DOMINION RESOURCES INC /VA/
Form 424B2
July 22, 2003
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Filed pursuant to Rule 424(b)(2)

Registration No. 333-106790

PROSPECTUS SUPPLEMENT

(To Prospectus Dated July 11, 2003)

$510,000,000

Dominion Resources, Inc.

2003 Series F 5.25% Senior Notes Due 2033

The Senior Notes will bear interest at 5.25% per year and will mature on August 1, 2033. We will pay interest on the Senior Notes on February 1 and August 1 of each year, beginning February 1, 2004.

We may redeem all or any of the Senior Notes at any time at the redemption price described in this prospectus supplement, plus accrued interest. Each holder of a Senior Note will have the right to require us to repurchase all or a portion of the Senior Notes held by such holder on August 1, 2015 at a purchase price described in this prospectus supplement.

We will not make application to list the Senior Notes on any securities exchange or to include them in any automated quotation system.

Investing in the Senior Notes involves risks. For a description of these risks, see Risk Factors on page S-7.

	Public Offering Price(1)	Underwriting Discount	Proceeds to Dominion Before Expenses
Per Senior Note	99.155%	0.675%	98.480%
Total	$505,690,500	$3,442,500	$502,248,000

(1) Plus accrued interest from July 24, 2003, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Senior Notes will be ready for delivery in book-entry form only through The Depository Trust Company on or about July 24, 2003.

Joint Book-Running Managers

UBS Investment Bank **Wachovia Securities**

BNP PARIBAS

PNC Capital Markets, Inc.

Utendahl Capital Partners, L.P.

The Williams Capital Group, L.P.

The date of this prospectus supplement is July 21, 2003

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the Senior Notes we are offering and certain other matters relating to us and our financial condition. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the Senior Notes we are offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of the Senior Notes in the prospectus supplement differs from the description in the accompanying base prospectus, you should rely on the information in the prospectus supplement.

You should rely only on the information contained in this document or to which this document refers you. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This document may only be used where it is legal to sell these securities. The information which appears in this document and which is incorporated by reference in this document may only be accurate as of the date of this prospectus supplement or the date of the document in which incorporated information appears. Our business, financial condition, results of operations and prospects may have changed since the date of such information.

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Prospectus Supplement

Prospectus

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. Our SEC filings are available to the public over the Internet at the SEC s web site at http://www.sec.gov. You may also read and copy any document we file at the SEC s public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. You may also read and copy these documents at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and later information that we file with the SEC will automatically update or supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), until such time as all of the securities covered by this prospectus supplement have been sold:

Annual Report on Form 10-K for the year ended December 31, 2002, which should be read along with our Current Report on Form 8-K filed May 9, 2003 providing certain financial information that has been reformatted to reflect the transfer of our electric transmission operations to the Dominion Energy segment from the Dominion Delivery segment effective January 1, 2003;

Quarterly Report on Form 10-Q for the quarter ended March 31, 2003; and

Current Reports on Form 8-K and Form 8-K/A, filed January 23, 2003, February 11, 2003, March 4, 2003, May 9, 2003, May 21, 2003 and July 17, 2003.

You may request a copy of these filings, at no cost, by writing or telephoning us at: Corporate Secretary, Dominion, 120 Tredegar Street, Richmond, Virginia 23219, Telephone (804) 819-2000.

FORWARD-LOOKING INFORMATION

We have included certain information in this prospectus supplement which is forward-looking information as defined by the Private Securities Litigation Reform Act of 1995. Examples include discussions as to our expectations, beliefs, plans, goals, objectives and future financial or other performance or assumptions concerning matters discussed in this prospectus supplement. This information, by its nature, involves estimates, projections, forecasts and uncertainties that could cause actual results or outcomes to differ substantially from those expressed.

Our business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our ability to control. We have identified a number of these factors in our most recent Quarterly Report on Form 10-Q, under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Risk Factors and Cautionary Statements That May Affect Future

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Results, which is incorporated by reference in this prospectus supplement, and we refer you to that report for further information. The factors include weather conditions; governmental regulations; cost of environmental compliance; inherent risk in the operation of nuclear facilities; fluctuations in energy-related commodities prices and the effect these could have on our earnings, liquidity position and the underlying value of our assets; trading counterparty credit risk; capital market conditions, including price risk due to marketable securities held as investments in trusts and benefit plans; fluctuations in interest rates; the ultimate success of our investment in fiber optics and telecommunications; changes in rating agency requirements and ratings; changes in accounting standards; collective bargaining agreements and labor negotiations, the risks of operating businesses in regulated industries that are in the process of becoming deregulated; the transfer of control over electronic transmission facilities to a regional transmission organization; political and economic conditions (including inflation rates) and completing the divestiture of Dominion Capital, Inc. and CNG International. Although we strive to mitigate market risk through our risk management activities, changes in commodity prices can have an adverse impact on earnings and asset values.

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PROSPECTUS SUPPLEMENT SUMMARY

In this prospectus supplement, the words Dominion, Company, we, our and us refer to Dominion Resources, Inc., a Virginia corporation, and its subsidiaries and predecessors.

The following summary contains basic information about this offering. It may not contain all the information that is important to you. The Description of the Senior Notes section of this prospectus supplement and the Description of Debt Securities and Additional Terms of the Senior Debt Securities sections of the accompanying prospectus contain more detailed information regarding the terms and conditions of the Senior Notes. The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this prospectus supplement and in the accompanying prospectus.

DOMINION

Dominion is a fully integrated gas and electric energy holding company headquartered in Richmond, Virginia. As of June 30, 2003, we had approximately $42.3 billion in assets.

Our primary operating segments are:

Dominion Energy Dominion Energy manages our 24,000 megawatt portfolio of electric power generation, our 7,900 miles of gas transmission pipeline, our 6,000 miles of electric transmission lines and an approximately 960 billion cubic foot natural gas storage network. It also guides our generation growth strategy and our commodity trading, marketing and risk management activities. We currently operate generation facilities in Connecticut, Indiana, Illinois, North Carolina, Ohio, Pennsylvania, Virginia and West Virginia. Dominion Energy also manages our Cove Point, Maryland liquefied natural gas facility.

Dominion Delivery Dominion Delivery manages our local electric and gas distribution systems serving 3.8 million customers and our customer service operations. We currently operate distribution systems in Virginia, West Virginia, North Carolina, Pennsylvania and Ohio.

Dominion Exploration & Production Dominion Exploration & Production manages our onshore and offshore oil and gas exploration and production activities. With approximately 6.3 trillion cubic feet of proved natural gas equivalent reserves and 450 billion cubic feet of annual production, Dominion Exploration & Production is one of the nation s largest independent oil and gas operators. We operate on the outer continental shelf and deepwater areas of the Gulf of Mexico, western Canada, the Appalachian Basin, the Permian Basin, the Mid-Continent Region and other selected regions in the continental United States.

Dominion s address and telephone number are: 120 Tredegar Street, Richmond, Virginia 23219, Telephone (804) 819-2000.

Ratio of Earnings to Fixed Charges

	Years Ended December 31,				
12 Months Ended June 30, 2003	2002	2001	2000	1999	1998
2.83[1]	2.82	1.82	1.56	2.35	2.28

[1] Unaudited.

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THE OFFERING

The Senior Notes

We are offering $510,000,000 aggregate principal amount of the Senior Notes.

The Senior Notes will be represented by one or more global certificates that will be deposited with, and registered in the name of, The Depository Trust Company, New York, New York (DTC) or its nominee. This means that you will not receive a certificate for your Senior Notes but, instead, will hold your interest through DTC s book-entry system.

Interest Payment Dates

Interest on the Senior Notes will be payable semi-annually in arrears on February 1 and August 1, commencing on February 1, 2004.

Record Dates

So long as the Senior Notes remain in book-entry only form, the record date for the Interest Payment Date will be the close of business on the business day before the Interest Payment Date.

If the Senior Notes are not in book-entry only form, the record date for the Interest Payment Date will be the close of business on the fifteenth calendar day prior to the Interest Payment Date (whether or not a business day).

Optional Redemption

We may redeem some or all of the Senior Notes at any time at the redemption price described in Description of the Senior Notes Optional Redemption on page S-14 plus accrued interest to the date of redemption.

Repurchase at the Option of Holder

Each holder of Senior Notes will have the right to require us to repurchase all or a portion of the Senior Notes held by such holder on August 1, 2015 at a purchase price described in Description of the Senior Notes Repurchase at the Option of Holder on page S-16.

Ranking

The Senior Notes rank equally with all of our other senior unsecured indebtedness, and are senior in right of payment to all our subordinated indebtedness. The Senior Indenture contains no restrictions on the amount of additional indebtedness that we may incur. Additionally, because we are a holding company that conducts all of our operations through our subsidiaries, holders of Senior Notes will generally have a junior position to claims of creditors of our subsidiaries. See Description of the Senior Notes Ranking on page S-12.

No Listing of the Senior Notes

We do not plan to make application to list the Senior Notes on any securities exchange or to include them in any automated quotation system.

Use of Proceeds

An affiliate of UBS Securities LLC, one of the joint book-running managers for this offering, holds $500 million aggregate principal amount of our variable rate senior notes due August 15, 2013 (Exchange Notes). We have agreed to exchange these Exchange Notes for a portion of the Senior Notes being offered by this prospectus. We intend to use the remaining net proceeds to repay short-term indebtedness or for other general corporate purposes.

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RISK FACTORS

Your investment in the Senior Notes involves certain risks. Our business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our control. We have identified a number of these factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Risk Factors and Cautionary Statements That May Affect Future Results, which is specifically incorporated by reference into this prospectus. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the discussion of risks in our periodic reports before deciding whether an investment in the Senior Notes is suitable for you.

DOMINION

Dominion is a fully integrated gas and electric energy holding company headquartered in Richmond, Virginia. As of June 30, 2003, we had approximately $42.3 billion in assets.

Our primary operating segments are:

Dominion Energy Dominion Energy manages our 24,000 megawatt portfolio of electric power generation, our 7,900 miles of gas transmission pipeline, our 6,000 miles of electric transmission lines and an approximately 960 billion cubic foot natural gas storage network. It also guides our generation growth strategy and our commodity trading, marketing and risk management activities. We currently operate generation facilities in Connecticut, Indiana, Illinois, North Carolina, Ohio, Pennsylvania, Virginia and West Virginia. Dominion Energy also manages our Cove Point, Maryland liquefied natural gas facility.

Dominion Delivery Dominion Delivery manages our local electric and gas distribution systems serving 3.8 million customers and our customer service operations. We currently operate distribution systems in Virginia, West Virginia, North Carolina, Pennsylvania and Ohio. Dominion Delivery also includes our managing equity interest in Dominion Fiber Ventures, LLC, which owns Dominion Telecom with its 16,900 route-mile fiber optic network (including 6,700 route miles of lit fiber) and related telecommunications and advanced data services located principally in the eastern half of the United States.

Dominion Exploration & Production Dominion Exploration & Production manages our onshore and offshore oil and gas exploration and production activities. With approximately 6.3 trillion cubic feet of proved natural gas equivalent reserves and 450 billion cubic feet of annual production, Dominion Exploration & Production is one of the nation s leading independent oil and gas operators. We operate on the outer continental shelf and deepwater areas of the Gulf of Mexico, western Canada, the Appalachian Basin, the Permian Basin, the Mid-Continent Region and other selected regions in the continental United States.

Competitive Strengths

We believe that we are well positioned in our industry based on our following competitive strengths:

Size and Scale Our size and scale give us the critical mass needed to

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provide the financial strength, flexibility and economies of scale necessary to compete in the new energy marketplace. In addition, we believe our size has provided us with better access to capital and improved opportunities for expansion.

MAIN to Maine Focus We are concentrating our efforts in the Midwest, Northeast and Mid-Atlantic regions of the United States, which we call the MAIN to Maine region. In the power industry, MAIN means the Mid-America Interconnected Network, which comprises all of Illinois and portions of the states of Missouri, Iowa, Wisconsin, Michigan and Minnesota. The MAIN to Maine region is home to approximately 40% of the nation s demand for energy.

Integrated Asset Base We have the capability to discover and produce gas, store it, sell it or use it to generate power; we can generate electricity to sell to customers in our retail markets or in wholesale transactions. These capabilities give us the ability to produce and sell energy in whatever form we find most useful and economic. We also operate North America s largest natural gas storage system, which gives us the flexibility to provide supply when it is most economically advantageous to do so. As a fully integrated enterprise active in all aspects of the energy supply chain, we have the ability to maximize the value of our energy portfolio to enhance our return on invested capital.

Market Knowledge We capitalize on our in-depth knowledge of our trading and customer markets. Specifically, our knowledge of the energy trading market allows us to not only manage market risks but also to maximize the value of our energy portfolio. As our industry deregulates, we know that we must remain focused on reliably and efficiently serving our customer base in order to retain existing customers and add new ones.

Investor Focus The financial interests of our employees and management are strongly aligned with the interests of our investor base. Our employees and management own more than 14.8 million shares and together would be one of Dominion s largest shareholders. Incentive programs in the form of stock options have further aligned the interests of our employees with those of our investors. While we do not plan to grant additional stock options in the foreseeable future, we continue to believe that equity compensation remains the strongest form of long-term incentives and will look to other forms of equity compensation for our employees.

Principal Subsidiaries

Dominion s principal subsidiaries include Virginia Electric and Power Company (Dominion Virginia Power), a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy in Virginia and northeastern North Carolina, and Consolidated Natural Gas Company (CNG), a producer, transporter, distributor and retail marketer of natural gas serving customers in Pennsylvania, Ohio, West Virginia, New York and various cities in the Northeast and Mid-Atlantic. Dominion s other principal subsidiaries include Dominion Energy, Inc., an independent power and natural gas subsidiary.

Other

Because of the changes our industry is undergoing, we continue to encounter opportunities for acquisitions of assets and

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business combinations that would be consistent with our strategic principles. We regularly investigate any opportunities we learn about that may increase shareholder value or build on our existing asset platform. We often participate in bidding and negotiating processes for those transactions. Any acquisitions or combinations of this type will likely require us to access external financing sources or issue additional equity. Additionally, recent capital and market conditions in our industry have weakened some of our competitors and this development may increase asset acquisition and business combination opportunities for us.

For additional information about our company, see Where You Can Find More Information on page S-3.

USE OF PROCEEDS

An affiliate of UBS Securities LLC, one of the joint book-running managers for this offering, holds $500 million aggregate principal amount of our variable rate senior notes due August 15, 2013 (Exchange Notes). We have agreed to exchange these Exchange Notes for a portion of the Senior Notes being offered by this prospectus. The Exchange Notes will be retired.

We intend to use the remaining net proceeds of this offering to repay short-term indebtedness or for other general corporate purposes. The short-term debt may include a portion of our commercial paper. At June 30, 2003, the weighted average maturity of Dominion Resources, Inc. s approximately $11 million of outstanding commercial paper was approximately 8.4 days and the weighted average interest rate was 1.24%.

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CAPITALIZATION

The table below shows our unaudited capitalization on a consolidated basis as of June 30, 2003.

The As Adjusted column reflects our capitalization after giving effect to this offering of Senior Notes, the exchange and subsequent retirement of the Exchange Notes and the use of any remaining proceeds from this offering. You should read this table along with our audited financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2002 (which should be read along with our current report on Form 8-K filed May 9, 2003 providing certain financial information that has been reformatted to reflect the transfer of our electric transmission operations to the Dominion Energy segment from the Dominion Delivery segment effective January 1, 2003) as well as the unaudited information presented in our most recent Quarterly Report on Form 10-Q. See Where You Can Find More Information on page S-3 and Use of Proceeds on page S-9.

	June 30, 2003	
	Actual	As Adjusted
	(in millions)	
Short-term debt[1]	$ 1,483	$ 1,481
Long-term debt:		
Equity-linked debt securities	743	743
Other long-term debt	13,349	13,359
Total long-term debt [2,3]	14,092	14,102
Obligated mandatorily redeemable preferred securities of subsidiary trusts[4]	1,397	1,397
Subsidiary preferred stock not subject to mandatory redemption[5]	257	257
Total common shareholders equity	11,135	11,135
Total capitalization	$ 28,364	$ 28,372

1 Includes securities due within one year.
2 Actual and As Adjusted June 30, 2003 amounts include the effect of unamortized discount ($95 million), unamortized premium ($13 million) and deferred gains on fair value hedges ($82 million).
3 Does not reflect approximately $1.1 billion of project costs funded by third-party lessors through June 30, 2003 related to special purpose entities with which we, through subsidiaries, have entered into agreements to finance and lease several new power generation projects, corporate headquarters and aircraft. In accordance with new accounting requirements, beginning July 1, 2003, a substantial portion of these costs will be reflected as long-term debt on our balance sheet.
4 Does not reflect new accounting requirements that could require the junior subordinated debentures issued by us or our subsidiaries to support the obligated mandatorily redeemable preferred securities of subsidiary trusts to be reported as debt effective July 1, 2003. Under these circumstances, the Company would no longer report the obligated mandatorily redeemable preferred securities on its consolidated balance sheet.
5 Excludes issuance expenses of preferred stock.

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RATIO OF EARNINGS TO FIXED CHARGES

For purposes of this ratio, earnings are determined by adding distributed income of equity investees and fixed charges (excluding interest capitalized) to income before income taxes and minority interest after eliminating the equity in earnings or losses of equity investees. These earnings are then divided by total fixed charges. Fixed charges consist of interest charges (without reduction for Allowance for Funds Used During Construction) on long-term and short-term debt, interest capitalized, the portion of rental expense that is representative of the interest factor and preferred stock dividends of consolidated subsidiaries (grossed-up by a factor of pre-tax net income divided by net income).

The ratio of earnings to fixed charges for each of the periods indicated is as follows:

12 Months Ended June 30, 2003[1]	Years Ended December 31,				
	2002	2001[2]	2000[3]	1999	1998
2.83	2.82	1.82	1.56	2.35	2.28

1 Unaudited.

2 Earnings for the twelve months ended December 31, 2001 include $220 million related to the cost of the buyout of power purchase contracts and non-utility generating plants previously serving the company under long-term contracts, a $40 million loss associated with the divestiture of Saxon Capital, Inc., a $281 million write-down of Dominion Capital, Inc. assets, $151 million associated with Dominion s estimated Enron-related exposure, and $105 million associated with a senior management restructuring initiative and related costs. Excluding these items from the calculation above would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2001.

3 Earnings for the twelve months ended December 31, 2000 includes $579 million in restructuring and other acquisition-related costs resulting from the CNG acquisition and a write-down at Dominion Capital, Inc. Excluding these items from the calculation above would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2000.

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DESCRIPTION OF THE SENIOR NOTES

Set forth below is a description of the specific terms of the Senior Notes. This description supplements, and should be read together with, the description of the general terms and provisions of the Senior Debt Securities set forth in the accompanying prospectus under the captions Description of Debt Securities and Additional Terms of the Senior Debt Securities and, to the extent it is inconsistent with the accompanying prospectus, replaces the description in the prospectus. The Senior Notes will be issued under an indenture dated as of June 1, 2000, between Dominion and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as indenture trustee, as supplemented and amended by the Twenty-Second Supplemental Indenture, dated as of July 1, 2003. The following description is not complete in every detail and is subject to, and is qualified in its entirety by reference to, the description of the Senior Notes in the accompanying prospectus, the Senior Indenture and the Twenty-Second Supplemental Indenture. Capitalized terms used in this Description of the Senior Notes that are not defined in this prospectus supplement have the meanings given to them in the accompanying prospectus, the Senior Indenture or the supplemental indenture.

General

The Senior Notes will be unsecured senior obligations of Dominion. The Senior Notes will initially be limited in aggregate principal amount to $510,000,000. We may, without the consent of the existing holders of Senior Notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the Senior Notes. Any additional notes having such similar terms, together with the Senior Notes, will constitute a single series of notes under the Senior Indenture.

The entire principal amount of the Senior Notes will mature and become due and payable, together with any accrued and unpaid interest, on August 1, 2033. The Senior Notes are not subject to any sinking fund provision. The Senior Notes are available for purchase in denominations of $1,000 and any integral multiple of $1,000.

Ranking

The Senior Notes will be our direct, unsecured and unsubordinated obligations, will rank equally with all of our other senior unsecured debt and will be effectively subordinated to our secured debt, if any.

Because we are a holding company and conduct all of our operations through our subsidiaries, our ability to meet our obligations under the Senior Notes is dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to us. Holders of Senior Notes will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders. As of June 30, 2003, Dominion Virginia Power had approximately 2.59 million issued and outstanding shares of preferred stock with an aggregate liquidation preference of $259 million. Affiliated trusts of Dominion Virginia Power and CNG currently have $600 million of outstanding obligated mandatorily redeemable preferred securities. In addition to trade debt, most of our operating subsidiaries have ongoing S-12

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corporate debt programs used to finance their business activities. As of June 30, 2003, our subsidiaries had approximately $8.9 billion of outstanding long-term debt (including securities due within one year).

The Senior Indenture contains no restrictions on the amount of additional indebtedness that we may incur.

Interest

Each Senior Note will bear interest at the rate of 5.25% per year from the date of original issuance.

Interest is payable semi-annually in arrears on February 1 and August 1 of each year (each, an Interest Payment Date). The initial Interest Payment Date is February 1, 2004. The amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months. If any date on which interest is payable on the Senior Notes is not a business day, then payment of the interest payable on that date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any delay), with the same force and effect as if made on such date.

So long as the Senior Notes remain in book-entry only form, the record date for each Interest Payment Date will be the close of business on the business day before the applicable Interest Payment Date. If the Senior Notes are not in book-entry only form, the record date for each Interest Payment Date will be the close of business on the fifteenth calendar day before the applicable Interest Payment Date (whether or not a business day).

Limitation on Liens

While any of the Senior Notes are outstanding, we are not permitted to create liens upon any Principal Property (as defined below) or upon any shares of stock of any Material Subsidiary (as defined below), which we now own or will own in the future, to secure any of our debt, unless at the same time we provide that the Senior Notes will also be secured by that lien on an equal and ratable basis. However, we are generally permitted to create the following types of liens:

(1) purchase money liens on future property acquired by us; liens of any kind existing on property or shares of stock at the time they are acquired by us; conditional sales agreements and other title retention agreements on future property acquired by us (as long as none of those liens cover any of our other properties);

(2) liens on our property or any shares of stock of any Material Subsidiary that exist as of the date the Senior Notes are first issued; liens on the shares of stock of any corporation, which liens existed at the time that corporation became a Material Subsidiary; certain liens typically incurred in the ordinary course of business;

(3) liens in favor of the United States (or any State), any foreign country or any department, agency or instrumentality or political subdivision of those jurisdictions, to secure payments pursuant to any contract or statute or to secure any debt incurred for the purpose of financing the purchase price or the cost of constructing or improving the property subject to those liens, including, for example,

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liens to secure debt of the pollution control or industrial revenue bond type;

(4) debt that we may issue in connection with a consolidation or merger of Dominion or any Material Subsidiary with or into any other company (including any of our affiliates or Material Subsidiaries) in exchange for secured debt of that company (Third Party Debt) as long as that debt (i) is secured by a mortgage on all or a portion of the property of that company, (ii) prohibits secured debt from being incurred by that company, unless the Third Party Debt is secured on an equal and ratable basis or (iii) prohibits secured debt from being incurred by that company;

(5) debt of another company that we must assume in connection with a consolidation or merger of that company, with respect to which any of our property is subjected to a lien;

(6) liens on any property that we acquire, construct, develop or improve after the date the Senior Notes are first issued that are created before or within 18 months after the acquisition, construction, development or improvement of the property and secure the payment of the purchase price or related costs;

(7) liens in favor of Dominion, our Material Subsidiaries or our wholly-owned subsidiaries;

(8) the replacement, extension or renewal of any lien referred to above in clauses (1) through (7) as long as the amount secured by the liens or the property subject to the liens is not increased; and

(9) any other lien not covered by clauses (1) through (8) above as long as immediately after the creation of the lien the aggregate principal amount of debt secured by all liens created or assumed under this clause (9) does not exceed 10% of our common shareholders equity.

When we use the term lien in this section, we mean any mortgage, lien, pledge, security interest or other encumbrance of any kind; Material Subsidiary means each of our subsidiaries whose total assets (as determined in accordance with GAAP) represent at least 20% of Dominion s total assets on a consolidated basis; and Principal Property means any of Dominion s plants or facilities located in the United States that in the opinion of our Board of Directors or management is of material importance to the business conducted by Dominion and our consolidated subsidiaries taken as whole.

Optional Redemption

The Senior Notes are redeemable, in whole or in part, at any time, and at our option, at a redemption price equal to the greater of:

100% of the principal amount of Senior Notes then outstanding to be redeemed, or the sum of the present values of the remaining scheduled payments of principal and interest (not including any portion of such payments of interest accrued as of the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate,

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plus 25 basis points, as calculated by an Independent Investment Banker,

plus, accrued and unpaid interest to the Redemption Date.

Adjusted Treasury Rate means, with respect to any Redemption Date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

The Adjusted Treasury Rate will be calculated on the third business day preceding the Redemption Date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Senior Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Senior Notes (Remaining Life).

Comparable Treasury Price means (1) the average of five Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means any of UBS Securities LLC and Wachovia Capital Markets, LLC and their respective successors, or if any such firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by us.

Reference Treasury Dealer means:

UBS Securities LLC and its successors as selected by us; provided that, if it or its successors ceases to be a primary U.S. Government securities dealer in the United States (Primary Treasury Dealer), we will substitute another Primary Treasury Dealer; and

up to four other Primary Treasury Dealers selected by us.

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Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third business day preceding such Redemption Date.

We will mail a notice of redemption at least 20 days but not more than 60 days before the Redemption Date to each holder of Senior Notes to be redeemed. If we elect to partially redeem the Senior Notes, the trustee will select in a fair and appropriate manner the Senior Notes to be redeemed.

Unless we default in payment of the redemption price, on and after the Redemption Date, interest will cease to accrue on the Senior Notes or portions thereof called for redemption.

Repurchase at the Option of Holder

Each holder of the Senior Notes will have the right to require us to repurchase all or a portion of the Senior Notes owned by the holder on August 1, 2015, at a purchase price equal to 100% of the principal amount of the Senior Notes tendered by the holder. On and after August 1, 2015, interest will cease to accrue on the Senior Notes tendered for repayment. On or before August 1, 2015, we will deposit with a paying agent (or the Trustee) money sufficient to pay the principal of the Senior Notes tendered for repurchase. A holder s exercise of the repurchase option will be irrevocable.

For any note to be purchased, the paying agent must receive, at its corporate trust office, not more than 60 nor less than 45 calendar days prior to the date of repurchase, the particular notes to be tendered and:

- in the case of a certificated note, the form entitled Option to Elect Repurchase duly completed; or
- in the case of Senior Notes represented by a global certificate, repurchase instructions from the applicable beneficial owner to the depositary and forwarded by the depositary.

Only the depositary may exercise the repurchase option in respect of global securities representing global notes. Accordingly, beneficial owners of global securities who want to have all or any portion of the global notes represented thereby repurchased must instruct the participant, as defined below, through which they own their interests, to direct the depositary to exercise the repurchase option on their behalf by forwarding the repurchase instructions to the paying agent as specified above. In order to ensure that these instructions are received by the paying agent on a particular day, the applicable beneficial owner must so instruct the participant through which it owns its interest before that participant s deadline for accepting instructions for that day. Different firms may have different deadlines for accepting instructions from their customers. Accordingly, beneficial owners should consult their participants for the respective deadlines. All instructions given to participants from beneficial owners of Senior Notes represented by global certificates relating to the option to elect repurchase shall be irrevocable. In addition,

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at the time repurchase instructions are given, each beneficial owner shall cause the participant through which it owns its interest to transfer the beneficial owner s interest in the global certificate representing the related Senior Notes, on the depositary s records, to the paying agent. See Book-Entry Procedures and Settlement.

If applicable, we will comply with the requirements of Section 14(e) of the Exchange Act and the rules promulgated thereunder, and any other securities laws or regulations in connection with any repurchase of notes at the option of the holders.

The Trustee

The trustee under the Senior Indenture is JPMorgan Chase Bank. JPMorgan Chase Bank is also the property and guarantee trustee for Dominion Resources Capital Trust I, Dominion Resources Capital Trust II, Dominion Resources Capital Trust III and Dominion Resources Capital Trust IV and the trustee under the indenture related to our Junior Subordinated Debentures. JPMorgan Chase Bank also serves as trustee under other indentures under which securities of certain of Dominion s affiliates are outstanding.

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Upon issuance, the Senior Notes will be represented by one or more fully registered global certificates. Each global certificate will be deposited with DTC or its custodian and will be registered in the name of DTC or a nominee of DTC. DTC will thus be the only registered holder of these securities.

The following is based on information furnished to us by DTC:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants (Direct Participants) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by The New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). The rules applicable to DTC and its Direct and Indirect

Participants are on file with the SEC.

Purchases of securities under the DTC system must be made by or through Direct Participants, who will receive a credit for the securities on DTC s records. The ownership interest of each actual purchaser of each security (Beneficial Owner) is in turn to be recorded on the Direct and

Indirect Participants records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities, except in the event that use of the book-entry system for the securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities; DTC s records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the securities. Under its usual procedures, DTC mails an omnibus proxy to the Company as soon as possible after the record date. The omnibus proxy assigns Cede & Co. s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC s practice is to credit Direct Participants accounts, upon DTC s receipt of funds and corresponding detail information from the Company or its agent on the payable date in accordance with their respective holdings shown on DTC s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC, the Company or the Trustee subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Company or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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DTC may discontinue providing its services as securities depository with respect to the Senior Notes at any time by giving reasonable notice to the Company or the Trustee. Under such circumstances, if a successor securities depository is not obtained, security certificates are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, security certificates will be printed and delivered.

The information in this section concerning DTC and DTC s book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

We have no responsibility for the performance by DTC or its Participants of their respective obligations as described in this prospectus supplement or under the rules and procedures governing their respective operations.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement, dated the date of this prospectus supplement (Underwriting Agreement), the underwriters named below have severally agreed to purchase, and we have agreed to sell to them, the principal amount of the Senior Notes set forth opposite their names below:

Name		Principal Amount of Senior Notes
UBS Securities LLC	$	255,000,000
Wachovia Capital Markets, LLC		153,000,000
BNP Paribas Securities Corp.		25,500,000