

*A newsletter for investors of Dominion*

# ENERGY GROWTH PLAN SURGES FORWARD

## Dominion Board Raises Dividend

In January, the board of directors declared an annual dividend rate of \$2.11 per share for 2012. Subject to quarterly declaration by the board, the dividend will be paid in four equal installments of 52.75 cents per share this year.

The increase represented a 7.1 percent rise in the annual dividend rate from 2011, or a dividend hike of 73 cents — 53 percent — in just six years.

The higher dividend rate is part of the board's strategy to return a larger slice of our operating earnings to shareholders so that Dominion's payout ratio is more in line with its utility peers.



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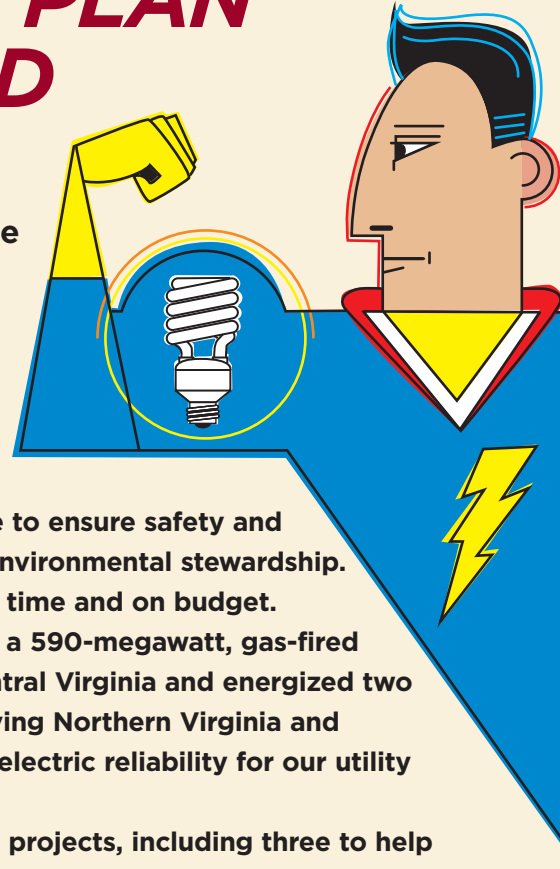
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Your company continues to execute its long-term, multibillion dollar energy infrastructure growth plan to meet the demands of electric and natural gas customers and gas producers alike.

We are leveraging that infrastructure to ensure safety and superior customer service and promote environmental stewardship. Progress on our growth plan has been on time and on budget.

In 2011, the company brought online a 590-megawatt, gas-fired combined cycle generating station in Central Virginia and energized two large, 500-kilovolt transmission lines serving Northern Virginia and Southeastern Virginia. They will enhance electric reliability for our utility customers in Virginia and North Carolina.

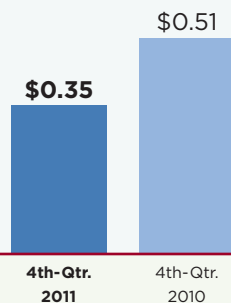
In 2012, five major gas infrastructure projects, including three to help Marcellus and Utica Shale producers get their gas and gas liquids to East Coast markets, are scheduled to enter service. We also expect operations to begin this year at the 585-megawatt, coal- and biomass-fired Virginia City Hybrid Energy Center in Southwest Virginia, which will serve Dominion Virginia Power and Dominion North Carolina Power customers.



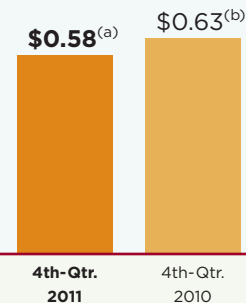
## The Quarterly Financial Picture

RESULTS OF OPERATIONS (UNAUDITED) — 3 MONTHS ENDED DECEMBER 31

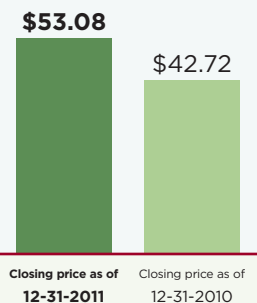
### Reported Earnings Per Share



### Operating Earnings Per Share



### Share Price



(a) The net after-tax impact on a per-share basis of the following items is included in reported earnings, but is excluded from operating earnings: a 24-cent impairment charge related to certain utility coal-fired generating units; partially offset by a 1-cent benefit related to other items.

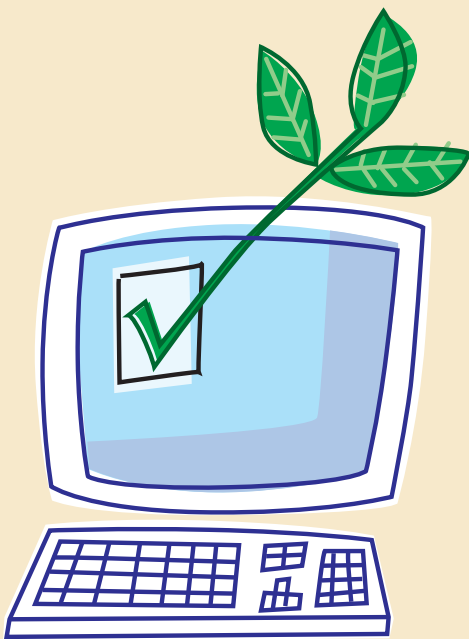
(b) The net after-tax impact on a per-share basis of the following items is included in reported earnings, but is excluded from operating earnings: a 6-cent impairment charge related to certain merchant generating facilities; a 3-cent charge related to the sale of our Appalachian E&P operations; a 2-cent increase in interim tax expense provision and a 1-cent charge related to other items.

## Your Vote Is Important!

At the end of March, proxy materials will be distributed to all of our shareholders. This year we are pleased to continue using the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their shareholders primarily over the Internet. Most of our shareholders will receive a one-page Notice Regarding Availability of Proxy Materials. The Notice will contain instructions on how to access proxy materials over the Internet as well as how to vote your shares electronically. We believe this process expedites shareholders' receipt of proxy materials, lowers the costs of our annual meeting and helps conserve natural resources.

If you receive your proxy materials in paper format when they are distributed in March, but would like to access the materials electronically in the future, simply mark the appropriate box on your proxy card. You may also follow the instructions provided when voting by Internet or telephone.

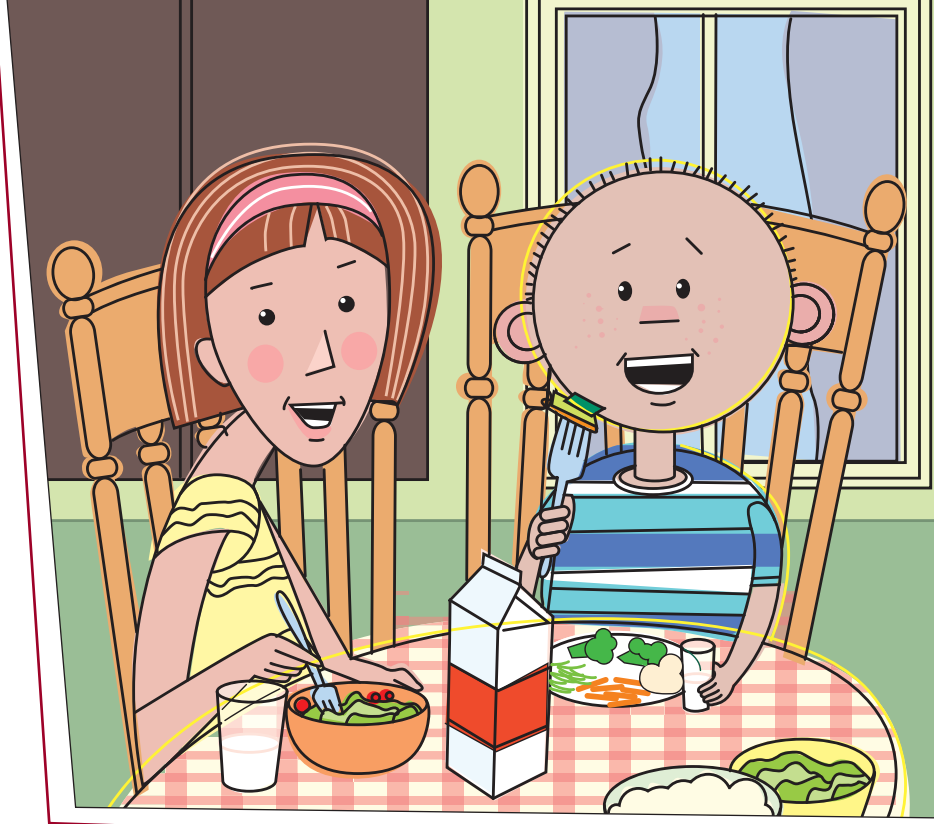
Whether you vote by using the Internet or telephone, or by mailing your signed proxy card, your vote is important to us.



## Volunteer Update

# 160,000

The number of hours Dominion employees gave of their time in 2011 to volunteer in the communities where they live and work.



## Your Company Is Committed ...

### To Local Food Banks

In 2011, The Dominion Foundation donated \$435,000 to food banks in 13 states and the District of Columbia to help feed people in need.

Many of the grants were earmarked for children, 16 million of whom are considered to be at risk of not having enough to eat. More than \$300,000 was contributed during the holiday season.

Feeding America spokesman Ross Fraser said, "We truly appreciate The Dominion Foundation recognizing and responding to this need."

### To Those Who Have Served

In November 2011, your company, through its philanthropic arm, The Dominion Foundation, gave \$25,000 each to 10 organizations that assist military veterans and their families.

The organizations are located in six states where Dominion does business.

CEO Tom Farrell said, "Veterans are facing hardships and going through difficult times. We are supporting programs that directly help homeless veterans and benefit the wounded and their families. It is critical that Dominion reaches out to veterans in need."

In addition, your company hired nearly 100 veterans in 2011. It is one of five U.S. electric utilities participating in the "Troops to Energy Jobs" program, which helps create a pathway for those leaving the service to transition into energy careers.

This newsletter contains forward-looking statements that are subject to various risks and uncertainties. Discussion of factors that could cause actual results to differ materially from management's projections, forecasts and estimates are detailed in the company's most recent Securities and Exchange Commission filings on Forms 10-Q and 10-K.

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