

2013–2014 CITIZENSHIP & SUSTAINABILITY REPORT

# Executive Summary



[www.dominioncsr.com](http://www.dominioncsr.com)

# Highlights

## Seeking Sustainable Solutions



## Practicing Environmental Stewardship



## Energizing Our Customers



## Nurturing Our Communities



## Engaging Our Employees



## Rewarding Our Shareholders



FOR OUR FULL 2013–2014  
CITIZENSHIP & SUSTAINABILITY REPORT VISIT

[www.dominioncsr.com](http://www.dominioncsr.com)

All data for 2013 unless otherwise noted.

# Message From The Chairman

Energy is a complex and vital business. How government and industry partner to meet society's dual aspirations for economic prosperity and environmental quality is enormously challenging.

## The Challenge of a Sustainable Energy Future

One thing is certain: there is no quick fix when it comes to achieving a sustainable energy future. The scale of energy demand is huge, the issues evolving. Along with abundant, safe and affordable, the public increasingly expects energy to be clean.

Addressing our long-term energy and environmental challenges will require unprecedented levels of cooperation, leadership and technological innovation—as well as realistic expectations about the time, money and trade-offs it will take.

In the near term, it will require a focus on diversifying our energy sources and using cost-effective conservation. Longer term, we are working on cutting-edge solutions that show great promise.

## Our Progress

At Dominion, 2013 was notable for the progress we made in our economic performance, social responsibility commitments and environmental stewardship initiatives.

## Economic Performance

We moved forward with executing our \$14 billion, 5-year business growth 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.

## Social Responsibility

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

For example, 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.

## 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.

Already a low-carbon electricity producer, we continued in 2013 to increase our reliance on low-carbon and carbon-free energy sources, including wind, solar and renewable biomass. Together with carbon-free nuclear power and customer conservation programs, we have produced sustained reductions in the carbon intensity of our generating fleet.

Our progress lays the groundwork for future opportunities to create sustainable value for our stakeholders. I look forward to reporting on them in subsequent editions of this CSR. Until then, I invite you to explore the many dimensions of Dominion in our comprehensive online report at [www.dominioncsr.com](http://www.dominioncsr.com).



**Thomas F. Farrell II**  
Chairman, President &  
Chief Executive Officer  
June 2014



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

*“Our progress lays the groundwork for future opportunities to create sustainable value for our stakeholders.”*

# Company Profile

Dominion [NYSE: D] is one of the nation's largest electric power and natural gas companies, serving 6 million utility and retail energy customers in 10 states. 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

2013 Data

**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

## Operating Segments



### Dominion Virginia Power

- Electric distribution
- Electric transmission



### Dominion Energy

- Gas distribution
- Gas transmission & storage



### Dominion Generation

- Utility power production
- Merchant power production
- Retail energy marketing

## 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.

**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.

**Teamwork** We call it “One Dominion.” It is a unifying outlook that transcends organizational boundaries and focuses on our shared mission and purpose.



# Growing Our Business

 [www.dominioncsr.com/business](http://www.dominioncsr.com/business)



## 2013 Highlights

- Ranked 2nd in total shareholder return (29.65%) among 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

**Governance** Good governance is central to successful, sustainable performance. It helps identify Dominion as a competent and trustworthy steward of resources, provides a foundation for constructive management oversight, upholds a culture of accountability and helps protect shareholder rights.

**Ethics** Ethics is a core value at Dominion. Qualities such as integrity, individual responsibility and accountability matter as much as bottom-line results. All employees share the responsibility for making ethical conduct central to our business operations and outlook.

**Strategy & Innovation** We strive to create sustainable value for our owners and reduce risk by focusing on our core regulated businesses and the energy infrastructure expansion projects that will meet our customers' future energy needs. Dominion is innovating by researching and evaluating renewable and emerging energy technologies to assess their commercial viability and potential for building a more sustainable economy.



Dominion was 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.

# Protecting the Environment

 [www.dominioncsr.com/environment](http://www.dominioncsr.com/environment)

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

## 2013 Highlights

- Produced 777 pounds of carbon dioxide (CO<sub>2</sub>) per unit of electric output — about 39 percent below the industry average of 1,275 pounds CO<sub>2</sub> per unit of output
- Added more than 200 megawatts of renewable energy to our generating portfolio
- 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
- Doubled the size of the hybrid electric vehicle (HEV) fleet to 40 from 20

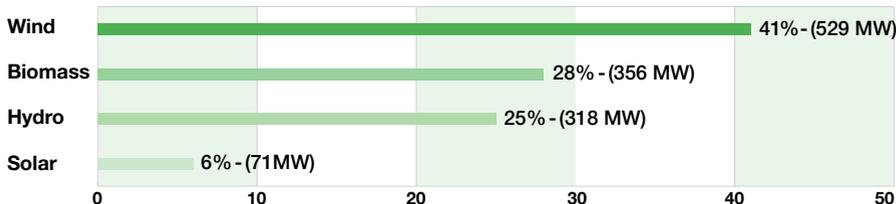


ENVIRONMENT

#38

Dominion's ranking in the top 100 global "green" utilities in reducing CO<sub>2</sub> emissions, *EI New Energy*

**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.

**Minimizing Carbon Intensity** Dominion continues to produce fewer 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 CO<sub>2</sub> 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.

**Methane Reduction Initiatives** Dominion is partnering in a nationwide field study led by Colorado State University to quantify methane emissions from natural gas transmission and storage systems. Methane is the primary component of natural gas and is considered a greenhouse gas many times more potent than carbon dioxide.

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.

**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 (SO<sub>2</sub>): 94 percent reduction (emissions per unit of output) from 2000 levels
- Nitrogen oxide (NOx): 85 percent reduction
- Mercury: 95 percent reduction

**Dominion's Green Fleet** Dominion is actively participating in the development and deployment of alternative vehicle technologies and fuels to help lower greenhouse gas emissions and improve environmental performance.

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.

**ENVIRONMENT**

**50%**  
of our electricity output came from emissions-free nuclear and renewable energy

**ENVIRONMENT**

**30%**  
of vehicle fleet powered by alternative fuels



# Serving Our Customers

[www.dominioncsr.com/community](http://www.dominioncsr.com/community)

## 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
- Old Dominion University and Canon, Inc.'s Industrial Resource Technologies facility are the first two participants in Dominion's new *Solar Partnership* program
- Launched the Solar Purchase program helping customers defray installation costs while promoting more local clean energy production

**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. Old Dominion University in Norfolk, Va. had more than 600 solar panels installed on the roof of its Student Recreation Center. Canon Virginia, Inc.'s Industrial Resource Technologies facility in Gloucester, Va. includes more than 2,000 solar panels and is currently the largest rooftop solar installation in Virginia.

**Electric Vehicle Pilot Program** About 350 Dominion Virginia Power customers who drive EVs obtained special charging rates in a pilot program approved by state regulators.



CUSTOMERS & COMMUNITY

33%

increase in customers enrolled in Dominion Green Power program, 2012–2013 (over 20,000)



*Dominion Green Power®* is our voluntary green pricing program supporting the production and growth of renewable energy in Virginia and the surrounding region.

# Strengthening Our Communities

 [www.dominioncsr.com/community](http://www.dominioncsr.com/community)



We care about the communities that we serve. We work at improving the quality of community life and giving back through partnerships, volunteerism, targeted social investments and other engagements.

## 2013 Highlights

- The Dominion Foundation made 1,417 grants totaling \$13.4 million and \$1.6 million in matching funds for total charitable giving of \$15 million
- Launched \$1.4 million R&D Partnership program with Virginia universities for alternative and renewable energy research funding
- Completed 21 “Energizing Communities” projects in 8 states and the District of Columbia benefiting veterans, members of the military and their families

**Public Health & Safety** Health and safety is our greatest priority. We work hard to maintain and improve the integrity and reliability of our energy infrastructure, our emergency preparations and our public communications.

**Energy Assistance Programs** Our initiatives are designed to fill gaps resulting from funding cuts for low-income heating and cooling assistance programs.

**Education** Through mentoring initiatives, philanthropic support and other means, we are partnering to strengthen STEM competitiveness and prepare students for tomorrow’s workplace.



CUSTOMERS & COMMUNITY

100,000

hours of volunteer community service performed



CUSTOMERS & COMMUNITY

\$3.9 million

in EnergyShare donations made by Dominion, its employees and customers

# Engaging Our Employees

[www.dominioncsr.com/workplace](http://www.dominioncsr.com/workplace)



We depend on an engaged and skilled workforce. Our goal is to offer a safe, inclusive and productive workplace that rewards superior performance.

## 2013 Highlights

- 10% improvement in OSHA recordable incident rate from 2012
- Best overall safety performance in the 115-year history of Dominion East Ohio natural gas distribution company
- Between 20–25% of Dominion’s new hires were veterans

**Compensation & Benefits** Our competitive and integrated total rewards package attracts, motivates and retains top talent. Compensation includes a combination of base pay, annual incentives and long-term incentives in addition to a comprehensive suite of benefits.

**Diversity & Inclusion** Diversity and inclusion are strategic assets and core values that help shape our future. Employee differences strengthen the company through a breadth of experience, perspective and talent.

**Professional Development** We strive to offer our employees wide-ranging opportunities for sustained career growth and fulfillment. From informal mentoring to formal classroom instruction, we provide targeted work-related training and development opportunities to all our team members.



**WORKPLACE**

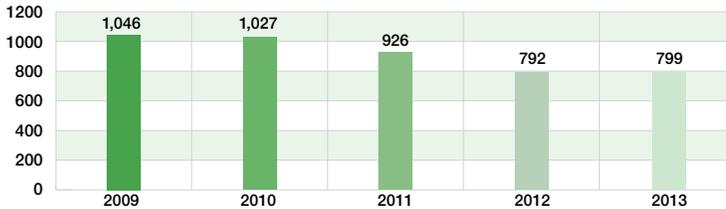
**247**  
veterans hired  
in 2012–2013



# Performance Highlights

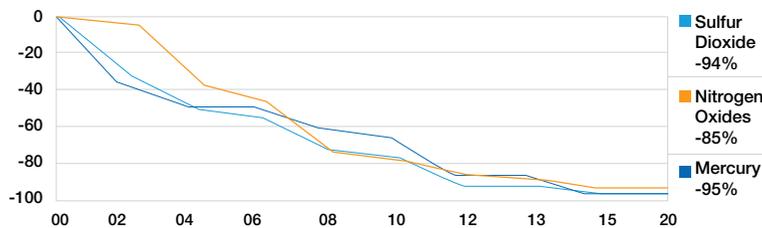
## Reducing Our Carbon Footprint (CO<sub>2</sub> intensity rate, lbs/net mWh)

24% decline in CO<sub>2</sub> emissions rate,  
2009–2013

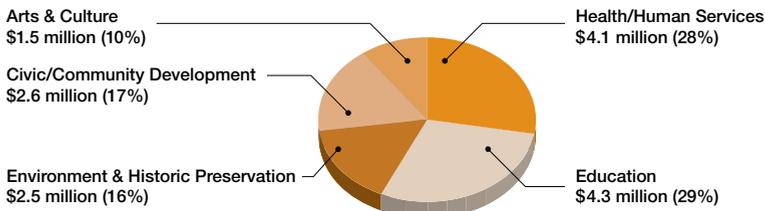


Pounds CO<sub>2</sub> per mWh of output, company-owned generation

## Sustained Air Quality Improvements, Percent Projected Emissions Reductions, 1998–2020



## 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
<b>TOTAL</b>	<b>\$81.6 million</b>

\*Includes \$4.5 million to the United Way

For more information about Dominion, visit the company website at [www.dom.com](http://www.dom.com).

For our full 2013–2014 Citizenship & Sustainability Report visit [www.dominioncsr.com](http://www.dominioncsr.com).

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