

Dominion Resources, Inc.
("Dominion")

Related Party Transaction Guidelines

Purpose

To identify and evaluate potential conflicts of interest, independence factors and disclosure obligations arising out of financial transactions, arrangements and relationships between Dominion and its Related Persons (Related Party Transactions).

I. What Constitutes A Related Party Transaction

A. Related Persons

The persons and entities that should be considered Related Person(s) subject to these Guidelines include:

- any person who is, or at any time during a fiscal year was, a Director, Executive Officer or Nominee for Director of Dominion;
- any person who is a beneficial owner of more than 5% of Dominion's common stock; or
- any **immediate family member**¹ of one of the foregoing persons.

B. Related Party Transactions

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

The Compensation, Governance and Nominating Committee (CGN Committee) has reviewed certain categories of transactions (as set forth on Exhibit 1) 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. Accordingly, such transactions are not deemed Related Party Transactions under these guidelines and therefore not subject to review by the CGN Committee.

¹ **Immediate family member** means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the person, and any person (other than a tenant or employee) sharing the person's house.

II. Related Party Procedures

A. Identification of Related Party Transactions

At least annually, the Corporate Secretary shall distribute a questionnaire to the Board of Directors, Board of Director Nominees and Executive Officers to identify potential Related Party Transactions by including questions regarding financial transactions, arrangements or relationships involving Related Persons.

The Corporate Secretary and General Counsel, or Chief Legal Officer where appropriate, shall review the responses to these questionnaires and assess whether any of the identified transactions constitute Related Party Transactions and report any such Related Party Transactions to the CGN Committee for consideration.

In the event that any further Related Party Transactions are identified during the year, such transactions will be reviewed and considered by the CGN Committee Chair and reported to the CGN Committee at its next scheduled meeting.

B. Review, Approval and Ratification By CGN Committee

The CGN Committee shall review all Related Party Transactions submitted and consider the relevant facts and circumstance available to it, including:

- the benefits to Dominion,
- the implications for a Director's independence,
- the availability of other sources for comparable products or services, and
- the terms of the transaction and the availability of the same or similar terms to unrelated third parties and employees in general.

The CGN Committee shall approve or ratify only those Related Party Transactions that, based on its business judgment, it determines:

- are in, or are not inconsistent with, the best interests of Dominion and its shareholders, and
- are in compliance with Dominion's Code of Ethics.

In any case where the CGN Committee determines not to ratify a Related Party Transaction, the matter may be referred to legal counsel for review and consultation regarding possible further action, including but not limited to, termination of the transaction on a prospective basis, rescission of the transaction or modification of the transaction in a manner that would permit it to be ratified by the CGN Committee.

No member of the CGN Committee shall participate in any review, approval or ratification of a Related Party Transaction if such member or any of his or her immediate family members or a company where he or she is an executive officer or a greater than 10% owner is involved. The CGN Committee shall report all such findings under these Guidelines to the Board of Directors.

III. Disclosure of Related Party Transactions

Dominion will make the appropriate disclosures for Related Party Transactions and these Guidelines as required by the Securities and Exchange Commission.

Transactions Deemed not to Constitute a Related Party Transaction

- Any transaction with another company at which a Related Person's only relationship is as an employee (other than executive officer), if the aggregate amount involved does not exceed the greater of \$1 million or 2% of that company's consolidated gross revenues.
- Any charitable contribution, grant or endowment by Dominion to a charitable organization, foundation or university at which a Related Person's only relationship is as an employee (other than executive officer) or a director, if the aggregate amount involved is less than the greater of \$1 million or 2% of the organization's total annual charitable receipts. (Dominion's automatic matching of employee charitable contributions will not be included in the calculation.)
- Any compensation arrangement for an Executive Officer, if (a) that officer is not an immediate family member of another Executive Officer or Director of Dominion; (b) such compensation would be reported in the proxy statement if the officer was a "Named Executive Officer"; or (c) the CGN Committee approved such arrangement.
- Any compensation paid to a Director that is required to be reported in Dominion's proxy statement.
- Any transaction where the Related Person's interest arises solely from the ownership of Dominion's common stock and all stockholders received the same benefit (e.g. dividends).
- Any ordinary course business travel and expenses, advances and reimbursements.
- Any products or services provided to Related Persons in the ordinary course of Dominion's business and on substantially the same terms as those prevailing at the time for comparable services provided to unrelated third parties or to Dominion's employees on a broad basis.