

DOMINION RESOURCES INC /VA/

Form 11-K

June 25, 2012

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 11-K**

(Mark One):

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

or

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 333-163805

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**DOMINION HOURLY SAVINGS PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**DOMINION RESOURCES, INC.**

**120 Tredegar Street**

**Richmond, VA 23219**

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**DOMINION HOURLY SAVINGS PLAN**

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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Administrative Benefits Committee

of Dominion Resources, Inc. and the Participants

of the Dominion Hourly Savings Plan

Richmond, Virginia.

We have audited the accompanying statements of net assets available for benefits of the Dominion Hourly Savings Plan (the Plan ) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of (1) assets (held at end of year) as of December 31, 2011, and (2) reportable transactions for the year ended December 31, 2011, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan s management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2011 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Richmond, Virginia

June 25, 2012

**Table of Contents****DOMINION HOURLY SAVINGS PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****AS OF DECEMBER 31, 2011 AND 2010**

	2011	2010
<b>ASSETS:</b>		
Investments at Fair Value:		
Participant-directed investments	<b>\$ 274,614,602</b>	\$ 235,562,902
Nonparticipant-directed investments	<b>46,240,587</b>	44,382,375
<b>Total investments</b>	<b>320,855,189</b>	279,945,277
Receivables:		
Notes receivable from participants	<b>7,434,852</b>	6,965,392
Participant contributions	<b>548,128</b>	458,670
Employer contributions	<b>200,658</b>	168,164
Accrued investment income	<b>17</b>	27
Receivables for securities sold	<b>312,751</b>	206,121
<b>Total receivables</b>	<b>8,496,406</b>	7,798,374
<b>Total assets</b>	<b>329,351,595</b>	287,743,651
<b>LIABILITIES:</b>		
Payables for securities purchased	<b>530,175</b>	409,037
Other liabilities	<b>45,169</b>	137,064
<b>Total liabilities</b>	<b>575,344</b>	546,101
<b>NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE</b>	<b>328,776,251</b>	287,197,550
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	<b>(990,782)</b>	(1,103,730)
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 327,785,469</b>	\$ 286,093,820

See notes to financial statements.

**Table of Contents****DOMINION HOURLY SAVINGS PLAN****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****YEAR ENDED DECEMBER 31, 2011**

<b>ADDITIONS:</b>	
Contributions:	
Participant contributions	\$ 13,944,935
Employer contributions	5,136,375
<b>Total contributions</b>	<b>19,081,310</b>
Investment Income:	
Interest	46
Dividends	6,746,485
Net appreciation in fair value of investments	31,994,231
Income from Master Trust	2,158,949
<b>Total investment income</b>	<b>40,899,711</b>
Interest income on notes receivable from participants	344,605
<b>Total additions</b>	<b>60,325,626</b>
<b>DEDUCTIONS:</b>	
Benefits paid to participants	16,161,483
Administrative expenses	275,259
<b>Total deductions</b>	<b>16,436,742</b>
<b>NET INCREASE IN NET ASSETS BEFORE TRANSFERS</b>	<b>43,888,884</b>
<b>TRANSFER OF PARTICIPANTS ASSETS FROM THE PLAN, NET</b>	<b>(2,197,235)</b>
<b>NET INCREASE IN NET ASSETS</b>	<b>41,691,649</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS:</b>	
Beginning of year	286,093,820
<b>End of year</b>	<b>\$ 327,785,469</b>

See notes to financial statements.

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**DOMINION HOURLY SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2011 AND 2010, AND FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. DESCRIPTION OF PLAN**

The following description of the Dominion Hourly Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

- a. **General** The Plan is a defined contribution plan covering union-eligible employees of the Virginia Electric and Power Company (the Employer) who are 18 years of age or older, regular full-time or part-time employees and are scheduled to work at least 1,000 hours per year. Dominion Resources, Inc. (Dominion or the Company) is the designated Plan sponsor. The Plan administrator is Dominion Resources Services, Inc., a subsidiary of Dominion. The Bank of New York Mellon (BNY Mellon) serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).
- b. **Contributions** Participants may contribute not less than 2% and not more than 50% of their eligible earnings, all of which may be on a tax-deferred basis, or up to 20% on an after-tax basis. Highly compensated employees may contribute not less than 2% and not more than 30% of their eligible earnings, of which up to 10% may be on a tax-deferred basis and up to 20% on an after-tax basis. Employee contributions are subject to certain Internal Revenue Code (IRC) limitations. The Employer contributes a matching amount equivalent to 50% of each participant's contributions (up to a maximum of 6%), not to exceed 3% of the participant's eligible earnings.
- c. **Participant Accounts** Individual accounts are maintained for each Plan participant. Each participant's account includes the effect of the participant's contributions and withdrawals, as applicable, and allocations of Employer contributions, Plan earnings or losses, and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant's account.
- d. **Participants** Each employee is eligible to participate in the Plan on an entirely voluntary basis. Participation by an employee becomes effective immediately upon enrollment in the Plan.
- e. **Vesting** Participants become immediately vested in their own contributions and the earnings on these amounts. Participants generally become vested in Employer matching contributions and related earnings after three years of service.
- f. **Forfeited Accounts** At December 31, 2011 and 2010, forfeited nonvested accounts totaled \$10,912 and \$31,190, respectively. These accounts are used to reduce future Employer contributions.



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g. ***Investment Options***

*Participant Contributions* Upon enrollment in the Plan, a participant may direct his or her contributions in any option in 1% increments totaling to 100%. Changes in investment options may be made at any time and participant investment election changes become effective with the subsequent pay period. However, if the participant has not made investment directions at the time the contribution is made, the participant contributions will be automatically invested in the Target Retirement Fund corresponding with the participant's age (assuming retirement at age 65). The Plan provides for employee contributions to be invested in the following:

Dominion Stock Fund

Interest in Master Trust:

Stable Value Fund (BNY Mellon Fund)

Large Cap Growth Fund (RCM Fund)

Small Cap Value Fund (Lee Munder Fund)

Small Cap Growth Fund (Cadence Fund)

Real Estate Fund

Common/Collective Trusts:

Intermediate Bond Fund

Large Cap Value Fund

S&P 500 Index Fund

Wilshire 4500 Index Fund

Target Retirement Income Fund

Target Retirement 2015 Fund

Target Retirement 2020 Fund

Target Retirement 2025 Fund

Target Retirement 2030 Fund

Target Retirement 2035 Fund

Target Retirement 2040 Fund

Target Retirement 2045 Fund

Target Retirement 2050 Fund

Target Retirement 2055 Fund

Mutual Fund:

International Equity Fund

*Employer Contributions* Effective January 1, 2008, Employer matching contributions are deposited in accordance with the participant's investment directions, or the Target Retirement Fund corresponding with the participant's age (assuming retirement at age 65) if the participant has not made investment directions at the time the contribution is made.

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- h. **Participant Loans** Participants are eligible to secure loans against their plan account with a maximum repayment period of 5 years. The minimum loan amount is \$1,000 and the maximum loan amount is the lesser of:

50% of the vested account balance, or

\$50,000 (reduced by the maximum outstanding loan balance during the prior 12 months)

The loans are interest-bearing at the prime rate of interest plus 1%. The rate is determined at the beginning of each month if a change has occurred in the prime rate. However, the rate is fixed at the inception of the loan for the life of the loan.

Participants make principal and interest payments to the Plan through payroll deductions. Any defaults in loans result in a reclassification of the remaining loan balances as taxable distributions to the participants.

- i. **Payment of Benefits** On termination of service, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or defer the payment to a future time no later than the year in which the participant attains age 70 1/2. If the participant retires from the Company, he or she may elect to receive installment payments. There were no amounts payable to participants at December 31, 2011 or 2010.
- j. **Flexible Dividend Options** Participants are given the choice of (1) receiving cash dividends paid on vested shares held in their Dominion Stock Fund or (2) reinvesting the dividends in the Dominion Stock Fund.
- k. **Plan Changes** In May 2011, as it resulted in an overall structural change in the annual investment manager fees, the Plan approved the structure of the International Equity Fund transitioning from a Master Trust to a mutual fund (see Note 5).

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. **Basis of Accounting** The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
- b. **Use of Estimates** The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits, and changes therein. Actual results could differ from those estimates.
- c. **Risks and Uncertainties** The Plan utilizes various investment instruments, including the Dominion Stock Fund, common/collective trusts and investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility.
- d. **Valuation of Investments** All investments are carried at fair value. See Note 6 for further information on fair value measurements. The fair valued fully benefit-responsive guaranteed investment contracts (GICs) are then adjusted to contract value. See Note 5.
- e. **Notes Receivable from Participants** Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.



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f. **Investment Income** Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recognized on the ex-dividend date. Realized gains and losses on the sale of investments are determined using the average cost method.

Net investment income from common/collective trust fund holdings includes dividend income and realized and unrealized appreciation (depreciation).

Management fees and operating expenses charged to the Plan for investments in common/collective trust funds and mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

g. **Administrative Expenses** As permitted by law, the reasonable administrative costs of the Plan are paid from the Plan's Trust. Dominion pays any administrative costs that are not charged to the Plan.

h. **Payment of Benefits** Distributions from the Plan are recorded when a participant's valid withdrawal request is processed by the recordkeeper.

i. **Transfers** In addition to the Plan, Dominion also sponsors several other savings plans for employees of Dominion and certain of its subsidiaries which do not participate in this Plan. If participants change employment among Dominion and its covered subsidiaries during the year, their account balances are transferred into the corresponding plan. For the year ended December 31, 2011, the Plan transferred \$2,523,017 and \$325,782 of participants' assets to and from other plans, respectively.

j. **Excess Contributions Payable** The Plan is required to return to Plan participants any contributions received during the Plan year in excess of the IRC limits.

**3. INVESTMENTS**

The Plan's investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010 are as follows:

	2011	2010
Dominion Stock Fund:		
Participant-directed 2,411,613 and 2,347,846 units, respectively	<b>\$ 128,008,418</b>	\$ 100,299,968
Nonparticipant-directed 871,149 and 1,038,913 units, respectively	<b>46,240,587</b>	44,382,375
Interest in BNY Mellon Fund, 2,318,828 and 2,246,334 units, respectively	<b>53,405,182</b>	50,925,060

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During the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

<b>Investments at Fair Value:</b>	
Dominion Stock Fund	<b>\$ 34,487,718</b>
<b>Common/Collective Trust Funds:</b>	
Intermediate Bond Fund	<b>357,453</b>
Large Cap Value Fund	<b>(208,733)</b>
S&P 500 Index Fund	<b>306,033</b>
Wilshire 4500 Index Fund	<b>(218,312)</b>
Target Retirement Income Fund	<b>34,491</b>
Target Retirement 2005 Fund <sup>(1)</sup>	<b>6,028</b>
Target Retirement 2010 Fund <sup>(1)</sup>	<b>48,382</b>
Target Retirement 2015 Fund	<b>34,146</b>
Target Retirement 2020 Fund	<b>23,158</b>
Target Retirement 2025 Fund	<b>(14,126)</b>
Target Retirement 2030 Fund	<b>(40,006)</b>
Target Retirement 2035 Fund	<b>(74,132)</b>
Target Retirement 2040 Fund	<b>(100,887)</b>
Target Retirement 2045 Fund	<b>(132,552)</b>
Target Retirement 2050 Fund	<b>(127,656)</b>
Target Retirement 2055 Fund	<b>18,663</b>
	<b>(88,050)</b>
<b>Mutual Fund:</b>	
International Equity Fund <sup>(2)</sup>	<b>(2,405,437)</b>
<b>Net appreciation in fair value of investments</b>	<b>\$ 31,994,231</b>

- (1) In April 2011, the Target Retirement 2005 and 2010 Funds were retired and rolled into the Target Retirement Income Fund.  
(2) In May 2011, the International Equity Fund was transitioned from a Master Trust to a mutual fund. See Note 1.

**4. NONPARTICIPANT-DIRECTED INVESTMENTS**

Prior to 2008, Employer's matching contributions were deposited in the Dominion Stock Fund and were designated as nonparticipant-directed investments. Participants may transfer 100% of the value of their nonparticipant-directed Dominion Stock Fund investments at any time. Upon transfer, such investments are considered participant-directed.

Information about net assets and the significant components of changes in net assets relating to nonparticipant-directed investments as of December 31, 2011 and 2010, and for the year ended December 31, 2011, is as follows:

	<b>December 31, 2011</b>	December 31, 2010
Net assets - Dominion Stock Fund	<b>\$ 46,240,587</b>	\$ 44,382,375



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	Year Ended December 31, 2011
<b>Changes in Net Assets:</b>	
Interest	\$ 20
Dividends	3,001,276
Net appreciation in fair value of investments	15,781,487
Benefits paid to participants	(3,263,949)
Administrative expenses	(2,371)
Participant transfers	(12,006,457)
Rollover distributions	(1,651,794)
<b>Net change</b>	<b>1,858,212</b>
Dominion Stock Fund Beginning of year	44,382,375
<b>Dominion Stock Fund End of year</b>	<b>\$ 46,240,587</b>

**5. PLAN INTEREST IN MASTER TRUST**

The Plan's investments in the BNY Mellon Fund, the RCM Fund, the Lee Munder Fund, the Cadence Fund and the Real Estate Fund are held in a Master Trust, a separate account that was established for the investment of assets for the Plan and other employee benefit plans of Dominion and its subsidiaries. BNY Mellon holds the assets of the Master Trust. In May 2011, as it resulted in an overall structural change in the annual investment manager fees, the Plan approved the structure of the International Equity Fund transitioning from a Master Trust to a mutual fund.

**BNY Mellon Fund** As of December 31, 2011 and 2010, the Plan's interest in the net assets of the BNY Mellon Fund was approximately 8%. Investment income and administrative expenses relating to the BNY Mellon Fund are allocated to the individual plans based upon average monthly balances invested by each plan. The BNY Mellon Fund invests primarily in cash equivalents and two types of synthetic GICs described below, which are stated at fair value and then adjusted to contract value. The fair value of synthetic GICs is based on the fair value of the underlying investments as determined by the issuer of the synthetic GICs based on quoted market prices and a fair value estimate of the wrapper contract. Fair market value of the wrapper is estimated by BNY Mellon using an internal model. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals and administrative expenses.

- (1) *Fixed Maturity Synthetic Guaranteed Investment Contracts* General fixed maturity synthetic GICs consist of an asset or collection of assets that are owned by the BNY Mellon Fund and a benefit responsive, book value wrap contract purchased for its portfolio. The wrap contract provides book value accounting for the asset, so that book value, benefit responsive payments will be made for participant directed withdrawals. The crediting rate of the contract is set at the start of the contract and typically resets every quarter. Generally, fixed maturity synthetic GICs are held to maturity. The crediting rate aims at converging the book value of the contract and the market value of the underlying portfolio over the duration of the contract and therefore will be affected by movements in interest rates and/or changes in the market value of the underlying portfolio. The initial crediting rate is established based on the market interest rates at the time the initial asset is purchased and the contract will have an interest crediting rate not less than 0%.



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Variable synthetic GICs consist of an asset or collection of assets that are managed by a bank or insurance company and are held in a bankruptcy remote vehicle for the benefit of the BNY Mellon Fund. The contract is benefit responsive and provides next day liquidity at book value. The crediting rate on this product resets every quarter based on the then current market index rates and an investment spread. The investment spread is established at time of issuance and is guaranteed by the issuer for the life of the investment.

- (2) *Constant Duration Synthetic Guaranteed Investment Contracts* Constant duration synthetic GICs consist of a portfolio of securities owned by the BNY Mellon Fund and a benefit responsive, book value wrap contract purchased for its portfolio. The wrap contract amortizes gains and losses of the underlying securities over the portfolio duration, so that book value, benefit responsive payments will be made for participant directed withdrawals. The crediting rate on a constant duration synthetic GIC resets every quarter based on the book value of the contract, the market yield of the underlying assets, the market value of the underlying assets and the average duration of the underlying assets. The crediting rate aims at converging the book value of the contract and the market value of the underlying portfolio over the duration of the contract and therefore will be affected by movements in interest rates and/or changes in the market value of the underlying portfolio. The initial crediting rate is established based on the market interest rates at the time the underlying portfolio is first put together and the contract will have an interest crediting rate of not less than 0%.

Certain Plan-initiated events, such as plan termination, bankruptcy and mergers, may limit the ability of the Plan to transact at contract value. In general, issuers may terminate the contracts and settle at other than contract value if the qualification status of the Plan changes, there is a breach of material obligations under the contract and misrepresentation by the contract holder, or the underlying portfolio fails to conform to the pre-established investment guidelines. The Plan Sponsor does not believe that any events that may limit the ability of the Plan to transact at contract value are probable.

Average yields:

	2011	2010
Based on annualized earnings*	1.62%	2.47%
Based on interest rate credited to participants**	1.03%	1.86%

\* Computed by dividing the annualized one-day actual earnings of the contract on the last day of the Plan year by the fair value of the investments on the same date.

\*\* Computed by dividing the annualized on