

Lobbying Expenditures Disclosure - Climate 2017 – Dominion Resources, Inc.

WHEREAS, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether Dominion's lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Dominion Resources, Inc. ("Dominion") request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Dominion used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Dominion's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Dominion is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Dominion's website.

Supporting Statement: We encourage transparency in Dominion's use of corporate funds to influence legislation and regulation. Dominion spent \$4.24 million in 2014 and 2015 on federal lobbying (opensecrets.org). These figures do not include lobbying expenditures to influence legislation in states, where Dominion also lobbies but disclosure is uneven or absent. For example, Dominion has spent at least \$425,000 lobbying in Maryland since November 2013, and Dominion's lobbying in Virginia has also attracted media scrutiny ("Dominion Power Turning Customers' Bills into Politically Connected Donations," *Associated Press*, August 22, 2015)

Dominion lists memberships in the Business Roundtable and the Chamber of Commerce, which together spent over \$242 million on lobbying for 2014 and 2015. Dominion does not disclose its payments to trade associations, or the amounts used for lobbying where the trade association directly pays tax on the portion that is not deductible. This means Dominion can make additional payments that are used to lobby but not disclosed.

And Dominion does not disclose membership in tax-exempt organizations that write and endorse model legislation, such as its support for the American Legislative Exchange Council (ALEC). Dominion's ALEC membership has drawn press scrutiny ("Dominion Can't Support Clean Energy and ALEC," *Virginian-Pilot*, January 3, 2016). Over 100 companies have publicly left ALEC, including peers Ameren, American Electric Power, Entergy, PG&E and Xcel Energy.

We are concerned that Dominion's lack of lobbying disclosure, coupled with potential negative publicity from lobbying on customer utility rates, presents reputational risks for Dominion.