohio and Pennsylvania.

Dominion Cove Point LNG, a liquefied natural gas terminal on the Chesapeake Bay in Lusby, Md.



Dominion Virginia Power

Electric Transmission and Distribution

Operates our 6,400-mile network of regulated electric transmission lines and our 57,000 miles of distribution lines serving 2.5 million homes and businesses in Virginia and North Carolina. In North Carolina the business operates under the name Dominion North Carolina Power.

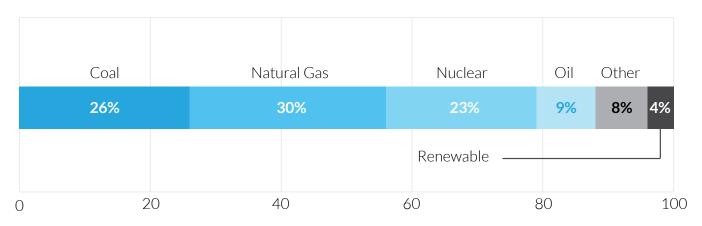


Electric Operations

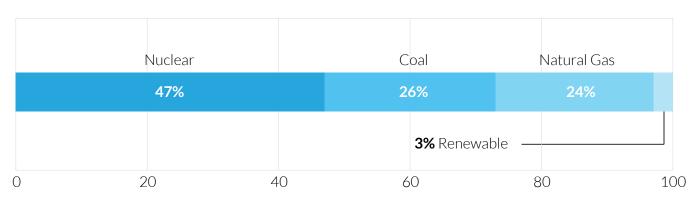
Our Diverse Fuel Mix

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

2013 ELECTRIC CAPACITY BY FUEL — (TOTAL FLEET)



2013 ELECTRIC OUTPUT BY FUEL — (TOTAL FLEET)



 $^{{}^*\}mathsf{Excludes}\ \mathsf{non\text{-}utility}\ \mathsf{generation}\ \mathsf{under}\ \mathsf{contract}.$

Electric Operations

Nuclear Fleet

Our three operating <u>nuclear stations</u> – two state-regulated serving our utility customers in Virginia and North Carolina and one operating in competitive Northeastern wholesale markets – contributed 47 percent of our total electricity output in 2013.

DOMINION'S NUCLEAR FLEET

Regulated	Location	Capacity
Surry Power Station	Virginia	1,676 MW
North Anna Power Station*	Virginia	1,672 MW
		Total Regulated Nuclear: 3,348 MW
Merchant	Location	Capacity
Millstone Power Station*	Connecticut	2,001 MW

Total Merchant Nuclear: 2,001 MW

Total Nuclear Fleet: 5 349 MW

Note: The 556-MW Kewaunee Nuclear Station in Wisconsin permanently ceased operations in May 2013. The facility will be decommissioned.

New Nuclear Construction

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

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

In April 2013, we announced our selection of General Electric-Hitachi's Economic Simplified Boiling Water Reactor (ESBWR) technology for the proposed Unit 3. The new reactor would provide an additional 1,470 megawatts of power for

Dominion's customers over an expected 60-year unit life – enough electricity to meet the needs of about 368,000 typical homes.



North Anna Power Station

^{*} Excludes interests owned by other parties.

Electric Operations

Fossil Fuel Fleet

<u>Fossil fuels</u>, including coal, natural gas and oil, are non-renewable energy sources that accounted for about half of the electricity Dominion produced in 2013.

Natural Gas

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

In 2013, natural gas accounted for about one-quarter (24%) of total fleet production. We are continuing to add gasfired capacity to our system because of the fuel's favorable economics and environmental benefits.

Coal

In 2013, Dominion's coal fleet generated about one-quarter (26%) of total electricity production. Coal remains an important and abundant domestic resource, but it emits about twice as much carbon dioxide as natural gas.

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



BUSINESS

50%

of power output from emissionsfree nuclear and renewable sources

generation business in 2013 with the sale of three coal stations in Illinois and Massachusetts.

In 2013, we also completed the conversion of several smaller utility coal stations to either natural gas or renewable biomass – reducing our environmental footprint even more.

The following table summarizes the evolution of our coal fleet

FOSSIL FUEL FLEET/COAL

Sales 2013

Merchant coal stations	2,696 MW
Retirements (2015-2016)	
Utility coal stations	918 MW
Conversions	
Utility coal-to-natural gas	227 MW
Utility coal-to-biomass	153 MW

Total Expected Coal Capacity Reductions: 3,994 MW

Electric Operations

Oil

In 2013, oil-fired generation produced less than 1 percent of the power produced by Dominion's fleet. We plan to retrofit two of the company's large utility oil units in Virginia with advanced nitrogen oxide emissions control devices by 2018 as part of our commitment to improve air quality and our environmental footprint.

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

Renewable Energy

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

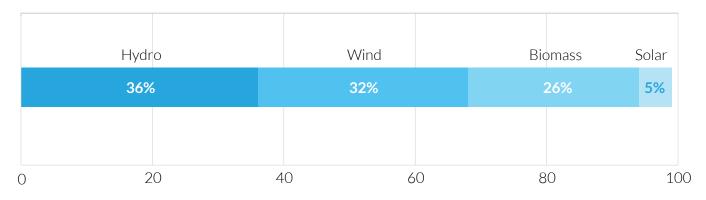
Meeting State Renewable Energy Standards

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

Renewable Energy Portfolio

We currently have renewable energy assets in Virginia, North Carolina, West Virginia, Indiana, Connecticut and Georgia that include wind, hydro, wood biomass and solar power. We are continuing to pursue other opportunities to expand our renewable energy portfolio (See <u>Green Energy Programs</u>). Dominion also operates a clean energy, hydrogen-powered fuel cell facility in Connecticut.

2013 RENEWABLE ENERGY CAPACITY BY SOURCE*

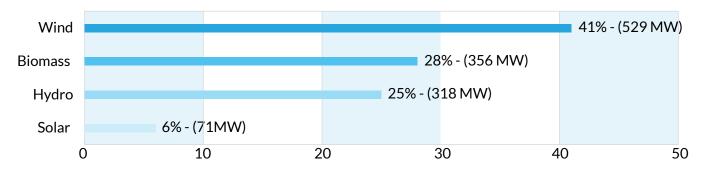


Total Capacity = 878 megawatts

*Excludes 15 MW Bridgeport Fuel Cell facility in Connecticut

Electric Operations

RENEWABLE ENERGY CAPACITY: OPERATIONAL & IN DEVELOPMENT* – (2013 AND BEYOND)



TOTAL CAPACITY = 1,274 MEGAWATTS

*Excludes up to 2,000 MW of planned Virginia offshore wind capacity and 171 MW of solar capacity acquired by the company in 2014 in California and Tennessee.

In 2013, hydroelectric power accounted for about 36 percent of our renewable energy capacity. Wind power accounted for about 32 percent of the total, with 26 percent coming from renewal waste wood, a form of biomass that is plentiful in the southeastern U.S., and about 5 percent from solar power. Total renewable energy generating capacity increased by about 12 percent from 2012.

When completed and fully operational, the combined capacity of our existing and planned renewable energy portfolio could produce 1,274 megawatts of clean energy at full power – enough to supply nearly 320,000 typical homes.

Electric Transmission & Distribution

In 2013, we placed into service about \$716 million in high-voltage transmission assets to improve grid reliability for our electric customers. We also announced plans to systematically rebuild the 500-kv loop that serves as the backbone of our service territory and improve critical substation security.

On the distribution side – the electric network that directly serves homes and businesses – we completed a 3-year, \$20 million Neighborhood Transformer Program to inspect and replace about 3,000 at-risk transformers, successfully reducing transformer failures by 200 per year in 2012 and 2013.



12%

growth in renewable energy capacity, 2012 - 2013

Natural Gas Operations

Strategically Located Assets

Dominion's natural gas operations are centered in the Appalachian Basin above two of the nation's largest natural gas fields – the Marcellus Shale and the Utica Shale. The Utica Shale formation is located a few thousand feet below the Marcellus Shale and is thicker and geographically larger than the Marcellus (see accompanying map). The Marcellus Shale alone contains trillions of cubic feet of recoverable gas. Both formations are currently yielding significant quantities of natural gas, natural gas liquids (NGLs) and crude oil.

New Subsidiary: Dominion Gas Holdings, LLC

To provide investors with more transparency about our regulated natural gas businesses and their financial performance, we created *Dominion Gas Holdings*, *LLC* in 2013. This new subsidiary has the ability to issue debt to finance maintenance and growth

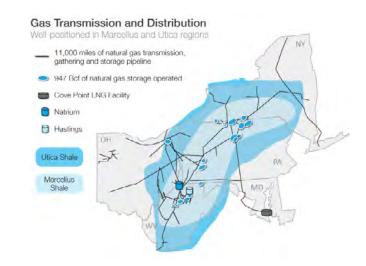
To further maximize the value of our gas assets, we announced plans in 2013 to form a *master limited partnership* (MLP) – a commonly used financing vehicle in the natural gas industry that will allow us to raise capital by selling a portion of the limited partnership interests to public investors.

Transmission Pipeline, Processing and Storage

In 2013, we brought into service \$634 million in new infrastructure to support natural gas production in the Appalachian Basin, including a \$550 million gas processing and fractionation plant (see below), and \$84 million in pipeline and compressor and metering stations capable of transporting the equivalent of 362 million cubic feet per day of natural gas to markets in the Northeast from the Marcellus Shale region. Since mid-2012, new pipeline projects have increased our send-out capacities from Appalachian Basin gas fields by more than 1 billion cubic feet per day.

Blue Racer Joint Venture

Blue Racer Midstream LLC – a joint venture with Caiman Energy II – serves natural gas producers in the Utica Shale regions of Ohio and Pennsylvania. Blue Racer will concentrate on building new gathering, processing, fractionation and NGL transportation assets as the development of the Utica Shale unfolds.





The Natrium processing and fractionation facility in Marshall County, W.Va., entered service in 2013. The plant, which was contributed to the Blue Racer joint venture, helps natural gas producers in the Appalachian Basin by extracting and separating natural gas liquids from the gas stream for transportation across interstate pipelines.

Natural Gas Operations



The Natrium processing and fractionation plant in Marshall County, West Virginia was brought online in 2013 and was contributed to the Blue Racer joint venture. Natrium can process 200 million cubic feet of gas and fractionate, or separate into component parts, 36,000 barrels of natural gas liquids per day.

Cove Point LNG Terminal

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

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

Natural Gas Distribution

Our gas distribution operations in Ohio and West Virginia serve about 1.3 million residential, commercial and industrial customers, as well as provide transportation and gathering services to producers.

In 2013, we spent about \$170 million to replace about 200 miles of aged bare steel pipe in our Ohio pipeline distribution system – an investment program that will continue for more than a decade.

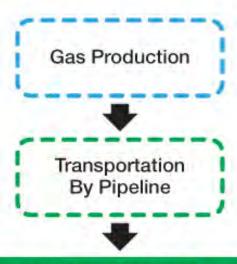


Dominion Cove Point LNG

Natural Gas Operations

The Process of Exporting LNG

Liquefaction, Shipping, Re-Gasification



Liquefaction At Terminal Involves converting gas to liquid form by cooling to -260 degrees Fahrenheit, shrinking the gas to 1/600th of its original volume.



LNG Shipping

LNG is transported globally via insulated, double-hull tankers that can carry enough LNG to supply about 50,000 households for one year.



Re-Gasification

At its destination, the process reverses and LNG is pumped into storage tanks and heated back to its gaseous state.



Customers

Local distribution companies transport natural gas via pipeline to end use customers.



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

2013 Highlights

ELECTRIC OPERATIONS

- Completed the conversion of several small utility coal stations to either natural gas or renewable biomass – increasing environmentally sound power generation
- Placed into service about \$716 million in high-voltage transmission assets to improve grid reliability for our electric customers
- Completed a 3-year, \$20 million Neighborhood Transformer Program to inspect and replace about 3,000 atrisk transformers, successfully reducing transformer failures by 200

NATURAL GAS OPERATIONS

- Brought into service \$84 million in new pipeline and compressor and metering stations capable of transporting 362 million cubic feet per day of natural gas to market
- Brought online the <u>Natrium</u> processing and fractionation plant in Marshall County, West Virginia, and contributed the \$550 million facility to the Blue Racer joint venture
- Spent about \$170 million to replace about 200 miles of aged bare steel pipe in our Ohio pipeline distribution system

Infrastructure Modernization

Infrastructure Investment Program

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

REGULATED INFRASTRUCTURE INVESTMENTS

2014 - 2018*

5-Year Planned Growth Capital Expenditure Summary ¹

Investment Area	Amount
Power Generation	\$3.4 billion
Electric Transmission & Distribution	\$4.8 billion
Gas Transmission & Distribution	\$2.1 billion
Liquefied Natural Gas Export Project	\$3.4-\$3.8 billion

Total Investment: \$13.7 - \$14.1 billion²

¹All planned capital expenditures subject to regulatory and/or board of directors' approval ² Figures may not add due to rounding



BUSINESS

25%

expected growth in elecrticity demand in Virginia by 2027



BUSINESS

~\$14 billion

in growth capital spending, 2014 – 2018



As part of our commitment to provide safe, clean and reliable energy, Dominion's Alternative Energy Solutions group drives innovation by researching and evaluating renewable and emerging energy technologies to assess their commercial viability and potential for building a more sustainable economy.

2013 Highlights

- Awarded two U.S. patents for EDGE voltage management software suite that allows utilities to help customers increase energy efficiency, conserve electricity and improve grid reliability
- Awarded the lease of 112,800 acres of federal land off the coast of Virginia to develop a commercial wind farm capable of producing up to 2,000 megawatts of electricity enough to power 500,000 homes
- Began operation of the 14.9-megawatt, clean-energy Bridgeport (CT) Fuel Cell power project, the largest facility of its kind in North America
- Continued partnership in small-scale power grid (micro-grid) research project in Virginia to test renewable energy, battery storage and energy efficiency technologies and developing a similar project in North Carolina for 2014 launch

Energy Innovation

Offshore Wind Research Projects

Dominion's AES group continues to champion the potential development of offshore wind energy along the coastlines of Virginia, Maryland and North Carolina.

In September 2013, Dominion bid \$1.6 million and won a lease for about 113,000 acres of federal land off the Virginia coast to develop a wind farm capable of producing 2,000 megawatts of power – enough to supply 500,000 typical homes. To keep the lease, we must submit a Construction and Operations Plan within 5 years to the Bureau of Ocean Energy Management.

In the meantime, we will continue to work with public and private partners to engineer, design and permit a 12-megawatt

wind turbine demonstration facility about 25 miles off the coast of Virginia. Using a \$4 million federal grant, the partnership's goal is to identify ways to make offshore wind generation more affordable using innovative technologies.

In May 2014, the U.S. Department of Energy selected Dominion as one of three companies to receive as much as \$47 million each over a four-year period to design, install and gather operational data from its offshore wind facilities in Virginia starting in 2017.

Dominion is also participating in commercial offshore wind leasing programs underway in Maryland and North Carolina.



Artist rendering of offshore wind demonstration project

Energy Innovation

Grid Efficiency and Voltage Conservation

In 2011, AES launched a stand-alone conservation voltage reduction and grid-side efficiency suite of software products called EDGETM. This pioneering product uses advanced smart metering technology to adjust voltage delivery over distribution lines during off-peak hours, resulting in sustainable energy savings for utility customers.

In 2012, Dominion Voltage, Inc. (DVI), was created to market the EDGE product to utilities and other companies working to deploy new smart grid applications. The EDGE technology platform is currently being used by municipal utilities in Illinois and Oregon and by an Irrigation District in California.

EDGE software also has been deployed as part of a five-year, micro-grid partnership program between Dominion and Virginia Commonwealth University's School of Engineering. The EDGE technology is helping manage energy usage and reduce consumption in the school's engineering building. The project is expected to lower energy costs by about \$20,000, or 4 percent a year.

Virginia RPS R&D Program

A 2012 law enacted by the Virginia legislature allows utilities such as Dominion to meet up to 20 percent of their Renewable Portfolio Standards targets by investing in qualified R&D projects.

In 2013, Dominion partnered with 12 universities in Virginia and is providing \$1.7 million in funding for a variety of renewable energy and alternative technology projects, some spanning multiple years. The projects include advanced solar cells, advanced offshore wind technologies and the integration of battery storage with solar distributed generation, among others.

Dominion Resources Innovation Center

Dominion is a founding partner in this advanced technology business incubator that provides mentoring and other support services to early-stage companies in a wide range of industrial sectors. The Innovation Center also sponsors a "tech challenge" start-up competition for emerging and second-stage technology or knowledge-based entrepreneurs looking for help in moving their ideas from concept to market. Participants in this annual contest compete for a coveted \$10,000 first prize, plus free rent and other prizes.

The Center is currently home to six young businesses working to commercialize high-efficiency electric motors, an algae-based biodiesel fuel, renewable chemicals, ice-release coating technologies for industrial applications, medical instruments and recyclable diaper materials for use at tree and plant nurseries.





We value and support diversity in the supply chain because it is smart business and the right thing to do. A diverse supplier base leads to improved supplier performance, competitive pricing and enhanced creativity and innovation. By leveraging the best talent in the community, we can provide superior value for our customers, stimulate economic growth and reinforce our commitment to make diversity central to our corporate mission and goals.

2013 Highlights

- Spent \$393.4 million with diverse suppliers, exceeding the goal by about 4%
- Received three awards for leadership and support of diverse suppliers:
- U. S. Small Business Administration
- Women Presidents' Educational Organization
- Virginia Minority Supplier Development Council

Our Approach

Dominion is committed to doing business with small and diverse companies and has specific goals associated with women-owned, minority-owned, service-disabled veteranowned and HUB-zone businesses in the communities where we operate. The companies that provide us with goods and services are important to our sustainability and our business mission. Our company is supported by a diverse population, and we believe we have a responsibility to reciprocate. As a result, we set rigorous annual goals for spending with diverse suppliers, and we set clear expectations of our procurement teams and business leaders and assign responsibilities for meeting our goals.

Supplier Diversity

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

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

- Carolinas-Virginia Minority Supplier Development Council
- The Northern Ohio Minority Supplier Development Council
- The Metropolitan Business League
- The Women Presidents' Educational Organization
- The Virginia Department of Minority Business Enterprise
- The Hispanic Chamber of Commerce and other local Chambers and advocacy groups

Related Link

Supplier Diversity



BUSINESS

\$1.4 billion

in total diverse supplier spending, 2010 – 2013



BUSINESS

26%

increase in diverse supplier spending, 2010 – 2013

SUPPLIER DIVERSITY SPENDING

2011 - 2013

	2011	2012	2013	(+/-) 2012 TO 2013
Diversity Spend Goal	\$300M	\$340M	\$380M	11.8%
Total Diversity Spend	\$314.2M	\$397.8M	\$393.4	-1.1%
Total Supplier Spend	\$4.3B	\$4.4B	\$4.6B	2.6%
% of Diversity Goal Met	104.7%	117%	103.5%	-11.5%
% of Diverse Spend to Total Spend	7.4%	8.9%	8.6%	-3.6%

WORKPLACE

Sustainable business excellence depends on an engaged and skilled workforce, today and tomorrow. Our goal is to offer a safe, inclusive and productive workplace that rewards superior performance.



Employee Safety

<u>Safety</u> permeates everything we do. It is a <u>core value</u> and our top priority. We believe that strong safety performance is the gateway to sustainable operational and financial excellence. That is why our "zero tolerance" for injuries is the only acceptable standard of performance

2013 Highlights

- Companywide: 10% improvement in OSHA recordable incident rate from 2012
- Dominion East Ohio natural gas distribution company: best overall safety performance in 115-year history
- Dominion Virginia Power electric utility company: best all-time performance in "lost day injuries" category – 25% below latest 3-year average
- Dominion Nuclear power generation unit: best all-time performance in OSHA "recordable incidents" category
- Dominion Services Company: best safety performance since tracking began in 2000



Our Keys to Safety Success

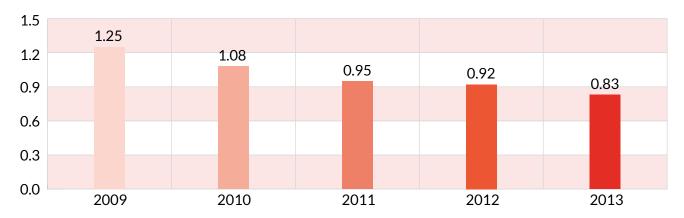
By putting safety first and focusing on continuous improvement, we create a strong foundation for personal well-being and superior performance. We attribute our success to a number of factors:

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

Employee Safety

OSHA RECORDABLE INCIDENT RATES*

2009 - 2013



^{*}Incident Rate = Number of recordable incidents per 100 employees per year. This data has been recast to reflect the inclusion of certain incidents of hearing loss that may be work-related and therefore recordable under OSHA regulations.

OSHA LOST-TIME/RESTRICTED DUTY RATES

2009 - 2013





WORKPLACE

44%

decline in number of OSHA recordable incidents, 2009 - 2013



WORKPLACE

50%

decline in number of lost day/restricted duty cases, 2009 - 2013

Employee Safety

5 - YEAR SAFETY PERFORMANCE TABLE

2009 - 2013

Year	*FTE's	Man-Hours (millions)	OSHA Rec. Incidents	Fatalities	Lost Day/ Restricted Duty Cases
2009	17,842	36.0	225	0	105
2010	15,674	31.5	170	0	76
2011	15,820	32.9	157	0	68
2012	15,569	31.2	145	0	57
2013	14,570	31.1	127	0	53

^{*} Full-time equivalents



Related Link

Dominion Safety Program



We strive to promote a culture of wellness where Dominion employees not only make a living, but also have a healthy, well-rounded life. To that end, we provide employees and their dependents with a wide range of wellness offerings and health management services to encourage preventive care and to support work/life balance.

2013 Highlights

- 81% of non-union employees and 64% of their spouses participated in company-paid health screenings and health risk assessments
- About 50% of all employees took advantage of company-paid preventive care



Health & Wellness

Initiatives

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

- Health plans (medical, prescription drug, dental and vision benefits as applicable)
- Medical premium credit for employees who participate in health screening and assessment program
- Condition/disease management program
- Employee assistance program
- Fitness centers and health club discounts
- "Wellness Ambassador" network that organizes health promotion activities
- Life insurance/accidental death and dismemberment insurance
- Long-term disability coverage
- Pre-natal risk management program
- Adoption assistance
- Employee discounts and loans
- Flexible work arrangements
- Student scholarships and work programs





81%

of non-union employees participated in health screenings and assessments in 2013

Related Link

Dominion Benefits



We offer a competitive and integrated total rewards package designed to attract, motivate and retain top talent. Compensation includes a combination of base pay, annual incentives and long-term incentives. A comprehensive suite of benefits supports our employees' diverse needs and lifestyles.

Benefits Summary

- Pension plan with company-paid retirement benefits for eligible employees
- 401(k) retirement savings plan with company matching funds subject to IRS guidelines
- Comprehensive health benefits, including medical, prescription drugs, dental, vision, life insurance and disability
- Retiree medical coverage for eligible employees
- Tuition reimbursement program
- Time off paid holidays, personal days, vacation and sick leave
- Family and medical leave
- Healthcare and dependent care spending accounts
- Health and wellness and work/life balance initiatives (see <u>Health & Wellness</u>)

REWARDING EXCELLENCE

Dominion's Annual Incentive Plan (AIP) is designed to provide a competitive total compensation opportunity by linking the interests of customers, employees and shareholders and focusing the workforce on company, operating group, team and/or individual goals that ultimately drive performance and influence overall financial results.

The objective of the AIP is to reward corporate and business unit earnings performance, safety success, diversity and other operating and stewardship accomplishments, and teamwork that focuses on shared goals.

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

Related Link

Dominion Benefits



Diversity & Inclusion

We believe diversity and inclusion are strategic assets that express our core values and help shape our future as a sustainable business enterprise. The differences our employees bring to work strengthen the company through breadth of experience, perspective and talent. We want them to feel valued, respected and given every opportunity to reach their full potential.

2013 Highlights

We implemented the following key initiatives to support our workforce diversity strategies:

- Linked diversity goals with annual incentive compensation
- Enhanced our focus on the student internship program
- Implemented leadership respect workshops
- Initiated benchmarking with our peer companies



Our Guiding Diversity Principles

RESPECT FAIRNESS CONSISTENCY

Diversity & Inclusion

Workforce Diversity Strategy

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



WORKFORCE DIVERSITY AT DOMINION

2011 - 2013

	2013	2012	2011
Total # of employees	14,570	15,513	15,820
Percentage ethnic minorities (work force)	17.3%	16.9%	16.9%
Percentage ethnic minorities (management)	9.9%	9.7%	9.9%
Percentage women (work force)	20.9%	21.1%	21.2%
Percentage women (management)	15.8%	15.9%	15.5%
Percentage union membership	36.8%	37.1%	37.5%

Related Links

Diversity

Scholarships



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

GUIDING PRINCIPLES OF OUR EMPLOYEE ENGAGEMENT & RECOGNITION PROGRAMS:

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

Some of the channels we use to engage employees include:

- Regular print and electronic communications, including a new online magazine, "YOU," that focuses on Dominion employees and their interests
- Face-to-face meetings with senior management
- Awards/recognition banquets
- Wellness blog
- "Dominion Voice" employee Facebook page
- "Dominion IDeAS" innovation program
- Company-sponsored volunteer opportunities

Engagement & Recognition

INVENTORS WANTED

Innovative technologies and new ways of doing business are emerging in all areas of the energy industry. To stimulate employee creativity, we unveiled a new innovation program in 2013 called "Dominion IDeAS," which stands for Innovations, Developments And Solutions. Our goal is to encourage, support and protect employee innovations and inventions with viable commercial potential.

One example is Dominion Virginia Power lineman, Tim Sook, who invented a way to make working on power lines safer and easier. Sook is partnering with a group of students at the Virginia Commonwealth University DaVinci Center for Innovation to streamline his invention to make it market ready.



Tim Sook with his patent-pending invention



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

TRAINING AND DEVELOPMENT TOOLS

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

Performance Appraisal Process

The annual performance appraisal process has three goals:

- Set performance objectives, expectations and measurement criteria for the coming year's performance
- Provide coaching and feedback on performance, including accomplishments and how expectations and objectives

 were met
- Create a Performance Development Plan to improve or leverage performance and to identify ongoing development opportunities

Related Video

Dan Hunt - Transitioning from the Military to Dominion

Related Link

Career Profiles



The Baby Boom retirement wave presents us with significant workforce planning challenges, including recruiting, retaining and developing the next generation of company leadership. Workforce challenges could have an even greater impact on our long-term success than technology, commodity prices, or any number of other important concerns.

Focus Areas of our Workforce Readiness Model

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

Recruitment Tools

- The Internet and social media
- Career fairs
- Visits to college campuses, high schools and military installations
- Career development workshops
- Corporate image advertising
- Scholarships and internships



247

veterans hired in 2012 - 2013

Related Video

Troops to Energy Jobs 2014

Related Link

Career Profiles

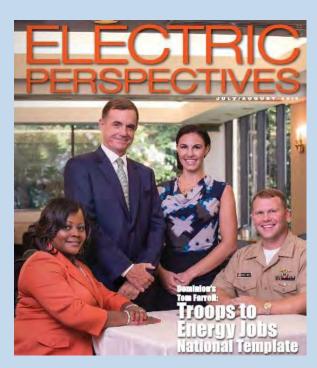
Military and Veterans

Student Opportunities

Workforce Planning

2013 Highlights

- We placed special emphasis on our <u>student</u> <u>internship program</u> in 2013. The program engages college students for paid work that involves projects or assignments that closely match their fields of study. The internship program offers valuable work experience and networking opportunities for interns while helping Dominion attract and develop a talent pool of potential future employees.
- In 2012 and in 2013, between 20-25 percent of Dominion's new hires were veterans. The company employs about 1,500 veterans in 14 states and has a dedicated website for recruiting current and former members of the military. The website offers transition tools and informational videos.
- Another special focus area is military and veteran recruiting. We have long found that veterans possess many of the skill sets we seek in our workforce, including safety consciousness, civic mindedness and a strong work ethic.
- Dominion is recognized as a private-sector leader in helping veterans and their families find and keep jobs in the civilian workforce by a number of publications serving the military, including GI Jobs, Military Times and U.S. Veterans magazines.
- The Troops to Energy Jobs program, which Dominion helped pilot in 2011-2012, is designed to link military veterans leaving the service with jobs in the energy industry. In 2013, chairman and CEO, Tom Farrell, helped launch the initiative nationally with a template to be used for military outreach, education, recruiting and retention.



Dominion employees, CEO featured in Electric Perspectives

"Jobless rates for verterans are often double what they are for civilians, and that is nothing short of a national disgrace. We have the opportunity to help rectify that and to make a difference."

- Tom Farrell, Chairman & CEO



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

Unions that represent Dominion employees include:

- IBEW Local 50 Dominion Virginia Power/North Carolina Power*
- UWUA Local 69 Dominion Transmission/ Dominion Hope
- UWUA Local 310 Manchester Street Station, Rhode Island
- UWUA Local G555 East Ohio Gas
- IUOE Local 420 Kewaunee Station, Wisconsin**

Dominion recognizes these unions as the exclusive representatives of our employees. We bargain collectively with them in accordance with the National Labor Relations Act and the highest ethical standards.

*Dominion and IBEW Local 50 successfully negotiated a new 3-year labor agreement in 2013.

**Denotes merchant facility that is closing due to unfavorable market conditions.



37%

of Dominion employees are represented by 5 collective bargaining units in 8 states

Related Link

Dominion Companies

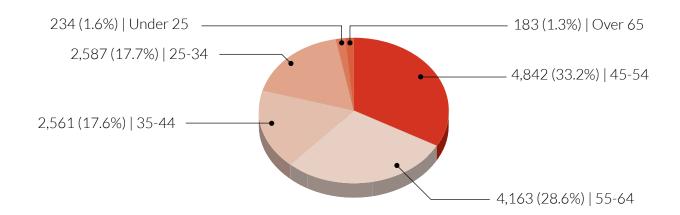
Workforce Demographics

WORKFORCE DIVERSITY AT DOMINION

2011 - 2013

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Percentage women (management)	15.8%	15.9%	15.5%
Percentage union membership	36.8%	37.1%	37.5%

WORKFORCE BY AGE - 2013



Workforce Demographics

WORKFORCE BY BUSINESS UNIT - 2013*

	#	%
Dominion Virginia Power	3,957	27%
Dominion Energy	3,055	21%
Dominion Generation	5,241	36%
Dominion Services Company	2,317	16%
DOMINION TOTAL	14,570	100

^{*}Excludes student workers, contractors and credit union workers

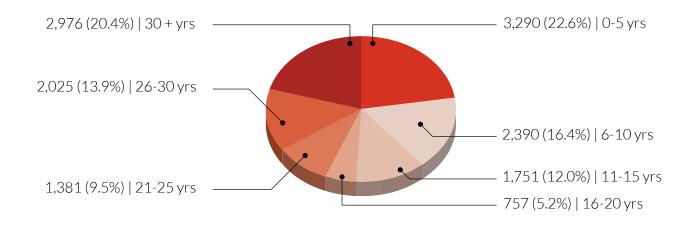
WORKFORCE TURNOVER, 2011 - 2013

2011 - 2013*

	2013	2012	2011
Women	9.9%	5.1%	5.5%
Minorities	7.6%	5.9%	5.1%
All of Dominion	10.5%	5.1%	4.2%

^{*}Resignations, Dismissals, Retirements, Severance Packages, Other

WORKFORCE BY TENURE - 2013



CUSTOMERS & COMMUNITY

We care about the communities that sustain our business. We work at improving the quality of community life and giving back through partnerships, volunteer service, targeted social investments and other forms of engagement.



The reliability of our energy networks is vital to our customers' well-being and to the functioning of our economy. Our goal is to meet those expectations and deliver outstanding and affordable service on a consistent basis. Quantitative metrics provide us with an objective basis for evaluating our service delivery over time.

2013 Highlights

• Connected more than 38,000 new electric and natural gas customer accounts

ELECTRIC SERVICE

- Transitioned to IEEE standard 1366 for reporting System Average Interruption Duration Index (SAIDI) to be consistent with peer companies. This index represents the average number of non-major storm outage minutes our customers experience each year.
- Achieved best service reliability in more than a decade: 106 average customer minutes out, excluding major storms
- Reduced average minutes out per customer by 8% on a 3-year rolling average basis
- Completed 3-year Neighborhood Transformer Program and reduced transformer failures by 200

NATURAL GAS SERVICE

- Spent \$170 million to replace about 200 miles of aging, bare steel gas pipelines
- Responded to 97.8% of all emergency calls within 60 minutes, virtually unchanged from our response rate the previous two years

OUR FOCUS

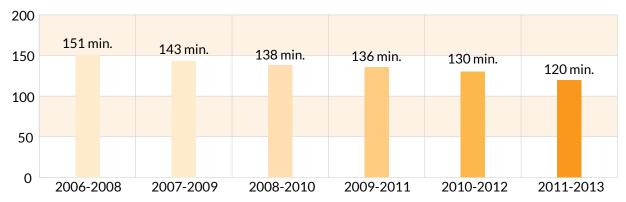
- Minimize service interruptions and inconvenience to customers
- Restore service as safely and quickly as possible
- Provide customers with timely and accurate information about their service status
- Support our field crews with electronic outage management systems

Service Reliability

CUSTOMER MINUTES OUT

Electric Distribution

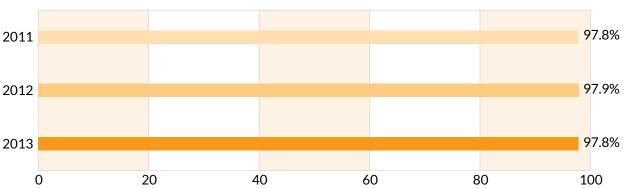
(SAIDI, excluding major storms)



EMERGENCY RESPONSE RATE

Natural Gas Delivery

(Receipt to Arrival Within One Hour)





8%

reduction in average minutes out per electric customer, 3-year rolling average

Related Video

Roanoke Sound Cable Replacement

Related Link

Restoring Your Power

Electric Customers

Gas Customers



Customer care is a core responsibility at Dominion. Our focus is helping customers manage their energy costs and making it convenient for them to do business with us. Technology-driven process improvements enhance the services we provide customers and help reduce costs at the same time.

2013 Highlights

- 34%, or 837,000 electric utility customers participate in eBill, the company's paperless billing program more than twice the industry average
- 15%, or 202,000 gas utility customers now participate in the eBill program
- Received more than 17 million electronic payments from customers and almost 9 million electronic customer transactions
- 12th best utility website for customer usability out of 101 ranked by E Source

- Launched an interactive voice response system for business customers
- Launched two new social media channels, Instagram and Pinterest, to share visuallyoriented information with customers
- Launched a Facebook page and Twitter handle for the Cove Point LNG facility to engage the community in conversation about the company's natural gas export project

Consumer Education

We use a variety of communication tools to engage our customers and encourage them to adopt energy-efficient technologies and to use energy wisely. Here are some of the ways we work to increase energy awareness among our customers:

- Print and online bill insert newsletters
- Social media channels
- Advertising and news releases
- Online energy calculators
- Trade shows, exhibits and speaking engagements
- Other community outreach

ENHANCING CUSTOMER ENGAGEMENT

Dominion Virginia Power's customer service strategy is driven by our commitment to satisfy customer preferences for doing business with us when and how they choose. The initiative has brought 24/7 accessibility to our web, mobile and interactive voice response (IVR) offerings. An emphasis on interactive, intuitive functions and options has contributed to improving customer satisfaction scores. (See performance charts on this page).

By simplifying and improving the "Manage Your Account" web portal, we made it easier for customers to navigate online to the destination of their choice in three clicks or less. Expanded self-service features on the IVR allow customers to retrieve their balances, pay bills, reconnect service and report outages.



#1

utility in social media best practices, 2013 E Source Utility Survey

Related Video

Mobile Outage Reporting

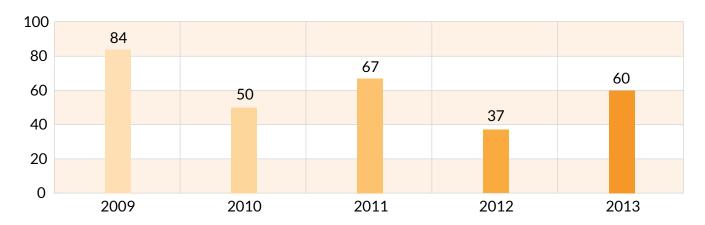
Performance

ENHANCING CUSTOMER CARE

Natural Gas Distribution

Average Speed of Answer in seconds, 2009-2013

At our natural gas distribution units in Ohio and West Virginia, we use "Average Speed of Answer" – a recognized performance indicator in the national call center industry – to assess our level of accessibility and responsiveness. From 2009-2013, our cumulative ASA improved by 28 percent.

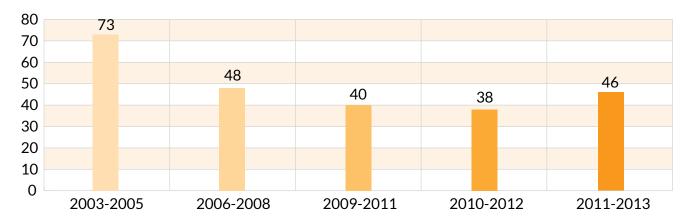


ENHANCING CUSTOMER CARE

Electric Distribution

ASA, 3-Year Averages

At our electric distribution unit in Virginia and North Carolina, we use a rolling three-year ASA to gauge trends in our levels of customer service. From a 2003-2005 baseline, our ASA improved by 37 percent over the past decade.



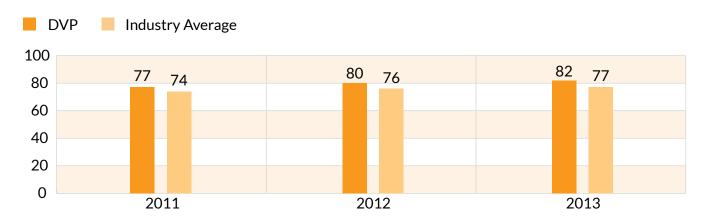
Performance cont.

ENHANCING CUSTOMER CARE

Electric Distribution

American Customer Satisfaction Index

In the ACSI, we scored 82 on a 100-point scale, up 2 points from 2012 and 5 points above the national utility average. For comparison purposes, the top-ranked company in our sector scored an 85 in 2013.



Source: ACSI Benchmark, Electric Utility Sector, April 2013.



We partner with our customers to help them make informed choices and manage their energy use more efficiently, control costs and reduce environmental impacts.

2013 Highlights

ELECTRIC DISTRIBUTION (VIRGINIA)

- Continued to enroll customers in a "Residential Bundle" program (Home Energy Check Up, Duct Testing & Sealing, Heat Pump Tune Up and Heat Pump Upgrade); and 3 programs for business customers (Energy Audit, Duct Testing & Sealing, and Distributed Generation)
- Received regulatory approval to extend two existing residential offerings: A/C Cycling Program and the Low-Income Program
- Filed for regulatory approval of 3 new energy efficiency programs for business customers: Lighting Systems & Controls, Heating & Cooling Efficiency, and Solar Window Film programs (Approved April 2014)
- Sought regulatory approval to offer an enhanced Energy Audit Program to business customers

ELECTRIC DISTRIBUTION (NORTH CAROLINA)

- Received regulatory approval to reactivate the Commercial HVAC and Commercial Lighting Programs
- Received regulatory approval of the Residential Bundle Program and the Non-Residential Energy Audit and Duct Testing & Sealing programs

NATURAL GAS DISTRIBUTION (OHIO)

- Invested \$9.5 million in conservation and energy efficiency programs for customers
- \$6.5 million, or about 70% of the total annual amount, went for home weatherization programs for qualified low-income customers
- Invested \$3 million in residential energy efficiency retrofit program, "Home Performance with Energy Star," in partnership with an independent service provider

Energy Conservation Programs

Program Evaluation

We have adopted Evaluation, Measurement & Verification (EMV) Plans at our electric distribution business to document energy savings and customer demand levels relative to our conservation and energy efficiency offerings.

Partnering with an energy and sustainability consultant, we will report our findings from the previous calendar year to Virginia and North Carolina regulators every April. These reports will include actual data, cumulative program results compared to forecasted annual projections, and any observations or recommendations that result from our analysis of the data we collect.

Online Tools

We provide a number of <u>web-based resources</u> to help our customers reduce their energy costs and use, including:

- Energy-saving tips
- Energy calculators
- "Energy Star Kid" games and activities that promote energy efficiency and environmental stewardship



5.1 million kWh

of power saved by low-income customers of Dominion Virginia Power, 2010 – 2013

Related Videos

Heat Pump Tune-Up Program

Winter Energy Saving Tips



We are committed to partnering with our customers to expand the range of clean energy options and to reduce environmental impacts as we evaluate the benefits of innovative technologies and sustainable solutions.

Dominion Green Power®

In 2013, we surpassed 20,000 customers enrolled in Dominion Green Power®, our voluntary green pricing program that supports the production and growth of renewable energy in Virginia and the surrounding region.

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

Customers can choose between two Green Power options:

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

WHAT ARE RENEWABLE ENERGY CERTIFICATES?

Renewable Energy Certificates (RECs) represent the positive environmental attributes of power produced from renewable energy sources. They are increasingly viewed as the "currency" of renewable power and green energy markets and are issued when 1 megawatt-hour (mWh) of renewable electricity is generated and delivered to the electric power pool. RECs can be bought and sold, allowing their owners to claim that renewable power was produced to meet the electricity demand they create.

For every amount of renewable energy generated and delivered to the regional power pool, an equivalent amount of RECs are created. So when customers enroll in the Dominion Green Power® Program, the company purchases RECs to match the amount of renewable energy they purchase. The RECs that are sold, the more demand is created for renewable energy.

Green Energy Programs

Purchasing RECs through the Dominion Green Power®
Program allows customers to claim the specific environmental benefits associated with the renewable energy supported. For a typical residential customer, participation in the 100 percent option for one year will reduce carbon dioxide emissions equal to removing one-and-a-half cars from the road for one year.

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

NC Green Power

For our 115,000 customers in North Carolina, we support NC GreenPower, which allows customers to add voluntary tax-deductible contributions to their electric bills. These contributions are used to reduce carbon emissions and increase the production of renewable energy power supplies in North Carolina.

Solar Purchase Program

Qualified homeowners and business customers in Virginia can participate in our 5-year pilot Solar Purchase Program,

which allows customers to generate and sell electricity and solar Renewable Energy Certificates (RECs) directly to Dominion at a premium rate of 15 cents per kilowatt-hour. Participating customers continue to purchase all the electricity for their home or business from Dominion on their current rate schedule. *The Solar Purchase Program* is currently limited to 3,000 kilowatts of installed capacity and is designed to help customers cover the cost of installing solar generation, while also promoting clean energy production.

The Dominion Green Power® program directly supports these solar projects through the purchase and retirement of RECs produced by the *Solar Purchase Program*.

Solar Partnership Program

Through the *Solar Partnership Program*, Dominion will build and operate up to 30 megawatts of solar energy facilities on leased rooftops or other grounds of private businesses and public properties in Virginia.

This multi-year pilot program is designed to increase our understanding of community-based solar energy by studying

2013 Highlights

- Dominion Virginia Power received a Green Power Supplier of the Year award from the U.S. Environmental Protection Agency for the Dominion Green Power® program in recognition of its leadership in offering voluntary renewable energy to customers
- Achieved 33% growth in the number of customers enrolled in the *Dominion Green Power* program (20,000 total)
- Sold 188,252 renewable energy credits (RECs) through *Dominion Green Power* – equivalent to 188,252 megawatt-hours of renewable energy production

- Announced the first two participants in Dominion's new Solar Partnership Program – Old Dominion University and Canon, Inc.'s Industrial Resource Technologies facility
- Launched the Solar Purchase Program to help customers defray the cost of installing solar generation while promoting more local clean energy production
- Received regulatory approval of a special rate program allowing large, non-residential customers to purchase more of their energy needs from renewable energy sources than is currently available from Dominion's fuel mix

Green Energy Programs

its impact and benefits while supporting the growth of this renewable resource in Virginia. At full capacity, the program would produce enough electricity to supply about 7,500 homes.

The first announced program participant was Old Dominion University in Norfolk, Va. More than 600 solar panels have been installed on the roof of ODU's Student Recreation Center. The panels will generate approximately 125 kilowatts of power, enough to supply the energy needs of about 30 homes.

The second participant selected in 2013 was Canon Virginia Inc.'s Industrial Resource Technologies facility in Gloucester, Va. This project includes more than 2,000 solar panels and is currently the largest rooftop solar installation in Virginia. The 521-kilowatt solar installation produces enough electricity to meet the energy needs of about 125 homes.

Electric Vehicle Pilot Program

About 350 Dominion Virginia Power customers who drive EVs are taking advantage of special charging rates through a pilot program approved by state regulators. The pilot program is limited to 1,500 customers and runs through November 30, 2016. Data and information gathered from the pilot will help us determine the most sustainable course for supporting electric vehicle charging in the future.

The pilot program provides customers with two discounted rate options:

- EV Pricing Plan: Customers install a second, dedicated meter at their house to measure the amount of electricity used to charge an EV. Charging prices will be lower during the nighttime hours when power demand is reduced.
- EV + Home Pricing Plan: A "whole house" rate option, which allows customers to take advantage of lower prices for power used by all of their household appliances, including the EV charger, during off-peak hours. A special meter is installed at the customer's home that measures power usage in 30-minute intervals. This allows participants to receive variable prices from Dominion, depending on when and how much electricity is used at the residence.



650,000 mWh

of renewable energy supported by Dominion Green Power program, 2009 – 2013

equivalent of removing

950,000 vehicles

from the road for 1 year

or planting

11.7 million trees



CUSTOMERS & COMMUNITY

33%

increase in customers enrolled in Dominion Green Power Program, 2012 – 2013



<u>Smart metering</u> and other smart grid applications are central to our conservation initiatives and could provide significant energy savings for our customers over time.

2013 Highlights

- Surpassed 187,000 total smart meter installations at customer locations in Virginia
- Completed more than 20,500 remote turn on/turn off customer requests
- Launched a "daily energy usage" online information resource for smart meter customers via the company's account management web portal



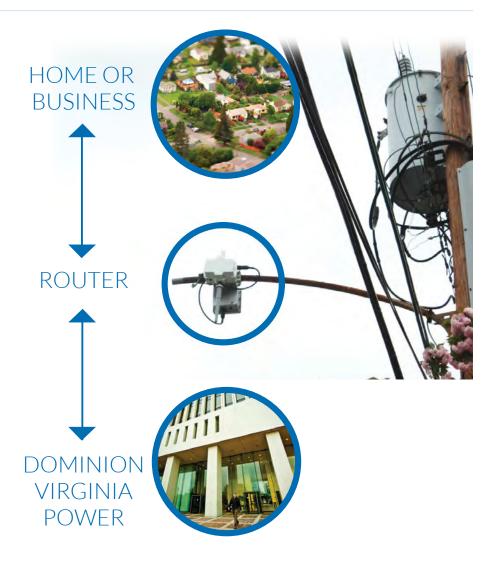


Benefits of Smart Meter Technology

- Optimizes voltage levels for more consistent electricity delivery and reliability
- Allows for more efficient use of fuels used to generate power, reducing operating costs and environmental impacts
- Enables remote turn on/turn off of electric service often within minutes of receiving the customer's request
- Measures energy usage in 30-minute intervals, allowing Dominion to offer different time-of-use pricing plans
- Improves efficiency of service restoration efforts by improving the speed and accuracy of power outage detection and reporting

HOW IT WORKS

The smart meter system enables remote two-way communication between the meter and Dominion.





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

Safety Communications

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



Social Media

- The growing popularity of social media has allowed us to engage interactively with our customers and the public about safety, storm-related outages and other issues of mutual interest.
- In 2010, social media channels, such as YouTube, Facebook and Twitter, became an integral part of our customer communications.
- In 2012, we launched a mobile website to help our customers manage their service and get information quickly and conveniently.
- In 2013, we launched two new social media channels. Instagram and Pinterest, to share more visually-oriented information with customers.













Public Health & Safety

Partners in Safety

One way we work to promote public safety is to partner with <u>first responders</u>, such as local fire departments, to make sure they understand the potential hazards of electricity and natural gas.

- Electric safety. In Virginia and North Carolina, Dominion Virginia Power's Safety & Training team uses a mobile, high-voltage line demonstration unit to instruct emergency responders, construction industry employees and the general public on the potential dangers of live power lines. Demonstrations are typically held at fire department training facilities and are manned by Dominion safety specialists.
- Natural gas safety. At our natural gas distribution company, we conducted "See Something, Say Something" public safety campaigns at various locations in Ohio and West Virginia. By partnering with state agencies and meeting with emergency responders, local officials and excavators about pipeline safety procedures, these educational initiatives reduced third-party "dig-ins" the leading cause of damage to pipelines used to deliver natural gas to our customers.

Gas Safety & Training specialists at our Dominion East Ohio unit partner with area firefighters at company fire-school facilities to provide training in extinguishing a variety of natural gas fires under controlled conditions. Each month, Dominion trainers also travel to area fire departments to provide "Partners in Safety" presentations on natural gas safety and carbon-monoxide awareness.



North Anna Power Station

Nuclear Safety

Safety at <u>Dominion's nuclear stations</u> is paramount in our efforts to protect the public health and safety. The company's nuclear safety policy makes clear that every employee in the company's nuclear operations must have a profound respect for the safety of the reactor core and work proactively to prevent any and all nuclear events from occurring.

- Radiological and industrial safety are also leading priorities
 at our nuclear stations. Radiological safety focuses on
 ensuring that workers minimize their exposure to radiation
 while working in areas where the potential for exposure
 exists. This includes adhering to long-established industry
 standards for keeping radiation exposure as low as possible.
- Industrial safety focuses on following strict and rigorous safety practices and procedures to prevent on-the-job accidents and injuries. All of Dominion's nuclear stations have been certified as "Voluntary Protection Program Star" sites by the U.S. Occupational Safety and Health Administration. The VPP Star is OSHA's top designation for industrial safety.

Emergency Preparedness & Response

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

Crisis Planning & Response

We continue to refine our comprehensive and integrated Crisis Response, Business Resumption & Communications Plan. This plan is designed to ensure that we react swiftly and appropriately to manage crises, maintain or resume critical business functions, and communicate effectively with all stakeholder groups. The plan is designed to fully integrate the preparations and response to ensure that best practices and lessons learned are applied consistently across the company.

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

Ensuring Physical and Cyber Security

As part of our overall strategy to improve the resiliency and security of the electric grid, Dominion is installing additional physical security measures at substations throughout Virginia. We are planning to spend up to \$500 million over the next 5-7 years to harden our transmission substations and other critical infrastructure against man-made physical threats and natural disasters, as well as stockpile crucial equipment for major damage recovery.

In the area of cyber security, we use an integrated set of protections to safeguard critical energy infrastructure,

the continuity of our operations and the confidentiality, integrity and availability of data and systems – including those involving customer and investor information.

In addition, Dominion employees receive periodic cyber security awareness training to complement job-specific training. We safeguard customer information on secure systems with restricted access. Multiple security controls help protect this information whenever we store or transmit it.

A continuous monitoring program and internal and external audits provide ongoing oversight of our operations. Dominion cyber security experts regularly communicate with government agencies, law enforcement and intelligence organizations and industry peers to assess threats and align the company's security posture with regulatory requirements and evolving digital technologies.

Related Video

Hurricane Preparedness

Cove Point Security

Related Link

Transmission Grid

Nuclear Emergency



Energy Assistance Programs

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

2013 Highlights

- \$2.6 million pledged by Dominion to support EnergyShare fuel assistance program in Virginia, North Carolina and Ohio
- \$1.3 million donated by Dominion customers and employees to EnergyShare
- More than \$100,000 donated to independent fuel funds and disaster relief initiatives in six states where Dominion does business
- \$55,000 contributed to Fan Care to purchase fans and air conditioners for about 1,400 senior citizens in Virginia and North Carolina

Types of Energy Assistance

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

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

Energy Assistance Programs

EnergyShare

After more than 30 years, our signature EnergyShare heating and cooling assistance partnership program continues to help eligible customers in Virginia and North Carolina pay their energy bills. Over that period, the program has raised about \$60 million in donations from employees, customers, businesses and civic organizations and helped more than 650,000 individuals and 275,000 families stay comfortable in their own homes. In Ohio, EnergyShare helps pay natural gas bills for our customers.

Fan Care

Fan Care, another Dominion-sponsored cooling assistance program, continued to assist elderly Virginia residents stay comfortable in their homes during the summer months. For more than 20 years, we have teamed up with the Department for Aging and Rehabilitative Services to provide free fans to eligible seniors who live in our service area.

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



\$3.9 million

in EnergyShare donations made by Dominion, its employees and customers in 2013



17,243

families received EnergyShare assistance in 2013



We view charitable giving as an integral aspect of good corporate citizenship and an opportunity to engage and support the communities we serve in ways that align with our business interests.

2013 Highlights

- The Dominion Foundation made 1,417 charitable grants in 13 states totaling \$13.4 million* and provided \$1.6 million in matching gift funds to 1,541 qualified organizations in 45 states for total charitable giving of \$15 million
- Launched a \$500,000 environmental grant program to help preserve wetlands, plant trees, protect natural habitats, monitor water quality and more
- Provided grants totaling \$400,000 to support historical programs and diversity initiatives
- Awarded \$100,000 to civic organizations that contributed to the economic and social revitalization of Ohio communities where we have business operations
- * Foundation grants are funded from corporate profits, not customer electric or natural gas bills

Philanthropy

Matching Gifts Program

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

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



Human needs

food, warmth, energy-efficient shelter, access to basic medical and health care

Environmental stewardship

protection of natural resources, helping nonprofit organizations increase their energy efficiency

Education

increasing awareness of the role of energy in the economy, helping develop skill sets for working in tomorrow's energy workforce

Community vitality

fostering an appreciation of diversity, stimulating neighborhood revitalization, promoting vibrant community life and cultural initiatives



\$17.4 million

in grants to environmental groups and programs 2004 –2013



CUSTOMERS & COMMUNITY

\$1.6 million

in employee/retiree matching gifts to

1,542

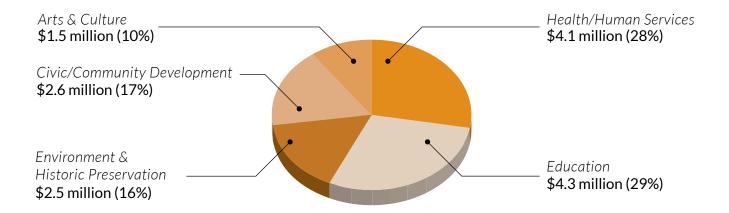
non-profits in

45

states

Philanthropy

2013 CHARITABLE GIVING - TOTAL = \$15.0 MILLION



INVESTING IN OUR COMMUNITIES

Dominion Foundation grants, 2009 - 2013

Category	Amount
Health & Human Services	\$20.7 million*
Education	\$17.1 million
Environment/Historic Preservation	\$20.2 million
Arts & Culture	\$12.7 million
Community Development	\$10.9 million
TOTAL	\$81.6 million

^{*}Includes \$4.5 million to the United Way



We face a growing challenge of replacing retiring baby boomers with employees who are skilled in the STEM fields – science, technology, engineering and math – subject areas that are critical to our business. For that reason, we partner with the educational community through mentoring initiatives, philanthropic support and other means to strengthen STEM competitiveness and help prepare students for tomorrow's workplace.

2013 Highlights

- Launched \$1.4 million R&D Partnership Program with Virginia universities for alternative and renewable energy research funding
- Provided \$1 million in funding to the Dominion Higher Education Partnership to 39 colleges and universities in 7 states and the District of Columbia to support workforce development in key areas, such as business, engineering, craft and environmental studies
- Awarded \$365,000 in grants to 88 K-12 schools in 8 states for environmental and energy-related projects
- Dominion's Project Plant It! educational partnership program received a "Public Awareness of Trees" Award from the Arbor Day Foundation for its contribution to environmental awareness and stewardship

Education

Solar Energy Grant Funds University Research

As part of a new R&D Partnership Program with public universities in Virginia, Dominion provided a three-year, \$500,000 grant to Old Dominion University for photovoltaic research and development.

After months of preparation and installation, a team of ODU professors and students are working with Dominion to study the economics, operation, maintenance and performance of commercial-scale solar photovoltaic panels installed on the roof of the school's engineering building. The research team will evaluate the solar panels and mounting structures and develop a method for detecting solar cell failures in real time.



\$4 million

in grants to K – 12 schools since 1996



33,000

students in 6 states planted redbud seedlings as part of *Project Plant It!* educational program

Related Video

James River Expedition 2013 - Upper James

Related Link

Project Plant It!



Employee volunteers reinforce our core values and set a high standard for community service. Their outreach and goodwill teach us what it means to look beyond individual job responsibilities to the larger needs of society. Their generosity helps build bonds with the communities that sustain our business.

2013 Highlights

- 100,000 hours of employee volunteer service to the community
- Completed 21 "Energizing Communities" projects in 8 states and the District of Columbia benefiting members of the military and their families, as well as veteran organizations
- Supported 12 environmental refurbishment and beautification projects in 7 states as part of the company's annual "Putting Our Energy to Work for the Environment" volunteer project
- Received a founder's award from the Virginia Mentoring Partnership recognizing Dominion for its commitment to volunteer mentoring and youth advocacy

Engaging & Recognizing Volunteers

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

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

"Reaching out to kids – and to the larger community – is part of Dominion's corporate culture. We know how important it is to build lasting relationships, trust and goodwill with the communities we serve... and mentoring is one way we express that commitment."

– Steve Rogers, Sr. Vice President (Acceptance remarks, Virginia Mentoring Partnership award ceremony, March 14, 2013)

Volunteerism

Supporting Our Military Families and Veterans

For the second year, Dominion volunteers participated in a multi-state project, "Energizing Our Communities," to benefit active members of the military and their families, as well as veteran organizations. Our employees nominated organizations to receive \$1,000 grants from the Dominion Foundation and up to 25 company volunteers to assist them.

Dominion volunteers completed 21 projects in 8 states and the District of Columbia, most of them just before the Memorial Day weekend. Projects included creating a green space and planting shrubbery in and around a veterans' hospital in Clarksburg, West Virginia; painting, tree trimming and repairing the Paralyzed Veterans of America facility in Canton, Ohio; and taking active duty military and veterans under medical treatment on a fly-fishing trip to the Rose River in Madison, Virginia, in partnership with Project Healing Waters.



Putting our Energy to Work for the Environment, 1999 – 2013

200 environmental projects

7,300 employee volunteers

\$600,000

in financial support from the Dominion Foundation

Related Video

Putting Our Energy to Work

Energizing Our Communities

America Recycles Day Donation

Related Link

Volunteering in the Community



Economic Development

Our business is only as strong as the areas we serve. That is why we are committed to partnering with public and private sector organizations to attract new businesses and jobs and build stronger communities that benefit from clean, reliable and competitively priced energy.

2013 Highlights

- Home state of Virginia ranked No. 1 on the Forbes 2013 "Best States for Business" list
- Dominion's Economic Development team supported the location or expansion of 10 companies in Virginia, including Microsoft, Lipton Tea and Sabra Dipping Co.
- Announced locations/expansions represented more than 750 new jobs and about \$500 million in new capital investment
- About 70% of daily global Internet traffic passes through data centers clustered in our Northern Virginia service area

Virginia's Favorable Business Climate

Our home state of Virginia enjoys a reputation as one of the nation's best places in which to live and do business. It is consistently ranks among the top five best business climates by Forbes, CNBC, Site Selection Magazine, Business Facilities and Pollina Corporate Real Estate. A significant portion of the Virginia economy is tied to the federal government, but the state also benefits from diverse strengths in bioscience, logistics, manufacturing and technology.

Our Role in Economic Development

The three "Rs" – Rates, Reliability and Responsiveness – have long been the focus of Dominion's role in promoting economic vitality and competitive advantage. A fourth "R" – Renewable – has become increasingly important as companies looking to relocate or expand also desire to minimize their environmental footprint by supporting renewable energy sources.

Dominion is working on a number of different fronts to address these interests and balance the need for energy that is clean, reliable and affordable. (See <u>Customer Focus</u> and <u>Renewable Energy</u> sections of this report).

Economic Development

Competitive Electric Rates

Reliable and competitively priced electric service is an important factor in attracting and retaining business investment. Under rates in effect as of July 1, 2013, Dominion's typical industrial rates were extremely competitive: 30 percent below the national average and 36 percent below the East Coast average.

Energy Projects Support Economic Growth

Dominion's current and planned infrastructure modernization program and environmental investments will help meet Virginia's projected 25 percent increase in electricity demand over the next 15 years and also improve air quality by reducing emissions. (See Environment/Air Quality section of this report).

The company's estimated \$27.6 billion in planned growth capital expenditures from 2007-2018 are expected to support 28,254 construction jobs and generate about \$519 million in local property tax revenues, according to the growth plan endorsed by Dominion's Board of Directors in late 2013.

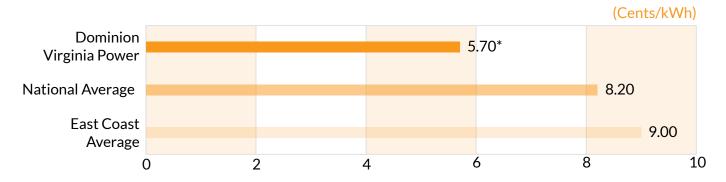
Data Centers Drive Economic Growth

Virginia is home to one of the most significant concentrations of data centers in the world. In fact, about 70 percent of global Internet traffic flows through our service area every day. In response, we created Dominion Data Center Services to provide one-stop service for data center customers through a streamlined connection process and a pre-certified site program. Sites that are suitable for new data centers are identified and pre-qualified throughout our Virginia service area.

Performance

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

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



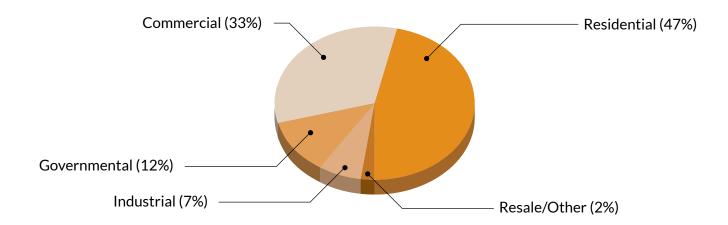
^{*}Rates effective July 1, 2013

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

Economic Development

Performance cont.

DOMINION'S DIVERSE CUSTOMER BASE (2013 Electric Revenues by Customer Class)



ENVIRONMENT

Responsible stewardship of natural resources is one of the essentials of daily business at Dominion. Meeting energy needs while minimizing our environmental footprint is a leading sustainability challenge.



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

2013 Highlights

- Spent \$246 million on environmental O&M and capital improvement projects
- Participated in the CDP Water
 Questionnaire to disclose data and
 information about the company's overall
 water use and risk management practices
- Converted three coal-fired power stations to renewable biomass and one to natural gas to help reduce emissions and improve air quality

Our Commitment to Compliance and Disclosure

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

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

Environmental Risks & Reporting

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

Stewardship

Dominion's emissions data and climate change risks and opportunities are described in full in our 2014 Greenhouse Gas Report. We also have added water metrics to our online Environmental Report and to this report. (See Water Use & Conservation and the 5-Year Summary Performance Table).

New EPA Regulations

The U.S. Environmental Protection Agency (EPA) has proposed or finalized a number of strict new air and climate regulations. In 2014, regulations were completed on cooling water intakes, and final regulations governing coal combustion byproducts (CCBs) are expected. Final regulations governing discharges from some of our power stations are expected in 2015.

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

- Retrofit or retire a number of our coal units
- Build new low- or no-emissions power generation
- Rely on energy efficiency and conservation programs
- Add new transmission capacity

Methane Research Project

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

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

Clean Air Act Settlement

In 2013, Dominion agreed to pay \$3.4 million civil penalty and spend about \$9.8 million on environmental mitigation projects under a Clean Air Act settlement with EPA and the Justice Department. The settlement resulted from alleged violations dating from 2009 of the Act's New Source Review provisions at three Dominion merchant coal stations in Indiana, Illinois and Massachusetts, which the company no longer owns.

Although we denied the allegations in the belief that we operated these stations in full compliance with the Clean Air Act, we reached this consent agreement to avoid a long and costly legal challenge, and to reduce emissions and improve air quality in and around the communities located near the facilities in question.

In regard to the mitigation projects, Dominion will spend \$9 million on projects such as:

- Woodstove replacements in Massachusetts, Rhode Island and Connecticut
- Locomotive engine idling reduction for Chicago rail yards
- Land acquisition and restoration near the Indiana Dunes National Lakeshore
- Energy efficiency and geothermal and solar projects for local schools and food banks
- Clean diesel engine retrofits for municipalities and school districts

The company also paid \$750,000 to the U.S. Forest Service and the National Park Service for projects to address damage done by the stations' alleged excess emissions.



\$3.1 billion

invested in environmental upgrades to our generating fleet, 1998 -2013

Related Links

Dominion's Environmental Commitment

Greenhouse Gas Report



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

2013 Highlights

- Produced 777 pounds of carbon dioxide (CO2) per unit of electric output – about 39 percent below the industry average of 1,275 pounds CO2 per unit of output – according to a 2014 air emissions study conducted by M.J. Bradley & Associates LLC using 2012 data
- Added more than 200 megawatts of renewable energy to our generating portfolio, including the conversion of three coal-fired stations to biomass; the acquisition of solar-powered facilities in Indiana, Georgia
- and Connecticut; and the commercial operation of a new fuel cell installation in Connecticut improving our fuel diversity and environmental footprint
- Launched a 5-year pilot Solar Partnership Program to build and operate up to 30 megawatts of solar energy facilities on leased rooftops or other grounds of private businesses and public properties. (See Green Energy Programs).

Climate Change



#38

Dominion's ranking in the top 100 global "green" utilities in reducing CO₂ emissions, *E! New Energy*



19%

decline in utility fleet average CO_2 emissions rate, 2000 - 2013

Our Position on Climate Change

Dominion believes a national climate change policy must feature a comprehensive, interrelated strategy that includes the power generation, manufacturing and transportation sectors – the three primary sources of greenhouse gas emissions in our national economy. The strategies for the power generation sector should ensure fuel diversity, a reliable energy supply and affordable electric service, as well as regulatory certainty and cost-effective compliance measures. Public-private partnership investments in the development and deployment of technology-based solutions, including renewable energy, advanced nuclear, efficient natural gas and clean coal technologies, as well as industry and consumer energy-efficiency and conservation programs, are central to securing meaningful and sustainable emissions reductions.

Our Climate Change Strategy

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

- Enhance conservation and energy efficiency programs to help customers use energy wisely and reduce environmental impacts (See Energy Conservation section of this report)
- Expand renewable energy resources including wind power, solar and biomass to help diversify our generation fleet, meet state renewable energy targets and lower our carbon footprint (See Operations)
- Build other new generating capacity including emissionsfree nuclear, low-emissions natural gas-fired and fuel cell units, and support research and development of new technologies, including clean coal technologies to meet future electricity needs (See Infrastructure Modernization)
- Construct new electric transmission infrastructure to modernize the grid, promote economic security and help deliver more green energy to population centers where it is needed most (See Infrastructure Modernization)
- **Divest or close uneconomic coal units** which for market reasons or regulatory costs are unable to operate efficiently (See <u>Operations</u>)
- Reduce methane emissions from transmission and storage facilities by implementing best practices participating in the EPA's voluntary Natural Gas STAR Program (See Methane Reduction Initiatives section below)

Climate Change

Minimizing Carbon Intensity

Dominion continues to produce fewer less carbon emissions per unit of energy than two-thirds of the nation's 100 largest power producers.

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

Since we began tracking our utility fleet emissions in 2000, the average CO2 emissions rate per unit of output has declined by about 19 percent through 2013. During that same time period, the generating capacity of our fleet grew significantly.

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

Methane Reduction Initiatives

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

- Dominion is partnering in a nationwide field study led by Colorado State University to quantify methane emissions from natural gas transmission and storage systems. As part of the study, we provided historic emissions and operating data to complement measurements taken by the research team during the second half of 2013. Study results are expected to be released during the second half of 2014.
- Dominion Transmission, Inc., our natural gas pipeline and storage business, has joined the EPA's Natural Gas STAR Program. This voluntary partnership between government and industry was created to reduce methane leakage and emissions to the environment. DTI has adopted a number of best practices from the program guidelines to document and lower methane emissions at the company's facilities.

Performance

REDUCING OUR CARBON FOOTPRINT (CO₂ INTENSITY RATE, LBS/NET MWH)

24% DECLINE IN CO2 EMISSIONS RATE, 2009 – 2013



Pounds CO₂ per mWh of output, company-owned generation

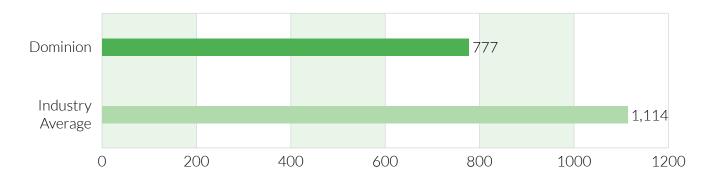
Climate Change

Performance continued

MINIMIZING CARBON INTENSITY

30% BELOW INDUSTRY AVERAGE IN CARBON INTENSITY

(Pounds CO₂ per mWh, 2012 data)



Source: M.J. Bradley & Associates, 2014 Report

Related Video

Dominion: Lowering our Carbon Intensity



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

Our Commitment to Improved Air Quality

Since 1998, we have made major strides in reducing the environmental footprint of our electric generating fleet. By 2015, we will have invested more than \$2 billion to achieve significant improvements in air quality from our regulated utility fleet as follows:

- Sulfur dioxide (SO2): 94 percent reduction (emissions per unit of output) from 2000 levels
- Nitrogen oxide (NOx): 85 percent reduction
- Mercury: 95 percent reduction

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



50%

of our 2013 electricity output came from emissions-free nuclear and renewable energy

Air Quality

Landmark Agreement with the EPA

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

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

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

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

Meeting the Challenge of New Regulations

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

Our main options for complying with EPA's new regulations will be to retrofit or retire a number of our coal units, convert them to other fuel sources, such as natural gas or renewable biomass, and add new transmission capacity, or build new low- or noemissions power generation, such as nuclear, natural gas, wind and solar (See Stewardship).

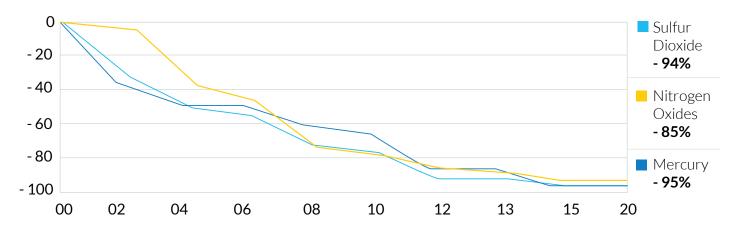
Cove Point LNG Project

Dominion is proposing to build facilities for exporting liquefied natural gas (LNG) at its existing Cove Point LNG Terminal located on the Chesapeake Bay in Lusby, Md. (See Public Policy).

The high-efficiency design of the liquefaction facility would help to minimize the environmental impact of the LNG export operations. Waste heat would be used to create steam for the generation of electric power for use on site. Process gas would be used to fuel the facility instead of flaring it to the atmosphere, thereby reducing emissions.

Performance

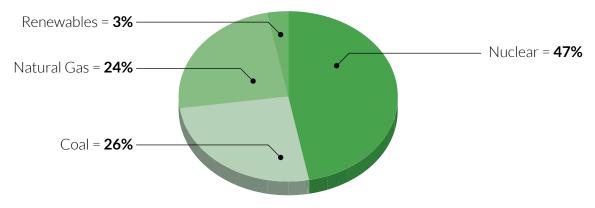
SUSTAINED AIR QUALITY IMPROVEMENTS, PERCENT PROJECTED EMISSIONS REDUCTIONS, 1998 – 2020



Air Quality

Performance continued

2013 GENERATION FLEET OUTPUT BY FUEL*



*Company-owned and operated facilities

Related Link

Emerging Regulations



We are fully committed to the responsible <u>use and conservation of water</u> resources, which are critical to our operations.

2013 Highlights

- Partnered with a local wastewater treatment facility to reuse treated waste water instead of fresh water to supply the emissions control equipment (scrubbers) we use at the Chesterfield Power Station in central Virginia
- Recycled about 450 million gallons of municipal wastewater at the Chesterfield station – an increase of about 50% from 2012

Electric Business

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

About half of our facilities withdraw water and return it to the source (once through) at a slightly elevated temperature

but with little to no consumption involved. The other half of our facilities use closed-cycle cooling and withdraw very little water, compared to facilities using once-through cooling.

Other ways that we use water in our operations include:

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

Water-Saving Cooling Systems

Dominion has installed water-saving cooling technology at some of our generating stations.

For example, the Virginia City Hybrid Energy Center in southwestern Virginia uses an air-cooled condenser to remove heat from the system. Fans remove much of the excess heat, resulting in about 90 percent lower overall water use when compared to traditional coal-fired power stations.

In addition, the company is building two 1,300-megawatt natural gas power stations in Virginia that are expected to begin commercial operation in late 2014 and 2016, respectively. Each of these stations will be equipped with an air-cooled condenser to reduce water consumption compared to once-through cooling systems or traditional cooling towers.

Water Use & Conservation



Cove Point LNG

Natural Gas Business

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

We use water to pressure test new and existing natural gas pipelines. This water is filtered and tested before it is discharged in accordance with applicable state and federal permits.

We also produce water when operating our gas storage and production wells. The majority of this produced water, known as brine, is collected and injected into permitted underground injection wells (UIC Class II) that are designed and operated for brine disposal. About 25 percent of this produced water is sent to approved off-site disposal facilities for treatment.

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

CDP Water Disclosure

In 2011, 2012 and 2013, we participated in the CDP "Water Disclosure" reporting process to share data and information about Dominion's overall water use and risk management practices. We plan to report again in 2014. A copy of our 2013 report is available at https://cdproject.net/water.

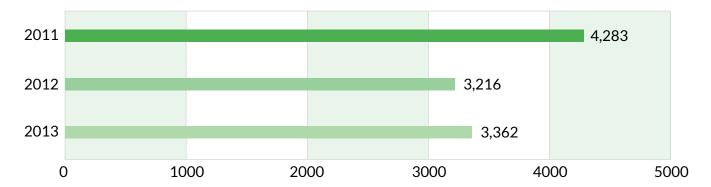


34%

increase in reused/recycled water at our generating stations since 2010

Performance

CONSERVING WATER RESOURCES (WATER WITHDRAWN, BILLIONS OF GALLONS, 2011 - 2013)



^{*}Company-owned generation excluding hydro and wind



Biodiversity & Habitat Protection

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

Avian and Wildlife Protection

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

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

Wildlife Preservation

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



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

Rare Plant Protection

Since 1995, Dominion has supported the Natural Heritage Program of the Virginia Department of Conservation & Recreation. The program is intended to preserve the state's biodiversity through inventory, ecosystem protection and stewardship. Dominion has teamed with the VDCR to conduct

Biodiversity & Habitat Protection

surveys of "Threatened and Endangered" (T&E) plants and other rare plants found in open-canopy environments located on the company's electric transmission and distribution rights-of-way.

Land Conservation

Dominion donated 477 acres of unique ecological habitat called Bear Rocks to The Nature Conservancy of West Virginia. The land, located adjacent to the Dolly Sods Wilderness Area, will be used in perpetuity for conservation purposes. We are also partnered with The Public Land Trust to purchase and preserve a 122-acre waterfront area near Virginia Beach, Va., called Pleasure House Point. The area provides rare public green space and the opportunity to experience shoreline habitat, wetlands and maritime forest that is home to many species of birds and marine life, including the Chesapeake Bay blue crab and the Lynnhaven oyster.

Partnerships

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

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

SOME EXAMPLES OF OUR ECOSYSTEM CONSERVATION INITIATIVES AND PARTNERSHIPS INCLUDE THE FOLLOWING:

- Cove Point Beach Restoration. In cooperation with various regulatory, environmental and community groups, Dominion helped rebuild a buffer zone separating the Chesapeake Bay and a freshwater marsh using native grasses and plants. (See related video).
- The Center for Conservation Biology
 Partnership. With the bald eagle population in
 Virginia steadily growing, the competition for
 nesting sites and resources is also increasing.
 One such nesting site is located on a Dominion
 transmission structure in central Virginia.
 With Dominion's assistance, the Center for
 Conservation Biology at the College of William
 and Mary is studying this nest using video
 recording equipment installed by Dominion
 employees. Monitoring of the nest will improve
 understanding of bald eagle behavior and
 population dynamics in Virginia.
- Roanoke River Fish Restoration. Dominion is involved in a long term study of "diadromous" fish populations in the Roanoke River, North Carolina. Diadromous fish, such as American shad and striped bass, generally live in the ocean and return to freshwater rivers to spawn; or like American eels, they live in rivers and migrate to the ocean to spawn. As the owner of a hydroelectric dam on the Roanoke River, Dominion works with state and federal agencies to assess and implement programs designed to support these fish populations.

Related Videos

Cove Point Marsh Restoration

Dominion Envirothon

Cove Point Environmental Stewardship



Reusing resources and reducing waste makes good business sense, and it is the right thing to do. Consistent with the value we place in ethical and excellent performance, we strive to minimize the waste we create and to handle and dispose of it responsibly. We also actively seek opportunities to recycle and reuse waste materials.

Data Collection and Measurement

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

We have collected detailed data about company electricity consumption since 2008. We began reporting this data to the <u>Carbon Disclosure Project</u> in 2010, and comprehensive 2011, 2012 and 2013 data is available in this report. (See <u>5-Year Summary Performance Table</u>.)

Managing Our Energy Footprint

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

- Preventive maintenance programs to keep equipment in peak condition and delay replacements
- Energy Management Systems to control lighting and HVAC systems after hours and reduce overall energy use
- Installation of solar window film and reflective roofs to decrease heat infiltration and increase the efficiency of air conditioning operations

- Adoption of LEED-certified "green" building standards at three locations
- Installation of light sensor-activated switches and timers in selected rooms and public spaces
- Replacement of incandescent lighting in buildings, garages and warehouses with high-efficiency Light-Emitting Diode (LED) lights and compact fluorescent light bulbs (CFLs)
- Partnering with green vendors to recycle thousands of used company computers, monitors and printers to keep them out of public landfills
- Implementing "single stream" recycling of co-mingled glass, papers and plastics

Investment Recovery

In 2013, our Asset Investment Recovery group was able to recycle about 33 million pounds of scrap metals from electric transformers, wire and cable, circuit breakers and other scrap equipment. This recycled scrap returned approximately \$9 million to the various business units that submitted them.

At our natural gas transmission business, we recycled more than 7.4 million pounds of surplus steel pipes, valves, flanges and other materials.

Engaging Employees

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

Coal Combustion Byproducts (CCBs)

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



STATION RECYCLING HELPS CLEAN STREAMS

Since beginning commercial operation in July 2012, the Virginia City Hybrid Energy Center in Wise County, Va., has recycled nearly 1.1 million tons of waste coal, in keeping with our commitment to help clean environmental hot spots in the coalfields of Southwest Virginia.

The waste coal, also called "gob," is piled along miles of streams and rivers in the region. Left over from earlier coal mining, it is a source of metals and other contaminants that leach into local waterways. Gob is mostly rock and lower BTU coal that mining operations discarded in the early to mid-1900s. Prior to regulations on how to handle gob, the material simply piled up, often along stream beds. There are literally hundreds of gob piles throughout the central Appalachian coalfields.

The pile, which contained more than 1 million tons of gob, is expected to disappear completely as it is used for fuel at VCHEC by the end of 2014. At that time, actual reclamation of the land and the stream bed can begin.

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

Dominion takes every precaution to ensure that its ash facilities are operated properly and in compliance with all applicable state and federal regulations. Our facilities are visually inspected quarterly by station environmental personnel and annually by our corporate dam safety engineers. In addition, station operators perform a regular visual inspection to check for any unusual conditions.

Following the Dan River incident in North Carolina, Dominion is conducting a thorough review of all of its active and inactive facilities and dams to determine if any conditions exist that are

similar to those that caused the Dan River spill. As part of this review, we have verified that there are no storm drainage pipes running under Dominion's ash ponds. We are also inspecting all piping associated with the operation of these facilities to ensure their structural integrity.

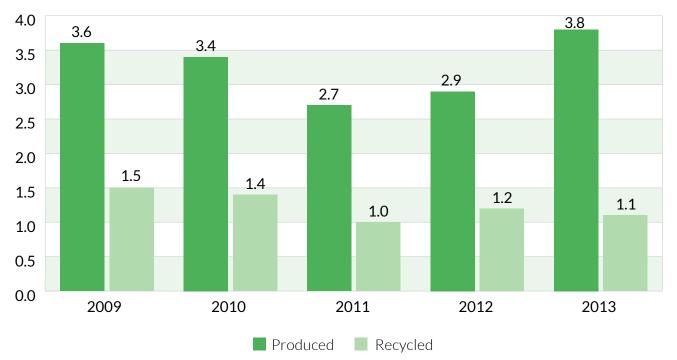
In 2013, Dominion's fossil fleet produced about 3.8 million tons of CCBs, excluding gypsum. About 60 percent of Dominion's CCBs were disposed on site or at an off-site CCB landfill. Approximately 1.1 million tons, or about 29 percent, of CCBs were used in 2013 to replace higher value or "beneficially reused" materials off site.

In 2010, the EPA proposed a rule that would create a federal regulatory program for coal ash residuals. We expect the final rulemaking for coal ash residuals to be completed by the end of 2014.

Performance

COAL COMBUSTION BYPRODUCTS * (MILLION TONS)

(2009 - 2013)



^{*}Company-owned generation

Performance continued

ANNUAL RECYCLED MATERIALS, 2009 – 2013 (IN POUNDS)

Category	2013	2012	2011	2010	2009
Coal combustion byproducts ¹	2,249,968,000	2,348,376,040	2,075,038,380	2,748,131,116	2,950,643,000
Gypsum	291,316,946	209,360,000	248,302,000	238,210,000	271,528,000
Biomass combustion products	41,304,000	30,060,860	36,878,000	39,380,000	41,136,000
Oils, fluids for reclamation/recovery	34,701,042	40,651,623	23,464,070	20,228,242	17,372,724
Scrap metals	37,134,607	40,448,632	29,503,127	26,307,330	28,130,017
Paper, cardboard, plastic, glass	2,873,882	3,162,639	3,119,052	2,598,249	2,726,154
e-waste	284,206	118,164	89,873	50,865	46,662

¹Does not include gypsum

Data provided to EPA WasteWise program



Dominion is actively participating in the development and deployment of <u>alternative vehicle technologies</u> and fuels to help lower greenhouse gas emissions and improve environmental performance.

Dominion's Green Fleet

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

More than 800 vehicles in our fleet are powered by B20 biodiesel fuel, and about 240 run on compressed natural gas (CNG), primarily light- and medium-duty pickup trucks at 12 locations in Ohio. The use of CNG in light-duty pickup trucks typically requires 87 percent less gasoline than regular, gasoline-fueled, light-duty pickup trucks.

Electric technologies make up a smaller but growing portion of our alternative-fuel fleet. Through focused initiatives to identify practical opportunities to use these technologies, we have doubled the number of HEV's in our utility fleet. In addition to the fuel savings and environmental benefits, the hybrid technology offers lower maintenance costs, less noise at service calls, and healthier work conditions for our line crews.

We are adding electric vehicles (EVs) to reduce our carbon footprint, cut fuel use and test the value of this clean technology in densely-populated areas of our Virginia service territory. The EVs run off of a large lithium ion battery pack,

with a range of 40 to 100 miles per charge. We expect annual fuel savings in excess of \$900 per vehicle.

See <u>Green Partnerships</u> in this report to learn more about Dominion's efforts to promote EV use among its customers.

2013 Highlights

- Compressed natural gas (CNG) vehicle fleet displaced the equivalent of about 229,000 gallons of gasoline
- Doubled the size of the hybrid electric vehicle (HEV) fleet to 40 from 20
- Deployed four utility service trucks that use HEV technology to operate the boom when servicing power lines

Alternative Vehicles & Fuels

Performance

DOMINION'S GREEN FLEET

(AS OF JAN. 2014)

Vehicle Type	Number
Biodiesel	838
Flex fuel*	534
Compressed Natural Gas	241
Hybrid Electric	40
Plug-in Hybrid Electric	6
Electric	5
Electric & Diesel	2
	TOTAL: 1,581

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



30%

of vehicle fleet powered by alternative fuels



229,000

gallons of gasoline displaced by NGVs and EVs in 2013

Related Video

Dominion Chevy Volts

PERFORMANCE

Highlights of Dominion's social, economic and environmental progress and performance.

2013 Performance Highlights



BUSINESS

2nd

"Most Admired" eletric/gas utility, Fortune magazine **#57**

on "100 Best Corporate Citizens" list, Corporate Responsibility magazine 93.7%

nuclear fleet capacity factor – a company record

\$2.25

per share in dividends paid, up 7% from 2012



WORKPLACE

#23

on "Top 100" militaryfriendly U.S. employers, G.I. Jobs magazine 10%

decline in recordable safety incident rate from 2012

\$1.6 million

in employee/retiree charitable matching gifts

202,000

hours worked by employees at Cove Point LNG facility without a safety incident



CUSTOMERS & COMMUNITY

\$15.0 million

in corporate charitable gifts

34%

of electric customers used eBill, the paperless billing program **100,000** hrs

of volunteer service to the community

 $^{\$}1.4$ million

in educational grants awarded



ENVIRONMENT

\$246 million

in total environmental spending

28%

of vehicle fleet powered by alternative fuels

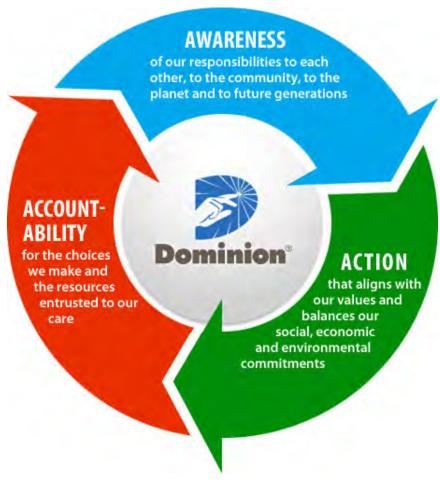
#38

on EI New Energy's global list of "Top 100 Green Utilities" 33%

increase in customers enrolled in Dominion Green Power Program to support renewable energy

INNOVATION. STEWARDSHIP. COLLABORATION. ENGAGEMENT.

These are the cornerstones of our sustainability strategy. They correspond to the four broad focus areas listed below that provide a framework for our sustainability goals and related metrics and for tracking performance over time. The goals were first approved in 2011 by Dominion's Executive Sustainability Council. New and existing initiatives are in place to achieve them, and our 2013 progress is reported below.



OUR SUSTAINABILITY MODEL

INVEST IN THE TECHNOLOGIES OF TOMORROW

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

Initiatives	Progress
▶ Plug-In Electric Vehicles	Pilot program underway through Nov. 2016
▶ Conservation Voltage Reductions (CVR)	Patented <u>EDGESM</u> (Energy Distribution & Grid Efficiency) voltage management solution adopted by two utilities in Illinois and Oregon; pilot program underway at California municipal utility
▶ Offshore Wind Power	Won federal offshore wind auction of 112,800 acres off the Virginia coast to develop 2,000-mw wind farm
	Took initial steps to participate in federal auction of offshore wind acreage in North Carolina
▶ Micro-grid Research Project	Continued partnership with VCU School of Engineering to research and develop micro-grid test site for energy efficiency technologies
	Developing micro-grid research project at Kitty Hawk, North Carolina, involving distributed renewable generation and energy storage technologies
▶ Dominion Resources Innovation Center	Six occupants in <u>advanced technology center</u> created to support start-up companies in clean energy and other industrial sectors

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

▶ 4% sales in VA derived from renewable energy sources between 2010-2015

Providing \$1.7 million in R&D funding in partnership with 12 Virginia universities to evaluate various renewable energy and alternative technology projects

On target to meet RPS goal

Goal: Meet North Carolina RPS goal for Energy & Energy Efficiency: 12.5% by 2021

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

REDUCE OUR ENVIRONMENTAL FOOTPR	

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

nitiatives	Progress
▶ Replace commercial sedans and SUVs as appropriate with AFVs	Deployed 4 utility service trucks that use hybrid electric technology
	Displaced 229,000 gallons of gasoline equivalent with compressed natural gas
	Doubled size of Hybrid Electric Vehicle fleet to 40 from 20
Goal: Manage our energy footprint at company facilities	
▶ Pursue Leadership in Energy and Environmental Design certification for new administrative/warehouse complexes	LEED standards included in new Dominion Transmission headquarters facility in Bridgeport, WV
▶ Track and report annual energy use at company facilities	Consumed 102,487 megawatt-hours of electricity at company office buildings – a 1.5% decline from 2012
► Continue participation in <u>EPA's WasteWise</u> partnership	2013 data submitted to EPA in April 2014
► Seek beneficial uses for Coal Combustion Byproducts (CCBs) that are technically feasible and economically viable	Reused 1.1 million tons of CCBs, or 29% of the total produced
Goal: Track methane emissions from gas transmission a methane emissions	nd storage business; adopt best practices to reduce
▶ Partner with government, NGOs, academia and industry	Submitted 2013 emissions and operating data to EPA's Natural Gas Star program
	Continued to partner with Colorado State U. and Environmental Defense Fund on methane emissions study
Goal: Utilize best practices to minimize SF6 greenhouse	gas leakage
▶ Estimate annual SF6 emissions from electric operations, implement cost-effective solutions to reduce leakage	Identified problematic electrical systems and equipment containing SF6 for replacement or repair
	Procured SF6 reclamation equipment for maintenance activities on large SF6 capacity electrical systems

PROVIDE GREEN OPPORTUNITIES FOR CUSTOMERS & COMMUNITIES				
Goal: Provide customers with opportunities to support renewable energy and its development				
Initiatives	Progress			
▶ Solar Partnership Program	Announced first two program participants – Old Dominion University and Canon, Inc., who will help evaluate the impact and benefits of on-site solar generation			
► "Schedule RG" Renewable Energy Purchase Program	Received regulatory approval to offer business/industrial customers the option to purchase power from renewable energy sources			
▶ Dominion Green Power Program®	33% growth in customer participation, from 15,000 in 2012 to 20,000 in 2013			
Goal: Provide customers with energy management & conservation programs				
▶ Enhance customer opportunities for energy conservation	Launched a Residential Bundle Program (Home Energy Check Up, Duct Testing & Sealing, Heat Pump Tune Up and Heat Pump Upgrade)			
	Received regulatory approval to extend two existing residential offerings: A/C Cycling Program and Low-Income Audit Program			
	Launched 3 new business customer programs: Energy Audit, Duct Testing & Sealing, and Distributed Generation			
	Filed for regulatory approval of 3 energy efficiency programs for business customers			
	Sought regulatory approval to offer an enhanced Energy Audit Program to business customers			
Goal: Support NGO projects that protect natural resour	rces			

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

"Putting Our Energy to Work for the Environment" employee volunteer project; completed 12 projects in 7 states with 300 employee volunteers and \$30,000 donation from the Foundation

\$2.5 million in total Foundation giving to environmental/historic preservation projects

PROVIDE GREEN OPPORTUNITIES FOR CUSTOMERS & COMMUNITIES

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

► Support employee volunteer mentoring and strategic Foundation giving

Multiple employee-led educational outreach/mentoring activities

\$1 million in "Higher Education Partnership" grants to 39 colleges in 7 states and District of Columbia

\$365,000 in grants to 88 K-12 schools in 11 states

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

▶ Align charitable grants with volunteer assistance to implement improvements

Conducted 21 "Energizing our Communities for Veterans" projects in 8 states; provided \$1,000 grants and up to 25 company volunteers per community project

► Offer residential energy retrofit and energy audit programs for homes and businesses

Partnered with independent service provider to conduct home energy assessments for Ohio natural gas customers

Implemented non-residential energy assessment program with Ohio Council for Small Enterprises

ENGAGE WITH EMPLOYEES AND STAKEHOLDERS ON SUSTAINABILITY ISSUES

Goal: Enhance company data disclosure and transparency

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

Participated in <u>Carbon Disclosure Project's "Water</u> <u>Disclosure"</u> reporting process for third consecutive year

Updated the company's online Environmental Report

Expanded use of <u>social media</u> to engage more fully with customers and employees

Published annual online Citizenship & Sustainability Report

Filed Annual Report on Renewable Energy with state regulatory agency

Filed Annual Report on Conservation Efforts with state regulatory agency

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

▶ Employee focus

Launched "YOU," a monthly employee e-magazine to expand digital communication channels and raise workforce awareness about colleagues and company issues

▶ External stakeholder focus

Continued to emphasize outreach and partnership opportunities in areas such as supplier diversity, customer efficiency/conservation programs, philanthropy, volunteerism and community energy assistance initiatives

Established a Community Advisory Board in Northern Virginia to engage a cross-section of stakeholder groups in evaluating various options for building a high-voltage transmission line

Met with investor groups and environmental NGOs about sustainability, environmental issues and the company's longrange resource planning process

Initiated a series of community meetings with homeowners, businesses, civic associations and others in Calvert Co., Maryland, where the company's planned LNG export facility will be built. Outreach efforts have included facility tours, media interviews, print and broadcast advertising and social media communications.

Performance: Business

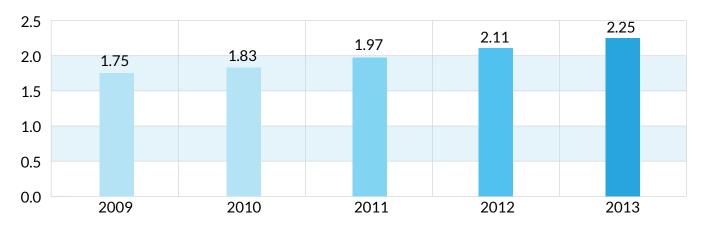
SUPPLIER DIVERSITY SPENDING

2011 - 2013

	2011	2012	2013	(+/-) 2012 TO 2013
Diversity Spend Goal	\$300M	\$340M	\$380M	11.8%
Total Diversity Spend	\$314.2M	\$397.8M	\$393.4	-1.1%
Total Supplier Spend	\$4.3B	\$4.4B	\$4.6B	2.6%
% of Diversity Goal Met	104.7%	117%	103.5%	-11.5%
% of Diverse Spend to Total Spend	7.4%	8.9%	8.6%	-3.6%

SUSTAINED DIVIDEND GROWTH (DOLLARS PER SHARE, 2009 – 2013)

29% INCREASE IN 5 YEARS



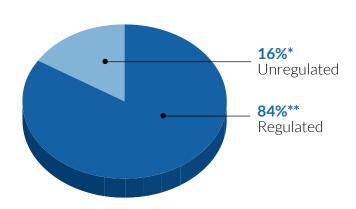
YEAR-END STOCK PRICE -- (DOLLARS PER SHARE) 2009 -2013

66% GROWTH IN 5 YEARS



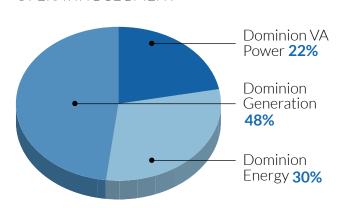
Performance: Business

2013 OPERATING EARNINGS MIX

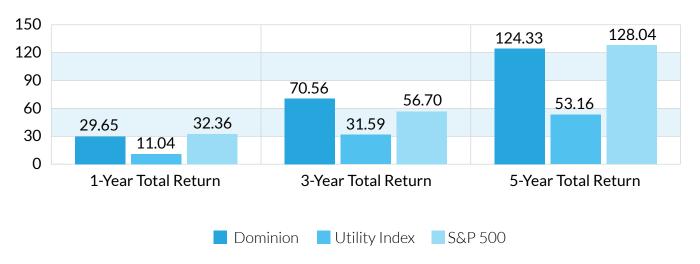


*Excludes Corporate and Other

2013 EARNINGS % BY PRIMARY OPERATING SEGMENT



TOTAL RETURN COMPARISONS (% THROUGH 12/31/13)



Source: Bloomberg

^{**}Includes electric transmission and distribution, utility generation and natural gas transmission and distribution

Performance: Workplace

5 - YEAR SAFETY PERFORMANCE TABLE

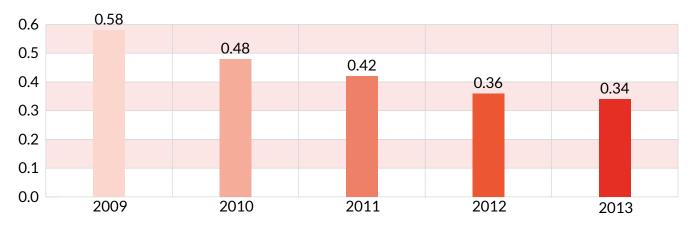
2009 - 2013

Year	*FTE's	Man-Hours (millions)	OSHA Rec. Incidents	Fatalities	Lost Day/ Restricted Duty Cases
2009	17,842	36.0	225	0	105
2010	15,674	31.5	170	0	76
2011	15,820	32.9	157	0	68
2012	15,569	31.2	145	0	57
2013	14,570	31.1	127	0	53

^{*} Full-time equivalents

OSHA LOST-TIME/RESTRICTED DUTY RATES

2009 - 2013



OSHA RECORDABLE INCIDENT RATES*

2009 - 2013



^{*}Incident Rate = Number of recordable incidents per 100 employees per year. This data has been recast to reflect the inclusion of certain incidents of hearing loss that may be work-related and therefore recordable under OSHA regulations.

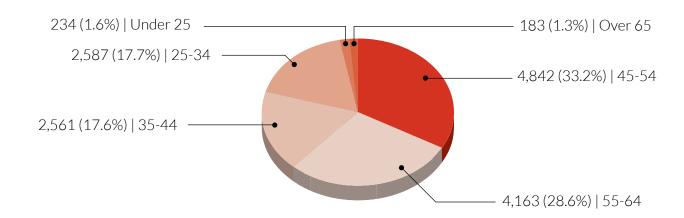
Performance: Workplace

WORKFORCE DIVERSITY AT DOMINION

2011 - 2013

	2013	2012	2011
Total # of employees	14,570	15,513	15,820
Percentage ethnic minorities (work force)	17.3%	16.9%	16.9%
Percentage ethnic minorities (management)	9.9%	9.7%	9.9%
Percentage women (work force)	20.9%	21.1%	21.2%
Percentage women (management)	15.8%	15.9%	15.5%
Percentage union membership	36.8%	37.1%	37.5%

WORKFORCE BY AGE - 2013



Performance: Workplace

WORKFORCE BY BUSINESS UNIT - 2013*

	#	%
Dominion Virginia Power	3,957	27%
Dominion Energy	3,055	21%
Dominion Generation	5,241	36%
Dominion Services Company	2,317	16%
DOMINION TOTAL	14,570	100

^{*}Excludes student workers, contractors and credit union workers

WORKFORCE TURNOVER, 2011 - 2013

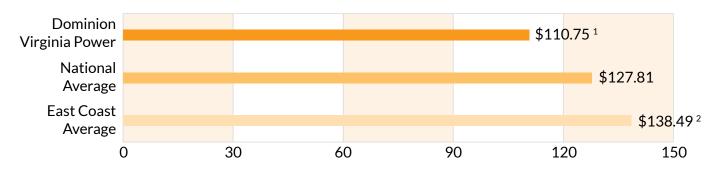
2011 - 2013*

	2013	2012	2011
Women	9.9%	5.1%	5.5%
Minorities	7.6%	5.9%	5.1%
All of Dominion	10.5%	5.1%	4.2%

^{*}Resignations, Dismissals, Retirements, Severance Packages, Other

RESIDENTIAL RATE COMPARISON (Typical Monthly Bills, 1,000 kWh) July

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

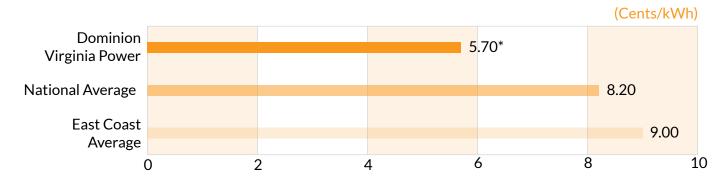


¹ Rates effective July 1, 2013.

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

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

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



^{*}Rates effective July 1, 2013

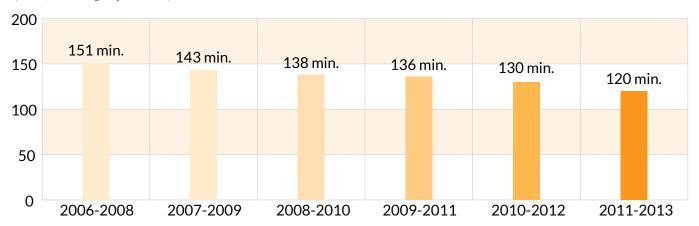
Source: Edison Electric Institute, "Typical Bills and Average Rates Report, Winter 2013.

² Includes 15 states and the District of Columbia.

CUSTOMER MINUTES OUT

Electric Distribution

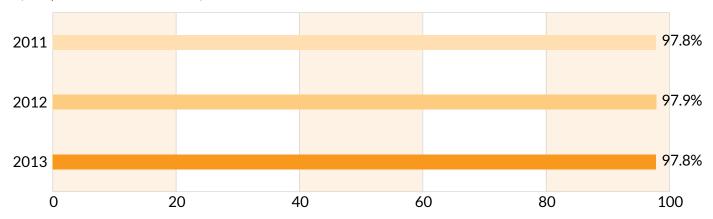
(SAIDI, excluding major storms)



EMERGENCY RESPONSE RATE

Natural Gas Delivery

(Receipt to Arrival Within One Hour)

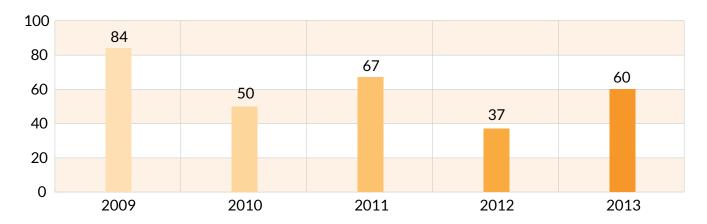


ENHANCING CUSTOMER CARE

Natural Gas Distribution

Average Speed of Answer in seconds, 2009-2013

At our natural gas distribution units in Ohio and West Virginia, we use "Average Speed of Answer" – a recognized performance indicator in the national call center industry – to assess our level of accessibility and responsiveness. From 2009-2013, our cumulative ASA improved by 28 percent.

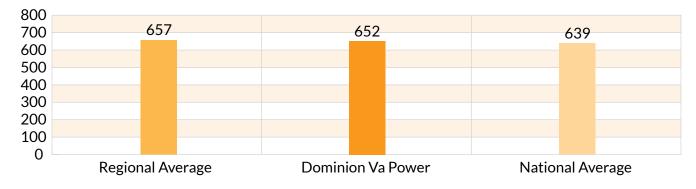


ENHANCING CUSTOMER CARE

Electric Distribution

J.D. Power Customer Satisfaction Score

Dominion Virginia Power's score improved by 16 points in the 2013 J.D. Power customer satisfaction survey. Dominion scored 652 on a 1,000-point scale compared to our 2012 score of 636. The 2013 regional average for large and mid-sized utilities was 657.



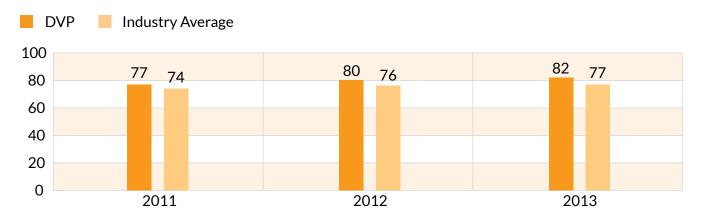
Source: J.D. Power & Associates, 2012 "Electric Utility Residential Customer Satisfaction Study," South Region.

ENHANCING CUSTOMER CARE

Flectric Distribution

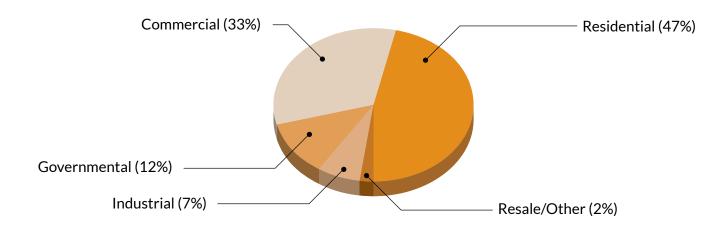
American Customer Satisfaction Index

In the ACSI, we scored 82 on a 100-point scale, up 2 points from 2012 and 5 points above the national utility average. For comparison purposes, the top-ranked company in our sector scored an 85 in 2013.

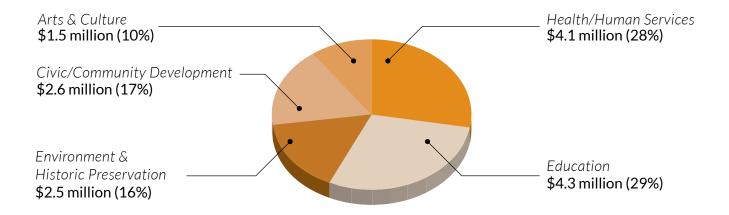


Source: ACSI Benchmark, Electric Utility Sector, April 2013.

DOMINION'S DIVERSE CUSTOMER BASE (2013 Electric Revenues by Customer Class)



2013 CHARITABLE GIVING - TOTAL = \$15.0 MILLION



INVESTING IN OUR COMMUNITIES

Dominion Foundation grants, 2009 - 2013

Category	Amount
Health & Human Services	\$20.7 million*
Education	\$17.1 million
Environment/Historic Preservation	\$20.2 million
Arts & Culture	\$12.7 million
Community Development	\$10.9 million
TOTAL	\$81.6 million

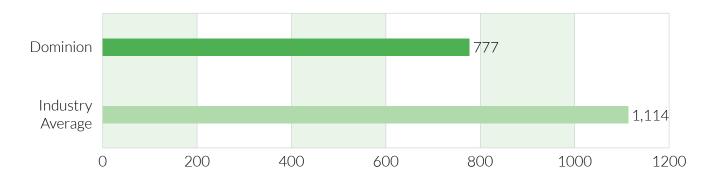
^{*}Includes \$4.5 million to the United Way

Performance: Environment

MINIMIZING CARBON INTENSITY

30% BELOW INDUSTRY AVERAGE IN CARBON INTENSITY

(Pounds CO₂ per mWh, 2012 data)



Source: M.J. Bradley & Associates, 2014 Report

REDUCING OUR CARBON FOOTPRINT (CO₂ INTENSITY RATE, LBS/NET MWH)

24% DECLINE IN CO2 EMISSIONS RATE, 2009 - 2013



Pounds CO₂ per mWh of output, company-owned generation

Performance: Environment

SUSTAINED AIR QUALITY IMPROVEMENTS, PERCENT PROJECTED EMISSIONS REDUCTIONS, 1998 – 2020



ANNUAL RECYCLED MATERIALS, 2009 – 2013 (IN POUNDS)

Category	2013	2012	2011	2010	2009
Coal combustion byproducts ¹	2,249,968,000	2,348,376,040	2,075,038,380	2,748,131,116	2,950,643,000
Gypsum	291,316,946	209,360,000	248,302,000	238,210,000	271,528,000
Biomass combustion products	41,304,000	30,060,860	36,878,000	39,380,000	41,136,000
Oils, fluids for reclamation/recovery	34,701,042	40,651,623	23,464,070	20,228,242	17,372,724
Scrap metals	37,134,607	40,448,632	29,503,127	26,307,330	28,130,017
Paper, cardboard, plastic, glass	2,873,882	3,162,639	3,119,052	2,598,249	2,726,154
e-waste	284,206	118,164	89,873	50,865	46,662

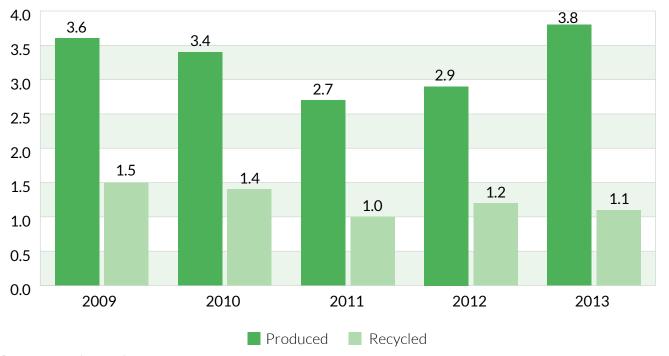
¹Does not include gypsum

Data provided to EPA WasteWise program

Performance: Environment

COAL COMBUSTION BYPRODUCTS * (MILLION TONS)

(2009 - 2013)



^{*}Company-owned generation

5-Year Performance Summary

KEY INDICATORS	2013	2012	2011	2010	2009
Business					
Operating Revenue (billions)	\$13.1	\$13.1	\$14.4	\$15.2	\$14.8
Operating earnings per share (non-GAAP) ¹	\$3.25	\$3.05	\$3.05	\$3.34	\$3.27
Dividends declared per share	\$2.25	\$2.11	\$1.97	\$1.83	\$1.75
Year-end stock price	\$64.69	\$51.08	\$53.08	\$42.72	\$38.92
Total assets (billions)	\$50.1	\$47.3	\$45.6	\$42.8	\$42.6
Total taxes paid (billions)	\$.56	\$.55	\$.61	\$1.39	\$1.87
Spend w/ diverse suppliers (millions) / % of total	\$393 / 8.6%	\$398/8.9%	\$314/7.4%	\$312/7.4%	\$239 / 5.1%
Workplace					
Total # of employees	14,570	15,513	15,820	15,800	17,842
Employee Turnover	10.4%	5.1%	4.2%	17.8%	3.2%
Percentage ethnic minorities (work force)	17.3%	16.9%	16.9%	16.9%	16.8%
Percentage ethnic minorities (management)	9.9%	9.7%	9.9%	9.8%	10.0%
Percentage women (work force)	20.9%	21.1%	21.2%	21.3%	21.8%
Percentage women (management)	15.8%	15.9%	15.5%	14.7%	14.7%
Percentage union membership	36.8%	37.1%	37.5%	37.8%	37.1%
Safety – recordable incidents	127*	117	147	155	209
Safety – lost day cases	53	33	33	44	45
Fatalities	0	О	0	О	0
Customers					
Ave. annual minutes w/o power	106*	105	111	114	110
New customer accounts (gas & electric)	38,040	36,765	35,232	36,188	39,717
Customer satisfaction score / regional ave. ²	652/657	636 / 643	644 / 642	636/640	619/635

5-Year Performance Summary

KEY INDICATORS	2013	2012	2011	2010	2009
Community					
Charitable giving (millions) ³	\$15.0	\$14.8	\$15.1	\$14.9	\$18.9
Employee / retiree matching gifts (millions)	\$1.6	\$1.5	\$1.5	\$1.5	\$1.5
Energy assistance programs (millions) ⁴	\$2.1	\$4.5	\$4.5	\$4.5	\$3.5
Employee Volunteerism	100,000	130,000	160,000	150,000	125,000
Educational grants (thousands) / # of schools ⁵	\$1.4 / 127	\$1,400 / 110	\$1,400 / 104	\$857/83	\$341/52
Environment					
Total expenditures (millions)					
- Environmental O&M	\$182	\$189	\$184	\$228	\$252
- Environmental Capital	\$64	\$213	\$403	\$351	\$266
Total CO2 emissions (millions of tons) ⁶	33.86	36.23	42.10	56.43	57.43
CO2 intensity rate (lbs/net mWh) ⁶	799	792	926	1,027	1,046
Nitrogen oxide emissions (tons) ⁷	30,984	42,184	57,638	73,231	55,800
Sulfur dioxide emissions (tons) ⁷	34,674	50,732	96,696	143,279	159,209
Mercury emissions (lbs) ⁸	526	509	845	1,065	1,487
Coal ash produced / reused (million tons) ⁹	3.8 / 1.1	2.9 / 1.2	2.7 / 1.0	3.4 / 1.4	3.6 / 1.5
Hazardous waste produced (million lbs) ⁹	2.2	2.0	3.1	3.3*	5.9
Water withdrawn (billion gallons) ¹⁰	3,362	3,216	4,283	4,553	N/A
Water reused/recycled (million gallons) ¹⁰	449	310	364	334	N/A
Electricity consumption (mWh) ¹¹	102,487	103,995	110,358	N/A	N/A
Notices of Violation (NOVs)	13	13	15	12	8
Environmental fines paid ¹³	\$3,692,200	\$43,245	\$43,460	\$19,048	\$135,425

5-Year Performance Summary

- ¹ Based on Non-GAAP Financial Measures. See GAAP Reconciliation Table.
- ² J.D. Power and Associates, Electric Utility Residential Customer Satisfaction Study, South Region, 1,000-point scale.
- ³ Data excludes donations to fuel assistance programs and special events donations.
- ⁴ Does not include donations received from customers and employees. In February 2014, Dominion made an additional \$1 million donation to EnergyShare in response to prolonged severe winter weather conditions in its service area.
- ⁵ Beginning in 2010, data reflect combined K-12 and higher educational grants. Prior to 2010, data is for K-12 grants only.
- ⁶ All combustion-based emissions for company-owned sources. Beginning in 2009, reported as CO2e, which includes methane and nitrous oxide emissions.
- ⁷ All combustion-based emissions for company-owned electric generation and gas operation sources.
- ⁸ Based on Toxic Release Inventory air emissions reporting.
- ⁹ Does not include gypsum. Data for 2008-2011 restated to include scrubber material.
- ¹⁰ Company-owned and operated generation, excluding hydro and wind.
- ¹¹ Calendar year 2011 results are comprehensive and serve as a baseline for future reporting of electricity use at company-owned office buildings.
- ¹² Reflects only the amount of municipal wastewater recycled at company facilities; 2010 and 2011 data have been modified to exclude other internal reuse categories previously reported.
- ¹³ 2013 data includes \$3.4 million civil penalty paid under Clean Air Act settlement with EPA and U.S. Justice Dept.
- * Restatement of data reported in previous CSR. In "Average Annual Minutes Without Power" category, Dominion began using IEEE Standard 1366 in 2013 to report System Average Interruption Duration Index (SAIDI) to align with industry norms. In the "Safety" category, 2009-2013 recordable incident data has been recast to include certain incidents of hearing loss that may be work-related and therefore recordable under OSHA regulations.

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

GRI INDICATOR	DESCRIPTION	RESPONSE	
Strategy & An	Strategy & Analysis		
1.1	Statement from CEO	Chairman's Message, CSR	
1.2	Key impacts, risks, opportunities	Chairman's Message, CSR;	
		Risk Management, CSR;	
		2013 SEC Form 10-K	
Organizationa	al Profile		
2.1	Name of organization	Dominion [NYSE: D]	
2.2	Primary products, services	Company Profile, CSR	
2.3	Operational structure	Company Profile, CSR;	
		Operations, CSR	
2.4	Headquarters location	Richmond, Virginia	
2.5	Countries of operation	USA	
2.6	Nature of ownership	Investor-owned utility	

GRI INDICATOR	DESCRIPTION	RESPONSE
2.7	Markets served	Company Profile, CSR
2.8	Scale of organization including number of employees, net sales/revenues, total capitalization	Company Profile, CSR
2.9	Significant changes during reporting period	
2.10	Awards	Awards & Recognition, CSR
Report Param	eters	
3.1	Reporting period	About This Report, CSR
3.2	Date of previous report	2012 - 2013
3.3	Reporting cycle	Annual
3.4	Contact point	sustainability@dom.com
3.5	Process for defining report content	About This Report, CSR
3.6	Boundary of the report	About This Report, CSR
3.7	Limitations on the scope or boundary of the report	
3.8	Basis for reporting on joint ventures, etc.	Operations, CSR;
		Summary Annual Report
3.9	Data measurement techniques and bases of calculations	Sustainability Scorecard, CSR
	including assumptions	5-Year Performance Summary, CSR
3.10	Restatements of information	5-Year Performance Summary, CSR
3.11	Significant changes from previous reporting periods	About This Report, CSR, see Scope and Guidance
3.12	GRI Content Index table	This document

GRI INDICATOR	DESCRIPTION	RESPONSE
3.13	Policy and practice for seeking independent assurance	About This Report, CSR
	for report	Other <u>feedback requests</u> within the CSR
Governance,	Commitments, and Engagement	
4.1	Governance structure including committees	Governance section, CSR;
		Corporate Governance Guidelines;
		Corporate Governance, Dominion Corporate Website;
		2013 Proxy Statement - Corporate Governance & Board Matters
4.2	Indicate whether chair of highest governance body is also an executive officer	Thomas F. Farrell II, Dominion Chairman, President & CEO
4.3	Percent of independent directors	83%
		2013 Proxy Statement - Director Independence
4.4	Mechanisms for shareholders and employees to provide recommendations/direction to highest governance body	Shareholder voting/meeting; written correspondence; email; Dominion Compliance Line
4.5	Linkage between compensation and organization's performance for members of highest governance body/ senior executives	2013 Proxy Statement - Compensation Discussion & Analysis
4.6	Process for the Board to ensure conflicts of interest are	Corporate Governance, Dominion Corporate Website;
	avoided	Related Party Transaction Guidelines
4.7	Processes for determining qualifications and expertise for guiding strategy	Board Committees & Charters - Compensation, Governance and Nominating Committee
		Corporate Governance Guidelines

GRI INDICATOR	DESCRIPTION	RESPONSE
4.8	Mission and values statements, codes of conduct, principles relevant to economic, environmental and social performance, and status of implementation	Mission & Values, CSR; Code of Ethics & Business Conduct
4.9	Procedures of highest governance body for overseeing economic, environmental and social performance including compliance, codes of conduct	Ethics, CSR, see Compliance Council Board Committees & Charters - Audit Committee
4.10	Processes for evaluating performance of governance body with respect to economic, environmental and social performance	Governance, CSR Sustainability Scorecard
4.11	Explanation of how precautionary approach/principle is addressed by organization	Risk Management, CSR
4.12	Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives	Environmental Responsibility, Dominion Corporate Website; Stewardship, CSR; Corporate Environmental Policy, Dominion Corporate Website
4.13	Significant memberships in associations and/or advocacy organizations	Stakeholder Engagement, CSR; Environment Report - Memberships & Partnerships, Dominion Corporate Website
4.14	List of stakeholder groups	Stakeholder Engagement, CSR
4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement, CSR

GRI INDICATOR	DESCRIPTION	RESPONSE			
4.16	Approaches to stakeholder engagement, including frequency and type	Stakeholder Engagement, CSR			
4.17	Key issues raised through stakeholder engagement and how organization has responded	Environment Report - Key Issues, Dominion Corporate Website			
ECONOMIC F	PERFORMANCE INDICATORS				
EC1	Direct economic value generated and distributed	Form 10-K;			
		Summary Annual Report;			
		Community section of CSR			
EC2	Financial implications of climate change	Form 10-K;			
		<u>Carbon Disclosure Project</u>			
EC3	Defined employee benefit plan obligations	Form 10-K			
EC4	Financial assistance from government	Not tracked			
MARKET PRE	SENCE				
EC5	Entry-level wages by gender	Not tracked			
EC6	Spending on locally-based suppliers	While we do not have documented policies and procedures related to locally-based suppliers, where applicable, consideration is given to local suppliers if they have products/services that we can use to ensure we give back to the communities we serve. However, to comply with our procurement policies, they must earn the business by legitimately winning the award.			
EC7	Procedures for local hiring; proportion of senior management hired from local community	Not tracked; See Workforce Demographics, CSR for other employee data			
INDIRECT EC	INDIRECT ECONOMIC IMPACTS				
EC8	Investments and services for public benefit	Business, CSR;			
		Community, CSR			

GRI INDICATOR	DESCRIPTION	RESPONSE
EC9	Indirect economic impacts	Company Profile, CSR;
		5-Year Performance Summary, CSR
ELECTIC UTIL	LITY SECTOR-SPECIFIC ECONOMIC DISCLOSURES	
EU6	Approach to ensure short and long-term electricity availability and reliability	Form 10-K;
	availability and reliability	2013 Integrated Resource Plan
EU7	Demand-side management programs	Form 10-K;
		Energy Conservation, Dominion Corporate Website;
		2013 Report to the Division of Energy, Virginia Department of Mines, Minerals and Energy
EU8	Research and development activity	Energy Innovation, CSR
EU9	Provisions for decommissioning nuclear power sites	Form 10-K;
		Operations, CSR
EU10	Planned capacity and projected demand	Form 10-K;
		2013 Integrated Resource Plan:
		Infrastructure Modernization, CSR
EU11	Average generation efficiency of thermal plants by energy source	Average generation efficiency of thermal plants by energy source
		Coal: 10,437 BTU/kWh
		Combined Cycle Natural Gas: 7,381 BTU/kWh
		Total Regulated Fossil & Hydro Units: 9,374 BTU/kWh
EU12	Transmission and distribution losses as a percentage of total energy	2013 transmission losses were about 1.5% and total distribution losses were about 3.8%

GRI INDICATOR	DESCRIPTION	RESPONSE
ENVIRONMEN	NTAL PERFORMANCE INDICATORS	
Materials		
EN1	Weight or volume of materials	Form 10-K;
		See EN3 for fuel quantities
EN2	Percentage of materials used that are recycled content	Environment, CSR,
		5-Year Performance Summary, CSR;
		Environmental Report, Dominion Corporate Website
Energy		
EN3	Direct energy consumption by primary source	Direct energy consumption by primary source
		Regulated Fossil & Hydro Fleet (2013)
		#2 Light Oil: 10,402,304 gal.
		#6 Heavy Oil: 176,937 bbl.
		Coal: 11,032,436 tons
		Jet Fuel: 20,897 gal.
		Natural Gas: 102,111,777 mcf
		Wood: 1,077,417 tons
EN4	Indirect energy consumption	Not tracked at this time
EN5	Energy saved due to conservation and efficiency improvements	Energy Conservation, CSR;
	improvements	5-Year Performance Summary, CSR:
		Sustainability Scorecard, CSR

GRI INDICATOR	DESCRIPTION	RESPONSE
EN6	Energy efficiency and renewable energy products and services	See EN5 for energy efficiency initiatives;
	Set vices	Energy Conservation, CSR;
		Green Energy Programs, CSR;
		Electric Operations, CSR
EN7	Indirect energy consumption reductions	Resource Conservation & Recycling, CSR;
		Sustainability Scorecard, CSR;
		5-Year Performance Summary, CSR
Water		
EN8	Total water withdrawal	Water Use & Conservation, CSR;
		5-Year Performance Summary, CSR
EN9	Water sources/habitats affected by withdrawals	2013 Carbon Disclosure Project Water Disclosure Report;
		Environment, CSR
EN10	Water recycled or reused	Resource Conservation & Recycling, CSR;
		5-Year Performance Summary, CSR
Biodiversity		
EN11	Land owned, leased, managed in, or adjacent to, protected areas and areas of high bio- diversity value	Environment, CSR
EN12	Impacts on high biodiversity value areas	Environment, CSR
EN13	Habitats protected or restored	Environment, CSR
EN14	Programs to manage biodiversity impacts	Environment, CSR
EN15	Special species habitats	Environment, CSR

GRI INDICATOR	DESCRIPTION	RESPONSE			
Emissions, Eff	Emissions, Effluents, and Waste				
EN16	Total greenhouse gas emissions by weight	<u>Carbon Disclosure Project</u> ;			
		5-Year Performance Summary, CSR			
EN17	Other relevant indirect GHG emissions	<u>Carbon Disclosure Project</u>			
EN18	Initiatives to reduce GHG emissions and reductions achieved	Climate Change, CSR;			
	acmeved	5-Year Performance Summary, CSR;			
		Dominion Greenhouse Gas Initiative			
EN19	Ozone depleting emissions by weight	Not tracked at this time. All facilities are required to comply with state and federal regulations for ozone depleting substances.			
EN20	Nox, SO2, other significant air emissions by type and weight	5-Year Performance Summary, CSR			
EN21	Total water discharges	Total discharges not tracked at this time			
EN22	Total weight of waste by type and disposal method	5-Year Performance Summary, CSR;			
		Waste remediation disposed or recycled at three Superfund sites in Kentucky, Virginia and Pennsylvania.			
EN23	Number and volume of significant spills	Not tracked at this time			
EN24	Weight of transported hazardous waste	Not tracked at this time			
EN25	Water discharge impacts	Discharges to lakes and rivers are by regulatory permits. With our operating practices, they are designed to protect aquatic species and the environment.			
Products and	Services				
EN26	Environmental impact mitigation	See EN5 and EN6			
EN27	Percentage of product that is recycled	Natural gas and electricity cannot be recycled. See Resource Conservation & Recycling, CSR			

GRI INDICATOR	DESCRIPTION	RESPONSE	
EN28	Incidents/fines for environmental non-compliance	Incidents = 13; Fines = \$3.7 million; see	
		5-Year Performance Summary, CSR	
Transport			
EN29	Environmental impacts of transportation for logistical purposes	Alternative Vehicles & Fuels, CSR	
Overall	Overall		
EN30	Total environmental protection expenditures	Total 2013 O&M and capital expenditures = \$246 million	
LABOR PRAC	TICES INDICATORS		
Employment	Employment		
LA1	Workforce composition, including contractors	See Workforce Demographics, CSR, for employee data. Do not track contractor data at this time.	
LA2	Employee turnover	Workforce Demographics, CSR	
LA3	Full-time employee benefits	Compensation & Benefits, CSR	
Labor Manage	Labor Management Relations		
LA4	Employees covered by collective bargaining agreements	Workforce Demographics, CSR	
LA5	Minimum notice requirements	We comply with applicable laws, regulations and collective bargaining agreements requiring notice of operational changes.	
Occupational	Occupational Health & Safety		
LA6	Percent of workforce in management/worker health & safety oversight committees	Workforce Demographics, CSR:	
		Dominion has voluntary employee safety committees across the company. These groups send safety messages to employees and hold regular safety meetings.	

GRI INDICATOR	DESCRIPTION	RESPONSE
LA7	Health and safety rates	Employee Safety, CSR;
		5-Year Performance Summary, CSR
LA8	Health and wellness programs for employees and families	Health & Wellness, CSR
LA9	Health and safety topics in formal agreements with labor unions	Safety is a core value. Its importance is highlighted in our collective bargaining agreements. Health and welfare benefits are mandatory subjects of bargaining and are covered in collective bargaining agreements.
Training & Ed	ucation	
LA10	Employee training	Do not track the number of hours employees spend on training. See <u>Professional Development, CSR</u> for more information.
LA11	Career management and education	See LA10
LA12	Performance reviews	Dominion has a formal Performance Appraisal process. Final appraisal completion rate for all non-union employees is 95%. Also see <u>Professional Development</u> , <u>CSR</u> .
Diversity & E	qual Opportunity	
LA13	Composition of governance bodies and employee diversity categories	Governance, CSR; Diversity, CSR
LA14	Remuneration by gender	Dominion complies with all state, federal and local laws and regulations prohibiting discrimination.
EU14	Programs to ensure a skilled workforce	Workforce Planning, CSR
EU15	Percentage of employees eligible to retire within the next decade	Eligible within the next 5 years = 49%; eligible within the next decade = 63%

GRI INDICATOR	DESCRIPTION	RESPONSE	
EU16	Health and safety policies for employees and contractors	All health and safety policies are listed on Dominion intranet website for easy reference by employees, who are trained in these policies and procedures. Contractors are required, at a minimum, to follow all OSHA rules and regulations. Also see Employee Safety , CSR .	
EU17	Days worked by contractors	Not tracked at this time. Contractor and sub-contractor labor is not centrally managed.	
EU18	Percentage of contractors receiving relevant health and safety training	All contractors receive health and safety training appropriate to the type of job(s) performed.	
HUMAN RIGI	HTS INDICATORS		
Investment &	Investment & Procurement Practices		
HR1	Percent and total number of investment agreements with human rights clauses, or that have been screened for such clauses	Dominion is a solely domestic U.S. company, and this is not an issue at this time. We operate in compliance with applicable laws and regulations at all of our facilities.	
HR2	Percent of suppliers and contractors screened for human rights, and actions taken	Supplier Diversity, CSR	
HR3	Employee training on human rights policies	All employees receive periodic training in <u>Dominion's</u> <u>Code of Ethics and Business Conduct</u> . Additional training focuses on diversity and unlawful harassment.	
HR4	Incidents of discrimination and corrective action taken	Claims made to government agencies are not reported publicly. However, no such agency has reached a "for cause" determination in 2013 substantiating a claim that we have engaged in employment discrimination. Also see our Equal Employment Opportunity policy.	
Freedom of A	Freedom of Association & Collective Bargaining		
HR5	Operations with freedom of association and collective bargaining at risk	None known	
Child Labor	Child Labor		
HR6	Operations at risk for incidents of child labor	None known	

GRI INDICATOR	DESCRIPTION	RESPONSE	
Forced & Con	npulsory Labor		
HR7	Operations at risk for incidents of forced or compulsory labor	None known	
Security Prac	tices		
HR8	Percent of security personnel trained in human rights policies and procedures	Do not track at this time. See HR3. In addition, the company provides training to employees to recognize and prevent possible violent or threatening behavior in the workplace.	
Indigenous Ri	ghts		
HR9	Violations involving human rights of indigenous peoples, and actions taken	None known. See HR1.	
Assessment			
HR10	Percentage and number of operations subjected to human rights reviews	None known. See HR1.	
Remediation			
HR11	Number of human rights grievances filed, addressed and resolved through formal mechanisms	None known. See HR1.	
SOCIAL INDI	SOCIAL INDICATORS		
Local Commu	nity		
SO1	Programs to assess and manage operational impacts on communities	See EC8 and EC9;	
		Stakeholder Engagement, CSR.	
Corruption			
SO2	Percent and number of business units analyzed for corruption risk	This information is not disclosed publicly.	

GRI INDICATOR	DESCRIPTION	RESPONSE	
503	Percent of employees trained in anti-corruption policies and procedures	All employees receive training on the company's Code of Ethics and Business Conduct every other year. The most recent training was assigned in May 2012 and completed by 100% of employees. New hires are required to complete this training within 30 days of their start date. As part of our regulated utility operations, certain employees must complete annual training on the FERC standards of conduct, as well as certain state regulatory codes of conduct. Employees potentially involved in international business receive training on the Foreign Corrupt Practices Act and comparable anti-bribery laws that may apply in foreign countries.	
SO4	Actions taken in response to corruption incidents	See SO2	
Public Policy			
SO5	Public policy positions, participation and lobbying	Public Policy, CSR	
SO6	Total value of financial and in-kind contributions for political purposes	Public Policy, CSR	
Anti-Competi	itive Behavior		
SO7	Number of legal actions for non-competitive behavior	Form 10-K	
Compliance	Compliance		
SO8	Significant fines paid for regulatory non-compliance	Form 10-K;	
		5-Year Performance Summary, CSR	
Electric Utility Sector-Specific Social Disclosures			
EU19	Stakeholder participation in energy planning and infrastructure development	2013 Integrated Resource Plan;	
		Stakeholder Engagement, CSR	
EU20	Management of displacement impacts	N/A	

GRI INDICATOR	DESCRIPTION	RESPONSE	
EU21	Contingency planning for emergencies and recovery plans	Emergency Preparedness, CSR	
EU22	Number of people displaced and compensation	N/A	
PRODUCT RE	SPONSIBILITY INDICATORS		
Customer Hea	alth & Safety		
PR1	Safety assessment and improvements	Safety is a <u>core value</u> and our top priority. See <u>Public</u> <u>Health & Safety, CSR</u>	
PR2	Number of incidents of non-compliance with health and safety codes relative to customers	None known	
Product & Ser	Product & Service Labeling		
PR3	Labeling information required by procedures	Electric and natural gas service cannot be labeled. We provide regular and detailed safety information to customers via bill inserts, public service announcements, Speakers Bureau presentations, targeted mailings, social media and our corporate website.	
PR4	Incidents of non-compliance with product and service information and labeling	None known	
PR5	Results of customer satisfaction surveys	Customer Service & Satisfaction, CSR	
Marketing Co	mmunications		
PR6	Programs for adherence to marketing regulations	Marketing communications are consistent with industry standards and comply with all relevant laws and regulations.	
PR7	Incidents of non-compliance with regulations and voluntary codes relative to marketing communications	None known	
Customer Privacy			
PR8	Number of substantiated complaints or breaches of privacy	Privacy, Dominion Corporate Website	

GRI INDICATOR	DESCRIPTION	RESPONSE
Compliance		
PR9	Fines paid for non-compliance with regulations and laws concerning the provision and use of products and services	See Form 10-K for information about litigation, fines and penalties
Electric Utilit	y Sector-Specific Product Responsibility Disclosures	
EU23	Programs to maintain access to electric service and customer support	See Energy Assistance Programs, CSR and Philanthropy, CSR for information about support provided to low-income customers.
EU24	Programs to address language, disability and other barriers to safe access to electric service and customer support	Dominion facilities comply with applicable building code requirements, including safe access for those with disabilities. Various <u>language tools</u> are available on our corporate website to assist our Spanish-speaking customers.
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases.	Not tracked at this time
EU26	Percentage of population unserved in service territory	Not tracked as specified in the GRI guidelines
EU27	Number of residential disconnections for non-payment	N/A
EU28	Power outage frequency	Service Reliability, CSR
EU29	Average power outage duration	Service Reliability, CSR
EU30	Average plant availability factor by energy source	Nuclear fleet = 93.7% net capacity factor (2013); Coalfired fleet = 82.4% equivalent availability (2013)
Assessment		
HR10	Percentage and number of operations subjected to human rights reviews	None known. See HR1.
Remediation		
HR11	Number of human rights grievances filed, addressed and resolved through formal mechanisms	None known. See HR1.