

DOMINION RESOURCES INC /VA/  
Form DEF 14A  
March 24, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. \_\_ )**

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

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Dominion Resources Inc.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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**Important Notice Regarding the Availability of Proxy Materials for**

**Dominion's 2011 Annual Meeting of Shareholders to be Held on May 12, 2011**

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**Dominion's Notice of Annual Meeting, 2011 Proxy Statement, 2010 Summary Annual Report**

**and 2010 Annual Report on Form 10-K are available on our website at**

**[www.dom.com/proxy](http://www.dom.com/proxy)**

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## Notice of Annual Meeting

Dominion Resources, Inc.

P.O. Box 26532

Richmond, Virginia 23261

March 24, 2011

Dear Fellow Shareholder:

On Thursday, May 12, 2011, Dominion Resources, Inc. will hold its 2011 Annual Meeting of Shareholders at the Boar's Head Inn, 200 Ednam Drive, Charlottesville, VA 22903. The meeting will begin at 9:30 a.m. Eastern Time. Only shareholders who owned stock at the close of business on March 4, 2011 may vote at this meeting or any adjournments that may take place.

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

- Election of the 12 director nominees named in this Proxy Statement;
- Ratification of the appointment of independent auditors for the audit of our 2011 financial statements and internal controls over financial reporting;
- An advisory vote on executive compensation ( say on pay );
- An advisory vote on the frequency of the say on pay vote;
- Seven shareholder proposals, if presented; and
- Consideration of other business properly presented at the meeting.

We are pleased to deliver proxy materials again this year to some shareholders over the Internet. Utilizing Internet delivery allows us to distribute our proxy materials in an environmentally responsible and cost-effective manner. For more information, please see the Notice of Internet Availability of Proxy Materials narrative on page 2.

This Proxy Statement, our 2010 Summary Annual Report and Dominion's Annual Report on Form 10-K will be mailed or be available to you electronically around March 24, 2011. For information on voting your shares and attending the meeting, please see pages 2-5. For your convenience and to expedite the registration process at the meeting, we are making Admission Tickets available in advance. If you plan to attend the meeting, please follow the instructions on pages 4-5.

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

By Order of the Board of Directors,

Carter M. Reid

Vice President, General Counsel and Corporate Secretary



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# Questions and Answers About the Annual Meeting and Voting

### Why did I receive these proxy materials?

You received these materials because you owned shares of Dominion Resources, Inc. (Dominion) common stock as of March 4, 2011, and are therefore eligible to vote at Dominion's Annual Meeting of Shareholders to be held on May 12, 2011 (the 2011 Annual Meeting). These materials allow you to exercise your right to vote at the 2011 Annual Meeting and provide you with important information about Dominion and the items to be presented for a vote at this meeting.

### Why did I receive a Notice of Internet Availability of Proxy Materials instead of printed proxy materials?

Some shareholders received a Notice of Internet Availability of Proxy Materials (the Notice) instead of a full set of printed proxy materials. The Notice provides access to proxy materials in a fast and efficient manner via the Internet. This reduces the amount of paper necessary to produce these materials, as well as costs associated with mailing these materials to shareholders. On March 24, 2011, we began mailing the Notice to certain shareholders of record as of March 4, 2011, and posted our proxy materials on the website referenced in the Notice. As more fully described in the Notice, shareholders may choose to access our proxy materials on the website or may request to receive a printed set of our proxy materials. The Notice and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by email for this meeting and on an ongoing basis. Shareholders who previously requested printed proxy materials or electronic materials on an ongoing basis received those materials in the format requested.

### What is a proxy?

A proxy is your legal designation of another person to vote your shares at the 2011 Annual Meeting. The person you designate is called a proxy. When you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card.

The proxy card is solicited by your Board of Directors (the Board) for the 2011 Annual Meeting. By signing and returning it, you will be designating two non-employee members of the Board of Directors and Dominion's Corporate Secretary as proxies to vote your shares at the 2011 Annual Meeting based on your direction. You also may vote your shares by telephone or over the Internet as described below.

### Who is entitled to vote?

All shareholders who owned Dominion common stock at the close of business on March 4, 2011 (the record date) may vote. Each share of Dominion common stock is entitled to one vote on each matter properly brought before the 2011 Annual Meeting. There were 579,566,131 shares of Dominion common stock outstanding on the record date.

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

You will be voting on the following:

- Election of the 12 director nominees named in this Proxy Statement
- Ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2011
- An advisory vote on executive compensation (say on pay)
- An advisory vote as to frequency of the say on pay vote
- Seven shareholder proposals, if presented
- Other business properly presented at the meeting

Your Board of Directors is soliciting this proxy for the 2011 Annual Meeting and recommends that you vote **FOR** all of the director nominees named in this Proxy Statement, **FOR** the ratification of Deloitte & Touche LLP as our independent auditors for 2011, **FOR** ratifying the executive compensation of those officers named in this proxy and **FOR** holding the say on pay vote every year.

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Your Board recommends that you vote **AGAINST** the seven shareholder proposals.

### **How do I vote my shares?**

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

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**Shareholders of Record**

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

If you received your proxy materials in the mail, you may vote your shares by proxy over the Internet, by telephone or by returning your proxy card by mail in the envelope provided. Instructions to vote over the Internet or by telephone are printed on your proxy card. If you received an electronic or paper Notice, you may vote over the Internet using the instructions provided. All votes must be received by the proxy tabulator no later than 6:00 a.m. Eastern Time on the day of the 2011 Annual Meeting.

If you attend the 2011 Annual Meeting, you may vote your shares in person. For identification requirements, please see *What do I need to bring to be admitted to the Annual Meeting?*

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

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

**Beneficial Owners**

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

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

To vote in person at the 2011 Annual Meeting, you must present a valid picture identification and a legal proxy provided by the institution that holds your shares.

Please see *What is discretionary voting by brokers?* below.

### **Dominion Employee Savings Plan Participants**

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

You may submit your voting instructions over the Internet using the instructions provided on the Notice. If you wish to change your voting instructions, follow the instructions on the Notice.

To allow sufficient time for the Trustee to vote your shares, your voting instructions must be received by 6:00 a.m. Eastern Time, May 6, 2011. Only the Trustee can vote your plan shares, even if you attend the meeting in person.

The Trustee will vote according to your instructions and will keep your vote confidential.

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

#### **What is discretionary voting by brokers?**

If you hold your shares in street name and you do not provide your broker with timely voting instructions, New York Stock Exchange (NYSE) rules permit brokerage firms to vote at their discretion on certain routine matters. At this meeting, the only routine matter is the ratification of Deloitte & Touche LLP as our independent auditors. Brokerage

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firms may not vote without instructions from you on the following matters: election of directors, advisory vote on executive compensation (say on pay), advisory vote as to the frequency of the say on pay vote or on any of the shareholder presented proposals. Without your voting instructions on items that require them, a broker non-vote will occur.

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

In order for us to conduct the 2011 Annual Meeting, a majority of the shares outstanding on the record date of March 4, 2011 must be present in person or represented by proxy. This is referred to as a quorum. Your shares are counted as present if you attend the 2011 Annual Meeting in person or if you return a properly executed proxy by mail or place your vote over the Internet or by telephone.

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

Our Bylaws and Corporate Governance Guidelines require that directors be elected by a majority of the votes cast unless the election is contested. A majority of votes cast means that the number of shares voted for a director exceeds the number of votes cast against the director. In a contested election, where the number of nominees for director exceeds the number of directors to be elected, directors are elected by a plurality of the votes cast. Because there are 12 seats on our Board of Directors, this means that if there are more than 12 persons properly nominated for election, the 12 nominees receiving the most votes will be elected, even if the number of votes cast for the director do not exceed those that were not cast for him or her. All of the other items on the agenda require the majority of the votes cast in order to be approved. Broker discretionary voting is permitted only for Item 2, which is the proposed ratification of the appointment of our independent auditors. Broker non-votes or abstentions will not be counted as a vote in favor or against any of the items presented.

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

Management and the Board are not aware of any matters that may properly be brought before the 2011 Annual Meeting other than the matters disclosed in this Proxy Statement, except that management has received notice from a shareholder that she intends to present an individual for nomination as a director at the 2011 Annual Meeting. If this shareholder does properly present her nominee at the 2011 Annual Meeting, the number of nominees for director will exceed the number of directors to be elected, and directors will be elected by a plurality of the votes cast, rather than by majority vote. In this situation, the person or persons voting the proxies solicited by the Board for the meeting will vote as directed by you with respect to the election of the 12 directors named in this Proxy Statement and will withhold or abstain from voting on the shareholder's director nominee. If any other matters not disclosed in this Proxy Statement are properly presented at the 2011 Annual Meeting for consideration, the person or persons voting the proxies solicited by the Board for the meeting will vote them in accordance with their best judgment.

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

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

### **What do I need to bring to be admitted to the Annual Meeting?**

We strongly encourage you to request an Admission Ticket by emailing [shareholder.services@dom.com](mailto:shareholder.services@dom.com) or by contacting Dominion Shareholder Services at 1-800-552-4034. In order to expedite the registration process, shareholders who attend the meeting will be asked to present an Admission Ticket and valid picture identification, such as a driver's license or passport. (Admission Tickets are not transferrable.)

If you do not request an Admission Ticket in advance, you must present a valid picture identification and proof of ownership of your Dominion shares to be admitted to the 2011 Annual Meeting. Proof of ownership can be any of the following:

Dominion account statement

Brokerage account statement

A letter from the bank or broker that holds your shares

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If you are a Beneficial Owner and plan to vote at the meeting, you must bring the legal proxy that was provided to you by the institution that holds your shares. If you are an authorized proxy, you must present the proper documentation. In all cases, valid photo identification is also required.

Cameras, cell phones, recording devices and other electronic devices will not be permitted to be in use during the meeting. Rules of the meeting will be printed on the back of the agenda that will be given to you at the meeting.

### **Will seating be limited at the Annual Meeting?**

Seating will be limited and shareholders will be admitted on a first come, first served basis. Registration will begin one hour before the start of the meeting. Having an Admission Ticket will expedite your registration.

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

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

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

Dominion will pay for the cost of soliciting proxies. Some of our employees may telephone shareholders after the initial mail solicitation, but will not receive any special compensation for making the calls. We have also retained Georgeson Inc., a proxy solicitation firm, to assist in the solicitation of proxies for a fee of \$14,000 and reimbursement of expenses. In addition, we may reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable expenses in sending proxy materials to the beneficial owners of stock. We have retained Corporate Election Services, Inc. to tabulate the votes and to assist with the 2011 Annual Meeting.

### **Can I access the Notice of Annual Meeting, 2011 Proxy Statement, 2010 Summary Annual Report and 2010 Annual Report on Form 10-K over the Internet?**

Yes. These documents may be viewed at [www.dom.com/proxy](http://www.dom.com/proxy).

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

If you received the printed proxy materials this year, you can consent to access these materials electronically in the future by marking the appropriate box on your proxy card or by following the instructions provided when voting by telephone. You will receive a proxy card by mail next year with instructions containing the Internet address to access these documents. If you vote by Internet, you will have the opportunity to consent to receive an e-mail notice when future proxy materials are available to view online. By opting to access your proxy materials online, you will save Dominion the cost of producing and mailing documents to you, and help preserve environmental resources. Your choice will remain in effect unless you notify Dominion that you wish to resume mail delivery of these documents. You can request paper copies of these documents by writing us at Dominion Resources, Inc., Shareholder Services, P.O. Box 26532, Richmond, VA 23261; by phoning us at 1-800-552-4034; or by emailing us at [shareholder.services@dom.com](mailto:shareholder.services@dom.com).

If you hold your shares in street name, please refer to the information provided by the institution that holds your shares for instructions on how to elect this option.

### **What is householding and how does it affect me?**

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For Shareholders of Record who received printed proxy materials, a single copy of the 2011 Proxy Statement, 2010 Summary Annual Report and 2010 Annual Report on Form 10-K (annual report package) has been sent to multiple shareholders who reside at the same address. Any shareholder who would like to receive a separate annual report package may call or write us at the address above, and we will promptly deliver it. If you received multiple copies of the annual report package and would like to receive combined mailings in the future, please contact us as shown above. Shareholders who hold their shares in street name should contact the institution that holds the shares regarding combined mailing.



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### Corporate Governance and Board Matters

The Board is charged with the responsibility of overseeing Dominion's management, as well as the business and affairs of Dominion on behalf of its shareholders. The Board and management also recognize that the interests of Dominion are advanced by responsibly addressing the concerns of other constituencies, including employees, customers and the communities in which Dominion operates. Dominion's Corporate Governance Guidelines are intended to support the Board in its oversight role and in fulfilling its obligation to shareholders. Our Corporate Governance Guidelines address, among other things, the composition and responsibilities of the Board, director independence standards, details of our Bylaws concerning the election of directors by majority vote, stock ownership requirements and compensation of non-employee directors, management succession and review, and the recovery of performance-based compensation in the event financial results are restated due to fraud or intentional misconduct. The Compensation, Governance and Nominating (CGN) Committee regularly reviews our Corporate Governance Guidelines and recommends modifications to these guidelines to the Board when appropriate and when NYSE and Securities and Exchange Commission (SEC) regulations require changes. In February 2011, our Corporate Governance Guidelines were amended to formally designate the Chair of the CGN Committee as Dominion's Lead Director when the Chairman of the Board is not an independent director. The amended Corporate Governance Guidelines further clarify the role of the Lead Director and reflects the duties and responsibilities that the Chair of the CGN Committee had already been performing and exercising. The duties and responsibilities of the Lead Director are also discussed in *Board Leadership Structure and Role in Risk Oversight*.

Our Corporate Governance Guidelines, which include our director independence standards, can be found on Dominion's website at [www.dom.com/investors/corporate-governance/pdf/corp\\_gov\\_guidelines.pdf](http://www.dom.com/investors/corporate-governance/pdf/corp_gov_guidelines.pdf). In addition to our Corporate Governance Guidelines, other information relating to governance can be found on the governance page of our website, [www.dom.com/investors/corporate-governance/index.jsp](http://www.dom.com/investors/corporate-governance/index.jsp), including:

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

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

You can request a paper copy of our Code of Ethics and Business Conduct or any other governance document at no charge by writing to our Corporate Secretary at Dominion Resources, Inc., P.O. Box 26532, Richmond, Virginia 23261, or phoning us at 1-800-552-4034.

#### **DIRECTOR INDEPENDENCE**

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

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Our independence standards also include categorical standards that identify categories of commercial and charitable relationships that the Board has determined to not be material relationships and, therefore, do not affect a director's independence. As such, these categorical relationships are not considered by the Board in determining independence, but are reported to the CGN Committee annually. Our Board may determine that a director is independent even if that director has a relationship that does not meet these categorical standards, provided that relationship does not violate the NYSE rules. If such a determination is made, the basis for the Board's determination will be explained in Dominion's next proxy statement.

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The full text of our independence standards is included in the appendix to our Corporate Governance Guidelines and may be found on our website at [www.dom.com/investors/corporate-governance/pdf/corp\\_gov\\_guidelines.pdf](http://www.dom.com/investors/corporate-governance/pdf/corp_gov_guidelines.pdf).

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

Based on the NYSE's and Dominion's independence standards and all relevant facts and circumstances, the Board determined that the following directors are independent: Messrs. Barr, Brown, Davidson, Harris, Jepson, Kington, Royal, Spilman and Wollard and Ms. Dragas and McKenna. The Board determined that Mr. Farrell is not independent because he is a current Dominion employee.

In determining the independence of Dr. Brown, the CGN Committee considered the employment of an adult, financially independent immediate family member during 2010 by a law firm that provides services to Dominion and concluded that Dr. Brown did not have a material interest in that employment relationship. The CGN Committee recommended and the Board concurred that such employment relationship does not affect Dr. Brown's independence.

In determining the independence of Mr. Harris, the CGN Committee considered the commencement of employment of an adult, financially independent immediate family member in January 2011 by a law firm that provides services to Dominion and concluded that Mr. Harris did not have a material interest in that employment relationship. The CGN Committee recommended and the Board concurred that such employment relationship does not affect Mr. Harris's independence.

The CGN Committee also reviewed the benefits provided to Mr. Davidson in accordance with his retirement agreement from his previous service as chief executive officer (CEO) of Consolidated Natural Gas Company (CNG) and in connection with CNG's merger with Dominion. The CGN Committee recommended and the Board concurred that the retirement agreement does not affect Mr. Davidson's independence.

## **RELATED PARTY TRANSACTIONS**

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

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

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

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course of performing their duties; transactions with other companies where the related party's only relationship is as an employee, if the aggregate amount involved does not exceed the greater of \$1 million or 2% of that company's gross

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revenues; and charitable contributions that are less than the greater of \$1 million or 2% of the charity's annual receipts. The full text of the guidelines can be found on our website at [www.dom.com/investors/corporate-governance/pdf/related\\_party\\_guidelines.pdf](http://www.dom.com/investors/corporate-governance/pdf/related_party_guidelines.pdf).

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

Since January 1, 2010, there have been no related party transactions involving Dominion that were required either to be approved under Dominion's policies or reported under the SEC's related party transaction rules.

## **BOARD LEADERSHIP STRUCTURE AND ROLE IN RISK OVERSIGHT**

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

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

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

- Presiding at all meetings of the Board when the Chairman of the Board is not present, including executive sessions of the independent directors;

- Serving as a liaison on Board-wide issues between the Chairman of the Board and the independent directors;

- Having the authority to call meetings of the independent directors, as needed;

- Reviewing and consulting with the Chairman on Board meeting agendas and information sent to the Board; and

- Reviewing and consulting with the Chairman on Board meeting schedules to assure sufficient time for discussion of all agenda items.

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

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

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

## **EXECUTIVE SESSIONS OF DIRECTORS**

Executive sessions of our non-management, independent directors are held at each regularly scheduled Board meeting and are presided over by our Lead Director who is also the Chair of the CGN Committee.

## **COMMITTEES AND MEETING ATTENDANCE**

Under our Corporate Governance Guidelines, directors are expected to attend all Board and committee meetings. The Board met 10 times in 2010. Each Board member attended at least 75% of all Board and committee meetings on which he or she served. All of our directors attended the 2010 Annual Meeting of Shareholders.

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

### **Audit Committee**

The members of the Audit Committee are David A. Wollard (chairman), William P. Barr, George A. Davidson, Jr., Helen E. Dragas, Robert S. Jepson, Jr., Margaret A. McKenna and Robert H. Spilman, Jr. Each member of the Audit Committee has been determined independent by the Board in accordance with NYSE listing standards, SEC regulations and the company's independence standards. The Board has also determined Messrs. Davidson, Jepson, Spilman and Wollard and Ms. Dragas and McKenna are audit committee financial experts as defined under SEC rules. This committee is responsible for assisting the Board with oversight of the independence, performance and qualification of our independent auditor; the integrity of Dominion's financial statements and reporting practices; the company's compliance with legal and regulatory requirements; and the performance of the company's internal audit function. This committee also reviews and discusses policies with respect to risk assessment and risk management.

The Audit Committee also retains the independent auditor for the next year and pre-approves the audit and non-audit services provided by the independent auditor. This committee periodically meets with both the independent auditor and internal auditor in separate sessions without management present. This committee also consults with the independent and internal auditors regarding audits of Dominion's consolidated

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financial statements and the adequacy of internal controls. The Audit Committee's report to shareholders is on pages 22-23. In 2010, this committee met eight times.

### **Compensation, Governance and Nominating Committee**

The members of the CGN Committee are Frank S. Royal (chairman), John W. Harris, Robert S. Jepson, Jr., Mark J. Kington and David A. Wollard. Each member of the CGN Committee has been determined independent by the Board in accordance with NYSE listing standards, SEC regulations and the company's independence standards. This committee consults directly with its independent compensation consultant, Pearl Meyer & Partners (PM&P), and management to review and evaluate Dominion's organizational structure and compensation practices, which include both Dominion's executive and director compensation programs. This committee also meets with PM&P, without the



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CEO present, to review and discuss CEO compensation and other matters. The company's processes for the consideration and determination of executive and director compensation, including the roles of the CGN Committee, management and PM&P in designing our executive and director compensation programs, are discussed in *Compensation Discussion and Analysis* and *Non-Employee Director Compensation*.

The CGN Committee is also responsible for overseeing Dominion's corporate governance practices, evaluating the Board's effectiveness and reviewing the qualifications of director candidates. It makes recommendations to the Board regarding all of these matters, including director nominees, and administers certain compensation plans. The CGN Committee's policies for consideration of director candidates recommended by shareholders, the procedures to be followed by shareholders in submitting such recommendations, and the qualifications and skills that the CGN Committee considers and the process it uses in identifying and selecting director nominees, are discussed in *Shareholder Proposals and Director Nominations* and *Item 1 Election of Directors*. The CGN Committee's report to shareholders is on page 25. In 2010, this committee met six times.

### **Finance and Risk Oversight Committee**

The members of the Finance and Risk Oversight Committee are John W. Harris (chairman), William P. Barr, Peter W. Brown, Mark J. Kington and Robert H. Spilman, Jr. Each member of the Finance and Risk Oversight Committee has been determined independent by the Board in accordance with NYSE listing standards and the company's independence standards. This committee oversees the company's financial policies and objectives, reviews the company's capital structure, considers our dividend policy and reviews the company's financing activities. In addition, this committee oversees the implementation of the company's risk assessment and risk management policies and objectives and reviews its insurance coverage. In 2010, this committee met four times.

## **COMMUNICATIONS WITH DIRECTORS**

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

The Corporate Secretary and her representative are authorized to exclude communications that are bulk, advertising or otherwise inappropriate, including, but not limited to, business and product solicitations, unsolicited publications, resumes and job inquiries, spam, junk mail, mass mailing and material containing profanity, hostility or of similar nature. The Board has also directed the Corporate Secretary or her representative to forward correspondence related to routine business and customer service matters to the appropriate management personnel. When appropriate, the Corporate Secretary will consult with the Chief Legal Officer and Audit Committee chair, who will determine whether to communicate further with the Audit Committee and/or the full Board with respect to the correspondence received. The non-management directors have access to these emails at all times, as well as to a report that tracks how communications have been handled.

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

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

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

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### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

To the company's knowledge, no executive officer or director failed to file, on a timely basis, the reports required by Section 16(a) of the Exchange Act for the fiscal year ended December 31, 2010. As part of our ongoing review and confirmation of share ownership, we determined that, due to an inadvertent clerical error at the company, Mr. Robert M. Blue had one Form 4 filing relating to a single transaction under a company incentive plan that was not timely filed in January 2011.

### **SHAREHOLDER PROPOSALS AND DIRECTOR NOMINATIONS**

Under SEC rules, if a shareholder wishes to submit a proposal for possible inclusion in the 2012 Proxy Statement, Dominion's Corporate Secretary must receive it no later than 5 p.m. on November 25, 2011. Shareholders should refer to Rule 14a-8 of the Securities Exchange Act of 1934, as amended, which sets standards for eligibility and specifies the types of proposals that are not appropriate for inclusion in the proxy statement. Shareholder proposals should be sent to our Corporate Secretary at Dominion Resources, Inc., 120 Tredegar Street, Richmond, Virginia 23219.

To nominate a director at the 2012 Annual Meeting, you must be a shareholder and deliver written notice to our Corporate Secretary at least 60 days before the meeting. If the meeting date has not been publicly announced 70 days before the meeting, then notice can be given up to 10 days following the public announcement. Any notice must include the following information:

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

If you wish to bring any other matter (other than the nomination of a director) in person before the 2012 Annual Meeting, Dominion's Bylaws require you to notify the Corporate Secretary in writing no less than 90 days and not more than 120 days prior to the one-year anniversary of the date of this year's Annual Meeting. This means that for the 2012 Annual Meeting, your notice must be delivered, or mailed and received, between January 13, 2012 and February 13, 2012, and must contain the information specified by our Bylaws regarding each matter, including:

A brief description of the business you wish to bring before the 2012 Annual Meeting, including the complete text of any related resolutions to be presented and the reasons for conducting such business at the meeting;

Your name and address and the name and address of any associated person of yours, as they appear on Dominion's records;

The number of shares of stock that you and any associated person of yours own or beneficially own, including a description of any agreement, arrangement or understanding relating to such shares and a written agreement by you to update and supplement this information as of the record date for the 2012 Annual Meeting; and

Any material interest you and any associated person of yours have in such business.

If you do not provide the proper notice in the specified timeframe, the chairman of the meeting may exclude the matter, and it will not be acted upon at the meeting. If the chairman does not exclude the matter, the proxies may vote on it in the manner they believe is appropriate, in accordance with SEC rules. A copy of our Bylaws can be found on our website at

[www.dom.com/investors/corporate-governance/governance-policies-and-guidelines.jsp](http://www.dom.com/investors/corporate-governance/governance-policies-and-guidelines.jsp) and will be furnished to shareholders without charge upon written request to the Corporate Secretary.



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