

DOMINION RESOURCES INC /VA/
Form 424B5
September 26, 2006
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Registration No. 333-135112

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and accompanying base prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated September 26, 2006

PROSPECTUS SUPPLEMENT

(To prospectus dated June 19, 2006)

\$

2006 Series B Enhanced Junior Subordinated Notes Due 2066

Dominion Resources, Inc.

The Enhanced Junior Subordinated Notes (the Junior Subordinated Notes) will bear interest at % per year until , 2011. During this period, we will pay interest on the Junior Subordinated Notes on and of each year, beginning , 2006. Beginning , 2011, the Junior Subordinated Notes will bear interest at the Three-Month LIBOR Rate plus basis points (%), reset quarterly, payable on , and of each year, beginning , 2011. The Junior Subordinated Notes will mature on , 2066.

We may defer interest payments on the Junior Subordinated Notes on one or more occasions for up to 10 consecutive years as described in this prospectus supplement. Deferred interest payments will accumulate additional interest at a rate equal to the interest rate then applicable to the Junior Subordinated Notes, to the extent permitted by law.

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We may redeem the Junior Subordinated Notes in whole or in part on or after _____, 2011; in whole before _____, 2011 if certain changes occur in tax laws; or in whole or in part before _____, 2011 at the redemption prices described in this prospectus supplement, plus accrued interest.

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

Investing in the Junior Subordinated Notes involves risks. For a description of these risks, see Risk Factors beginning on page S-10.

	Public Offering Price (1)	Underwriting Discount	Proceeds to Company Before Expenses
Per Junior Subordinated Note	%	%	%
Total	\$	\$	\$

(1) Plus accrued interest from _____, 2006, 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 base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Junior Subordinated Notes will be ready for delivery in book-entry only form through The Depository Trust Company on or about _____, 2006.

Joint Book-Running Managers and Co-Structuring Agents

Lehman Brothers

Morgan Stanley

Joint Book-Running Managers

Goldman, Sachs & Co.

Merrill Lynch & Co.

Wachovia Securities

Barclays Capital

Citigroup

JPMorgan

The date of this prospectus supplement is _____, 2006.

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This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the Junior Subordinated Notes and certain other matters relating to us and our financial condition. The second part, the accompanying base prospectus, gives more general information about the Junior Subordinated Notes we may offer from time to time, some of which does not apply to the Junior Subordinated Notes we are offering at this time. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of the Junior Subordinated Notes in the prospectus supplement differs from the description of the Junior Subordinated Notes in the accompanying base prospectus, you should only 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, or in other offering materials filed by us with the Securities and Exchange Commission (SEC). We have not authorized anyone, and we have not authorized the underwriters to authorize 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 that information.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our file number with the SEC is 001-08489. 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 at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. 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 an important part of this prospectus supplement and information that we file later 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 Forms 10-K and 10-K/A for the year ended December 31, 2005;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006; and

Current Reports on Form 8-K, filed January 13, 2006, January 26, 2006, February 15, 2006, March 3, 2006, April 4, 2006 and June 22, 2006.

You may request a copy of these filings, at no cost, by writing or telephoning us at:

Corporate Secretary, Dominion Resources, Inc., 120 Tredegar Street, Richmond, Virginia 23219, Telephone (804) 819-2000.

FORWARD-LOOKING INFORMATION

We have included certain information in this prospectus supplement or other offering materials 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. This information, by its nature, involves estimates,

projections, forecasts and uncertainties that could cause actual results or outcomes to differ substantially from those expressed in the forward-looking statement.

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 this prospectus supplement, under the heading Risk Factors, and we refer you to that discussion for further information. The factors include unusual weather conditions and their effect on energy sales to customers and energy commodity prices; extreme weather events, including hurricanes and winter storms, that can cause outages, production delays and property damage to our facilities; state and federal legislative and regulatory developments, including deregulation and

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changes in environmental and other laws and regulations to which we are subject; cost of environmental compliance; risks associated with the operation of nuclear facilities; fluctuations in energy-related commodity prices and the effect these could have on our earnings, liquidity position and the underlying value of our assets; counterparty credit risk; capital market conditions, including price risk due to marketable securities held as investments in nuclear decommissioning and benefit plan trusts; fluctuations in interest rates; changes in rating agency requirements or credit ratings and the effect on availability and cost of capital; changes in financial or regulatory accounting principles or policies imposed by governing bodies; employee workforce factors including collective bargaining agreements and labor negotiations with union employees; the risks of operating businesses in regulated industries that are subject to changing regulatory structures; changes in our ability to recover investments made under traditional regulation through rates; receipt of approvals for and timing of closing dates for acquisitions and divestitures; realization of expected business interruption insurance proceeds and decreased availability of business interruption and other insurance on commercially reasonable terms; transitional issues related to the transfer of control over our electric transmission facilities to a regional transmission organization; political and economic conditions, including the threat of domestic terrorism, inflation and deflation; and completing the divestiture of investments held by our financial services subsidiary, Dominion Capital, Inc.

Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made.

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PROSPECTUS SUPPLEMENT SUMMARY

In this prospectus supplement, unless otherwise indicated or the context otherwise requires, 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 SPECIFIC TERMS OF THE JUNIOR SUBORDINATED NOTES section of this prospectus supplement and the DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES section of the accompanying base prospectus contain more detailed information regarding the terms and conditions of the Junior Subordinated 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 base prospectus.

DOMINION

Dominion is a fully integrated gas and electric energy holding company headquartered in Richmond, Virginia. As of June 30, 2006, we had approximately \$50.7 billion in assets.

We manage our operations through four primary business lines that integrate our electric and gas services, streamline operations, and position us for long-term growth in the competitive marketplace:

Dominion Delivery Dominion Delivery manages our regulated electric and gas distribution systems serving approximately 4.0 million customer accounts and our customer service operations. Our electric distribution operations serve residential, commercial, industrial and governmental customers in Virginia and northeastern North Carolina. Gas distribution operations serve residential, commercial and industrial gas sales and transportation customers in Ohio, Pennsylvania and West Virginia. Dominion Delivery also operates our nonregulated retail energy marketing business serving approximately 1.4 million customer accounts in the Northeast, Mid-Atlantic and Midwest and manages more than 200 billion cubic feet of natural gas storage in Ohio and Pennsylvania. In March 2006, we agreed to sell our regulated gas distribution systems in Pennsylvania and West Virginia including approximately 500,000 customer accounts. We expect to close the transaction in the first quarter of 2007.

Dominion Energy Dominion Energy manages our approximately 7,800 miles of gas transmission pipeline, our 6,000 miles of electric transmission lines and a 750 billion cubic foot natural gas storage network. Dominion Energy also operates our Cove Point, Maryland liquefied natural gas facility. It oversees certain natural gas production located in the Appalachian Basin and producer services, including aggregation of gas supply, market-based services related to gas transportation and storage and associated gas trading.

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 reserves and, under normal conditions, approximately 1.1 billion

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cubic feet equivalent of daily production, Dominion Exploration & Production is one of the nation's largest independent oil and gas operators. We operate offshore on the outer continental shelf and deepwater areas of the Gulf of Mexico and onshore in western Canada, the Appalachian Basin, the Permian Basin, the Mid-Continent Region and other selected regions in the continental United States.

Dominion Generation Dominion Generation manages our approximately 28,100 megawatt portfolio of electric power generation and guides our generation growth strategy and energy trading and marketing activities associated with optimization of our generation assets. The generation mix is diversified and includes coal, nuclear, gas, oil, hydro and purchased power. Our electric generation operations currently focus on serving customers in the energy intensive Northeast, Mid-Atlantic and Midwest regions of the United States. Our generation facilities are located in Connecticut, Illinois, Indiana, Massachusetts, North Carolina, Ohio, Pennsylvania, Rhode Island, Virginia, West Virginia and Wisconsin.

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

Ratio of Earnings to Fixed Charges

6 Months Ended June 30, 2006	12 Months Ended June 30, 2006	Years Ended December 31,				
		2005	2004	2003	2002	2001
2.53	2.08	2.29	2.78	2.29	2.82	1.82

THE OFFERING**The Junior Subordinated Notes**

We are offering \$ _____ aggregate principal amount of the Junior Subordinated Notes. The Junior Subordinated Notes will mature on _____, 2066.

The Junior Subordinated Notes will be issued under our Junior Subordinated Indenture II dated as of June 1, 2006 (Subordinated Indenture II) between us and JPMorgan Chase Bank, N.A., as Trustee (the Trustee), as supplemented by a Second Supplemental Indenture, dated as of _____, 2006. The Junior Subordinated Notes will be represented by one or more global securities 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 Junior Subordinated Notes but, instead, will hold your interest through DTC's system.

Interest

Fixed Rate Period The Junior Subordinated Notes will bear interest at _____ % per year from the date they are issued up to, but not including, _____, 2011 (the Fixed Rate Period). Subject to our right to defer interest payments described below, during the Fixed Rate Period interest is payable semi-annually in arrears on _____ and _____ of each year, beginning _____, 2006.

Floating Rate Period The Junior Subordinated Notes will bear interest from _____, 2011 up to, but not including, the maturity date or earlier redemption date (the Floating Rate Period) at the Three-Month LIBOR Rate plus basis points (_____ %), reset quarterly. Subject to our right to defer interest payments as described below, during the Floating Rate Period interest is payable quarterly in arrears on _____, _____, _____, and _____.

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of each year, beginning , 2011.

For a more complete description of interest payable on the Junior Subordinated Notes, see SPECIFIC TERMS OF THE JUNIOR SUBORDINATED NOTES Interest.

Record Dates

So long as the Junior Subordinated Notes remain in book-entry only form, the record date for each interest payment date will be the business day before the applicable interest payment date.

If the Junior Subordinated Notes are not in book-entry only form, the record date for each interest payment date will be the fifteenth calendar day (whether or not a business day) before the applicable interest payment date.

Option to Defer Interest Payments

At our option, we may, on one or more occasions, defer payment of all or part of the current and accrued interest otherwise due on the Junior Subordinated Notes for a period of up to 10 consecutive years (each period, commencing on the date that the first such interest payment would otherwise have been made, an Optional Deferral Period). In other words, we may declare at our discretion up to a 10-year interest payment moratorium on the Junior Subordinated Notes and may choose to do that on more than one occasion. A deferral of interest payments may not extend beyond the maturity date of the Junior Subordinated Notes, and we may not begin a new Optional Deferral Period until we have paid all accrued interest on the Junior Subordinated Notes from the previous Optional Deferral Period.

Any deferred interest on the Junior Subordinated Notes will accrue additional interest at a rate equal to the interest rate then applicable to the Junior Subordinated Notes, to the extent permitted by applicable law. Once we pay all deferred interest payments on the Junior Subordinated Notes, including any additional interest accrued on the deferred interest, we can again defer interest payments on the Junior Subordinated Notes as described above, but not beyond the maturity date of the Junior Subordinated Notes.

We will provide to the Trustee written notice of any optional deferral of interest at least 10 and not more than 60 business days prior to the applicable interest payment date. The Subordinated Indenture II provides that this notice will be forwarded promptly by the Trustee to each holder of record of Junior Subordinated Notes.

Dividend Stopper; Other Limitations

Unless we have paid all accrued and payable interest on the Junior Subordinated Notes, we will not and our subsidiaries will not do any of the following, with certain limited exceptions:

declare or pay any dividends (other than dividends paid in stock) or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of our capital stock;

make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of our debt securities that rank equally with or junior in interest to the Junior Subordinated Notes (including debt securities of other series issued under the Subordinated Indenture II); or

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make any guarantee payments on any guarantee of debt securities if the guarantee ranks equally with or junior in interest to the Junior Subordinated Notes.

Redemption

We may redeem the Junior Subordinated Notes before their maturity at the redemption prices described in SPECIFIC TERMS OF THE JUNIOR SUBORDINATED NOTES Redemption and Right to Redeem at Make-Whole Amount, plus accrued and unpaid interest (i) in whole or in part on one or more occasions any time on or after _____, 2011, (ii) in whole, but not in part, before _____, 2011 upon the occurrence of a Tax Event (as defined below) or (iii) in whole or in part any time before _____, 2011. These circumstances are more fully described below under the caption SPECIFIC TERMS OF THE JUNIOR SUBORDINATED NOTES Right to Redeem at Make-Whole Amount in this prospectus supplement.

Replacement Capital Covenant

Around the time of the initial issuance of the Junior Subordinated Notes, we will enter into a Replacement Capital Covenant (as described under CERTAIN TERMS OF THE REPLACEMENT CAPITAL COVENANT) in which we will covenant for the benefit of holders of a designated series of our indebtedness, other than the Junior Subordinated Notes, that we will not redeem or repurchase the Junior Subordinated Notes on or before _____, 2036, unless, subject to certain limitations, during the 180 days prior to the date of that redemption or repurchase we have received a specified amount of proceeds from the sale of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Junior Subordinated Notes at that time. The Replacement Capital Covenant is not intended for the benefit of holders of the Junior Subordinated Notes and may not be enforced by them, and the Replacement Capital Covenant is not a term of the Subordinated Indenture II or the Junior Subordinated Notes.

Ranking

Our payment obligations under the Junior Subordinated Notes will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of our current and future indebtedness, except for other Junior Subordinated Notes we may issue in the future as described under the caption SPECIFIC TERMS OF THE JUNIOR SUBORDINATED NOTES Ranking. However, the Junior Subordinated Notes will rank equally with our trade accounts payable and accrued liabilities arising in the ordinary course of business. As of June 30, 2006, we had approximately \$8.68 billion of outstanding long-term debt on an unconsolidated basis (including securities due within one year and junior subordinated debentures issued under our Subordinated Indenture dated as of December 1, 1997 (Junior Subordinated Debentures)) that will be senior to the Junior Subordinated Notes.

As a holding company, our assets primarily consist of the equity securities of our subsidiaries. Holders of Junior Subordinated 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.

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There are no terms in the Subordinated Indenture II or the Junior Subordinated Notes that limit our ability or the ability of our subsidiaries to incur additional indebtedness, and we expect from time to time to incur additional indebtedness constituting senior indebtedness that will be senior to the Junior Subordinated Notes.

As of June 30, 2006, our subsidiary Virginia Electric and Power Company (Dominion Virginia Power) had approximately 2.59 million issued and outstanding shares of preferred stock. In addition to trade debt, many of our operating subsidiaries have ongoing corporate debt programs used to finance their business activities. As of June 30, 2006, our subsidiaries had approximately \$9.30 billion of outstanding long-term debt (including securities due within one year).

Expected Ratings

We expect that the Junior Subordinated Notes will be rated _____, _____ and _____ by Moody's Investors Service (Moody's), Standard & Poor's Ratings Services (Standard & Poor's) and Fitch Ratings Ltd. (Fitch), respectively. Credit ratings are intended to provide banks and capital market participants with a framework for comparing the credit quality of securities and are not a recommendation to buy, sell or hold these securities. Each rating may be subject to revision or withdrawal at any time, and should be evaluated independently of any other rating.

U.S. Federal Income Tax Considerations

In connection with the issuance of the Junior Subordinated Notes, our counsel McGuireWoods LLP will render its opinion to us that, for United States federal income tax purposes, the Junior Subordinated Notes will be classified as indebtedness (although there is no controlling authority directly on point). This opinion is subject to certain customary conditions. See CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS.

Each purchaser of Junior Subordinated Notes agrees to treat them as indebtedness for all United States federal, state and local tax purposes. We intend to treat the Junior Subordinated Notes in the same manner.

If we elect to defer interest on the Junior Subordinated Notes, the holders of the Junior Subordinated Notes will be required to accrue income for United States federal income tax purposes in the amount of the accumulated interest payments on the Junior Subordinated Notes, in the form of original issue discount, even though cash interest payments are deferred and even though they may be cash basis taxpayers.

No Listing of Junior Subordinated Notes

We do not intend to apply for the listing of the Junior Subordinated Notes on any national securities exchange or for quotation of the Junior Subordinated Notes on any automated dealer quotation system.

Use of Proceeds

We intend to use the net proceeds from the sale of the Junior Subordinated Notes for general corporate purposes, including the repayment of trust preferred securities that we have called for redemption and short-term debt. See USE OF PROCEEDS on page S-18.

Risk Factors

See RISK FACTORS beginning on page S-10 for a discussion of factors you should carefully consider before deciding to invest in the Junior Subordinated Notes.

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RISK FACTORS

An investment in Junior Subordinated Notes involves a number of risks. Before deciding to buy any Junior Subordinated Notes, you should carefully consider the following information, together with the other information in this prospectus supplement, the accompanying base prospectus and the documents that are incorporated by reference in this prospectus supplement about risks concerning an investment in Junior Subordinated Notes.

Risks Related to the Junior Subordinated Notes

We may elect to defer interest payments on the Junior Subordinated Notes at our option for one or more periods of up to 10 years. We may elect at our option to defer payment of all or part of the current and accrued interest otherwise due on the Junior Subordinated Notes for one or more periods of up to 10 consecutive years, as described in this prospectus supplement under SPECIFIC TERMS OF THE JUNIOR SUBORDINATED NOTES Option to Defer Interest Payments.

We are not permitted to pay current interest on the Junior Subordinated Notes until we have paid all outstanding deferred interest, and this could have the effect of extending interest deferral periods. During an Optional Deferral Period of less than 10 years, we will be prohibited from paying current interest on the Junior Subordinated Notes until we have paid all accrued and unpaid deferred interest. As a result, we may not be able to pay current interest on the Junior Subordinated Notes if we do not have available funds to pay all accrued and unpaid interest.

The Junior Subordinated Notes are effectively subordinated to substantially all of our other debt, including the debt of our subsidiaries. Our obligations under the Junior Subordinated Notes are subordinate and junior in right of payment to all of our other indebtedness, except any indebtedness that by its terms is subordinated to, or ranks on an equal basis with, the Junior Subordinated Notes. This means that we cannot make any payments on the Junior Subordinated Notes if we default on a payment of any of our other indebtedness and do not cure the default within the applicable grace period, if the holders of all of our other indebtedness have the right to accelerate the maturity of all of our other indebtedness and request that we cease payments on the Junior Subordinated Notes or if the terms of all of our other indebtedness otherwise restrict us from making payments to junior creditors.

Due to the subordination provisions described in SPECIFIC TERMS OF THE JUNIOR SUBORDINATED NOTES Ranking below and DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES General in the accompanying base prospectus, in the event of our insolvency, funds which we would otherwise use to pay the holders of the Junior Subordinated Notes will be used to pay the holders of all of our other indebtedness to the extent necessary to pay all of our other indebtedness in full. As a result of those payments, our general creditors may recover less, ratably, than the holders of all of our other indebtedness and these general creditors may recover more, ratably, than the holders of the Junior Subordinated Notes. In addition, the holders of all of our other indebtedness may, under certain circumstances,

restrict or prohibit us from making payments on the Junior Subordinated Notes.

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Holders of Junior Subordinated 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. In addition to trade debt, many of our operating subsidiaries have ongoing corporate debt programs used to finance their business activities. All of this corporate debt will be effectively senior to the Junior Subordinated Notes.

There are no terms in the Subordinated Indenture II or the Junior Subordinated Notes that limit our ability or our subsidiaries' ability to incur additional indebtedness, and we expect both from time to time to incur additional indebtedness that will be senior to the Junior Subordinated Notes.

We are a holding company, and payments on the Junior Subordinated Notes will only be made from our earnings and assets, and not those of our subsidiaries. We are a holding company that conducts substantially all of our operations through our subsidiaries. Therefore, our ability to meet our obligations for payment of interest and principal on outstanding debt obligations and to pay dividends to shareholders and corporate expenses depends upon the earnings and cash flows of our subsidiaries and the ability of our subsidiaries to pay dividends or to advance or repay funds to us.

Our right to redeem or repurchase the Junior Subordinated Notes is limited by a covenant that we are making in favor of certain other debtholders. By their terms, the Junior Subordinated Notes may be redeemed by us before their maturity at the redemption prices described in SPECIFIC TERMS OF THE JUNIOR SUBORDINATED NOTES Redemption and Right to Redeem at Make-Whole Amount, plus accrued and unpaid interest (i) in whole or in part, on one or more occasions, any time on or after _____, 2011, (ii) in whole, but not in part, before _____, 2011 upon the occurrence of a Tax Event (as defined below) or (iii) in whole or in part any time before _____, 2011. However, around the time of the initial issuance of the Junior Subordinated Notes, we are entering into a Replacement Capital Covenant, which is described under CERTAIN TERMS OF THE REPLACEMENT CAPITAL COVENANT, that will limit our right to redeem or repurchase Junior Subordinated Notes. In the Replacement Capital Covenant, we covenant for the benefit of holders of a designated series of our indebtedness that ranks senior to the Junior Subordinated Notes that we will not redeem or repurchase Junior Subordinated Notes on or before _____, 2036 unless, subject to certain limitations, during the 180 days prior to the date of that redemption or repurchase we have received proceeds from the sale of specified securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Junior Subordinated Notes at the time of redemption or repurchase.

Our ability to raise proceeds from the sale of securities that qualify under the Replacement Capital Covenant during the 180 days prior to a proposed redemption or repurchase will depend on, among other things, market conditions at such time as well as the acceptability to prospective investors of the terms of those securities. Accordingly, there could be circumstances where we would wish to redeem or repurchase some or all of the Junior Subordinated Notes, including as a result of a Tax Event, and sufficient cash is available

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for that purpose, but we are restricted from doing so because we have not been able to obtain proceeds from the sale of securities that qualify under the Replacement Capital Covenant.

You may have to pay taxes on interest before you receive cash from us. If we defer interest payments on the Junior Subordinated Notes, you will be required to accrue interest income for United States federal income tax purposes in respect of your proportionate share of the accrued but unpaid interest on the Junior Subordinated Notes, even if you normally report income when received. As a result, you will be required to include the accrued interest in your gross income for United States federal income tax purposes prior to your receiving any cash distribution. If you sell your Junior Subordinated Notes prior to the record date for the first interest payment after an Optional Deferral Period, you would never receive the cash from us related to the accrued interest that you reported for tax purposes. You should consult with your own tax advisor regarding the tax consequences of an investment in the Junior Subordinated Notes.

For more information regarding the tax consequences of purchasing the Junior Subordinated Notes, see below under the caption CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS in this prospectus supplement.

The after-market price of the Junior Subordinated Notes may be discounted significantly if we defer interest payments. If we defer interest payments on the Junior Subordinated Notes, you may be unable to sell your Junior Subordinated Notes at a price that reflects the value of deferred amounts. To the extent a trading market develops for the Junior Subordinated Notes, that market may not continue during an Optional Deferral Period, or during periods in which investors perceive that there is a likelihood of a deferral, and you may be unable to sell Junior Subordinated Notes at those times, either at a price that reflects the value of required payments under the Junior Subordinated Notes or at all.

An active after-market for the Junior Subordinated Notes may not develop. The Junior Subordinated Notes constitute a new issue of securities with no established trading market. The Junior Subordinated Notes are not listed and we do not plan to apply to list the Junior Subordinated Notes on any securities exchange or to include them in any automated quotation system. We cannot assure you that an active after-market for the Junior Subordinated Notes will develop or be sustained or that holders of the Junior Subordinated Notes will be able to sell their Junior Subordinated Notes at favorable prices or at all. Although the underwriters have indicated to us that they intend to make a market in the Junior Subordinated Notes, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue any such market-making at any time without notice. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Junior Subordinated Notes.

A classification of the Junior Subordinated Notes as common equity by the National Association of Insurance Commissioners (NAIC) may impact U.S. insurance company investors and the value of the Junior Subordinated Notes. The Securities Valuation Office (the SVO) of the NAIC may from time to time classify securities in U.S. insurance company investors' portfolios as debt, preferred equity or common equity instruments. The NAIC classification of an investment

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directly affects certain U.S. insurance company investors because it determines the amount of capital required for such an investment by such investors, but it is not determinative in any way in respect of any other tax, accounting or legal considerations for investors generally. In the past, the NAIC has classified securities similar to the Junior Subordinated Notes as common equity. Recently, the NAIC announced that it plans to treat securities similar to the Junior Subordinated Notes as preferred equity for the 2006 reporting year, although such securities will likely be reduced by one notch on its classification system from traditional preferred equity. This plan remains subject to final review by the NAIC and there can be no assurance that the NAIC will approve the plan. The NAIC may decide to re-classify securities similar to the Junior Subordinated Notes as common equity. If the NAIC were to classify the Junior Subordinated Notes as common equity, the willingness of certain U.S. insurance company investors to hold the Junior Subordinated Notes could be reduced, which in turn could reduce the price of the Junior Subordinated Notes in any available after-market.

Risks Related to Dominion's Business

Our operations are weather sensitive. Our results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities. In addition, severe weather, including hurricanes, winter storms and droughts, can be destructive, causing outages, production delays and property damage that require us to incur additional expenses.

We are subject to complex government regulation that could adversely affect our operations. Our operations are subject to extensive federal, state and local regulation and may require numerous permits, approvals and certificates from various governmental agencies. We must also comply with environmental legislation and associated regulations. Management believes the necessary approvals have been obtained for our existing operations and that our business is conducted in accordance with applicable laws. However, new laws or regulations, or the revision or reinterpretation of existing laws or regulations, may require us to incur additional expenses.

Costs of environmental compliance, liabilities and litigation could exceed our estimates, which could adversely affect our results of operations. Compliance with federal, state and local environmental laws and regulations may result in increased capital, operating and other costs, including remediation and containment expenses and monitoring obligations. In addition, we may be a responsible party for environmental clean-up at a site identified by a regulatory body. Management cannot predict with certainty the amount and timing of all future expenditures related to environmental matters because of the difficulty of estimating clean-up and compliance costs, and the possibility that changes will be made to the current environmental laws and regulations. There is also uncertainty in quantifying liabilities under environmental laws that impose joint and several liability on all potentially responsible parties.

We are exposed to cost-recovery shortfalls because of capped base rates and amendments to the fuel factor statute in effect in Virginia. Under the Virginia Restructuring Act, as amended in April 2004, our base rates (excluding, generally, a fuel factor with limited adjustment provisions, and certain other allowable

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adjustments) remain capped through December 31, 2010 unless modified or terminated consistent with the Virginia Restructuring Act. Although the Virginia Restructuring Act allows for the recovery of certain generation-related costs during the capped rates period, we remain exposed to numerous risks of cost-recovery shortfalls. These include exposure to potentially stranded costs, future environmental compliance requirements, certain tax law changes, costs related to hurricanes or other weather events, inflation, the cost of obtaining replacement power during unplanned plant outages and increased capital costs.

In addition, under the 2004 amendments to the Virginia fuel factor statute, our current Virginia fuel factor provisions are locked-in until the earlier of July 1, 2007 or the termination of capped rates by order of the Virginia State Corporation Commission, with no deferred fuel accounting. The 2004 amendments provide for a one-time adjustment of our fuel factor, effective July 1, 2007 through December 31, 2010 (unless capped rates are terminated earlier), with no adjustment for previously incurred over-recovery or under-recovery. In 2006, the fuel factor statute was further amended to institute annual fuel rate adjustments for three 12-month periods beginning July 1, 2007 and one six-month period beginning July 1, 2010. Beginning with the July 1, 2008 adjustment, the recalculation of the fuel factor will account for differences between projections and actual recovery of fuel costs during the preceding twelve-month period. As a result of the current locked-in fuel factor, we are exposed to fuel price and other risks. These risks include exposure to increased costs of fuel, including purchased power costs, differences between our projected and actual power generation mix and generating unit performance (which affects the types and amounts of fuel we use) and differences between fuel price assumptions and actual fuel prices.

Under the Virginia Restructuring Act, the generation portion of our electric utility operations is open to competition and resulting uncertainty. Under the Virginia Restructuring Act, the generation portion of our electric utility operations in Virginia is open to competition and is no longer subject to cost-based regulation. To date, a competitive retail market has been slow to develop. Consequently, it is difficult to predict the pace at which a competitive environment will evolve and the extent to which we will face increased competition and be able to operate profitably within this competitive environment.

Our merchant power business is operating in a challenging market, which could adversely affect our results of operations and future growth. The success of our merchant power business depends upon favorable market conditions as well as our ability to find buyers willing to enter into power purchase agreements at prices sufficient to cover operating costs. We attempt to manage these risks by entering into both short-term and long-term fixed price sales and purchase contracts and locating our assets in active wholesale energy markets. However, high fuel and commodity costs and excess capacity in the industry could adversely impact results of operations.

There are risks associated with the operation of nuclear facilities. We operate nuclear facilities that are subject to risks, including the threat of terrorist attack and ability to dispose of spent nuclear fuel, the disposal of which is subject to complex federal and state regulatory constraints.

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These risks also include the cost of and our ability to maintain adequate reserves for decommissioning, costs of replacement power, costs of plant maintenance and exposure to potential liabilities arising out of the operation of these facilities. We maintain decommissioning trusts and external insurance coverage to manage the financial exposure to these risks. However, it is possible that costs arising from claims could exceed the amount of any insurance coverage.

The use of derivative instruments could result in financial losses and liquidity constraints. We use derivative instruments, including futures, forwards, financial transmission rights, options and swaps to manage our commodity and financial market risks. In addition, we purchase and sell commodity-based contracts in the natural gas, electricity and oil markets for trading purposes. We could recognize financial losses on these contracts as a result of volatility in the market values of the underlying commodities or if a counterparty fails to perform under a contract. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these contracts involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts.

In addition, we use financial derivatives to hedge future sales of our merchant generation and gas and oil production, which may limit the benefit we would otherwise receive from increases in commodity prices. These hedge arrangements generally include collateral requirements that require us to deposit funds or post letters of credit with counterparties to cover the fair value of covered contracts in excess of agreed upon credit limits. When commodity prices rise to levels substantially higher than the levels where we have hedged future sales, we may be required to use a material portion of our available liquidity and obtain additional liquidity to cover these collateral requirements. In some circumstances, this could have a compounding effect on our financial liquidity and results.

Derivatives designated under hedge accounting to the extent not offset by the hedged transaction can result in ineffectiveness losses. These losses primarily result from differences in the location and specifications of the derivative hedging instrument and the hedged item and could adversely affect our results of operations.

Our operations in regards to these transactions are subject to multiple market risks including market liquidity, counterparty credit strength and price volatility. These market risks are beyond our control and could adversely affect our results of operations and future growth.

Our exploration and production business is dependent on factors that cannot be predicted or controlled and that could damage facilities, disrupt production or reduce the book value of our assets. Factors that may affect our financial results include damage to or suspension of operations caused by weather, fire, explosion or other events to our or third-party gas and oil facilities, fluctuations in natural gas and crude oil prices, results of future drilling and well completion activities, and our ability to acquire additional land positions in competitive lease areas, as well as inherent

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operational risks that could disrupt production.

Short-term market declines in the prices of natural gas and oil could adversely affect our financial results by causing a permanent write-down of our natural gas and oil properties as required by the full cost method of accounting. Under the full cost method, all direct costs of property acquisition, exploration and development activities are capitalized. If net capitalized costs exceed the present value of estimated future net revenues based on hedge-adjusted period-end prices from the production of proved gas and oil reserves (the ceiling test) at the end of any quarterly period, then a permanent write-down of the assets must be recognized in that period.

In the past, we have maintained business interruption, property damage and other insurance for our exploration and production operations. However, the recent increased level of hurricane activity in the Gulf of Mexico has led our insurers to terminate certain coverages for our exploration and production operations; specifically, our Operator's Extra Expense (OEE), offshore property damage and offshore business interruption coverage has been terminated. All onshore property coverage (with the exception of OEE) and liability coverage commensurate with past coverage remain in place for our exploration and production operations under our current policy. Efforts to replace the terminated insurance for our exploration and production operations with similar insurance on commercially reasonable terms have been unsuccessful. We have recently entered into a six-month weather derivative contract with a special purpose entity, as further described in Note 12 to our Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006. This arrangement provides limited alternative risk mitigation; however, it offers substantially less protection than our previous exploration and production insurance policies. This lack of insurance could adversely affect our results of operations.

An inability to access financial markets could affect the execution of our business plan. We rely on access to short-term money markets, longer-term capital markets and banks as significant sources of liquidity for capital requirements and collateral requirements related to hedges of future gas and oil production not satisfied by the cash flows from our operations. Management believes that we will maintain sufficient access to these financial markets based upon current credit ratings. However, certain disruptions outside of our control may increase our cost of borrowing or restrict our ability to access one or more financial markets. These disruptions could include an economic downturn, the bankruptcy of an unrelated energy company or changes to our credit ratings. Restrictions on our ability to access financial markets may affect our ability to execute our business plan as scheduled.

Changing rating agency requirements could negatively affect our growth and business strategy. As of May 1, 2006, our senior unsecured debt is rated BBB, stable outlook, by Standard & Poor's; Baa2, stable outlook, by Moody's; and BBB+, stable outlook, by Fitch. In order to maintain our current credit ratings in light of existing or future requirements, we may find it necessary to take steps or change our business plans in ways that may adversely affect our growth and earnings per share. A reduction in Dominion's credit ratings or the credit ratings of our Dominion Virginia Power and Consolidated Natural

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Gas Company (CNG) subsidiaries by Standard & Poor's, Moody's or Fitch could increase our borrowing costs and adversely affect operating results and could require us to post additional collateral in connection with some of our trading and marketing activities.

Potential changes in accounting practices may adversely affect our financial results. We cannot predict the impact that future changes in accounting standards or practices may have on public companies in general, the energy industry or our operations specifically. New accounting standards could be issued that could change the way we record revenues, expenses, assets and liabilities. These changes in accounting standards could adversely affect our reported earnings or could increase reported liabilities.

Failure to retain and attract key executive officers and other skilled professional and technical employees could have an adverse effect on our operations. Implementation of our growth strategy is dependent on our ability to recruit, retain and motivate employees. Competition for skilled employees in some areas is high and the inability to retain and attract these employees could adversely affect our business and future financial condition.

DOMINION

Dominion is a fully integrated gas and electric energy holding company headquartered in Richmond, Virginia. As of June 30, 2006, we had approximately \$50.7 billion in assets.

We manage our operations through four primary business lines that integrate our electric and gas services, streamline operations, and position us for long-term growth in the competitive marketplace:

Dominion Delivery Dominion Delivery manages our regulated electric and gas distribution systems serving approximately 4.0 million customer accounts and our customer service operations. Our electric distribution operations serve residential, commercial, industrial and governmental customers in Virginia and northeastern North Carolina. Gas distribution operations serve residential, commercial and industrial gas sales and transportation customers in Ohio, Pennsylvania and West Virginia. Dominion Delivery also operates our nonregulated retail energy marketing business serving approximately 1.4 million customer accounts in the Northeast, Mid-Atlantic and Midwest and manages more than 200 billion cubic feet of natural gas storage in Ohio and Pennsylvania. In March 2006, we agreed to sell our regulated gas distribution systems in Pennsylvania and West Virginia involving approximately 500,000 customer accounts. We expect to close the transaction in the first quarter of 2007.

Dominion Energy Dominion Energy manages our approximately 7,800 miles of gas transmission pipeline, our 6,000 miles of electric transmission lines, and a 750 billion cubic foot natural gas storage network. Dominion Energy also operates our Cove Point, Maryland liquefied natural gas facility. It oversees certain natural gas production located in

the Appalachian Basin and producer services, including aggregation of gas supply, market-based services related to gas transportation and storage and associated gas trading.

Dominion Exploration & Production Dominion Exploration & Production manages our onshore and offshore oil and gas exploration and production activities.

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With approximately 6.3 trillion cubic feet of proved natural gas reserves and, under normal conditions, approximately 1.1 billion cubic feet equivalent of daily production, Dominion Exploration & Production is one of the nation's largest independent oil and gas operators. We operate offshore on the outer continental shelf and deepwater areas of the Gulf of Mexico and onshore in western Canada, the Appalachian Basin, the Permian Basin, the Mid-Continent Region and other selected regions in the continental United States.

Dominion Generation Dominion Generation manages our approximately 28,100 megawatt portfolio of electric power generation and guides our generation growth strategy and energy trading and marketing activities associated with optimization of our generation assets. The generation mix is diversified and includes coal, nuclear, gas, oil, hydro and purchased power. Our strategy for our electric generation operations focuses on serving customers in the energy intensive Northeast, Mid-Atlantic and Midwest regions of the United States. Our generation facilities are located in Connecticut, Illinois, Indiana, Massachusetts, North Carolina, Ohio, Pennsylvania, Rhode Island, Virginia, West Virginia and Wisconsin.

Principal Subsidiaries

Our principal direct, legal subsidiaries include Dominion Virginia Power, a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy in Virginia and northeastern North Carolina, CNG, an oil and gas producer, and a transporter, distributor and retail marketer of natural gas serving customers in the Northeast, the Mid- Atlantic and the Midwest, Dominion Energy, Inc., which is involved in merchant electric generation, energy trading and marketing and natural gas exploration and production and Virginia Power Energy Marketing, Inc. which provides fuel and price risk management services to other Dominion affiliates and engages in energy trading activities.

For additional information about our company, see WHERE YOU CAN FIND MORE INFORMATION on page S-3.

Recent Developments

We are currently conducting a strategic review of our assets. This ongoing review led to our agreement in March 2006 to sell The Peoples Natural Gas Company and Hope Gas, Inc. We have also announced that we are considering the sale of four electric power generation stations: State Line, outside of Chicago; Armstrong, in southwestern Pennsylvania; Troy, in northwestern Ohio; and Pleasants, in northwestern West Virginia. In addition, as part of our strategic review of assets, we are exploring several options for our exploration and production business including selling all or parts of the business, spinning off the business directly to shareholders or through an initial public offering or continuing to operate the business.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the Junior Subordinated Notes for general corporate purposes, including the repayment of \$300,000,000 of our 8.4% Trust Preferred Securities that mature on January 30, 2041 that we have called for redemption and short-term debt. At August 31, 2006 the weighted average maturity date of Dominion's approximately \$852.5 million of outstanding holding company commercial paper was approximately 11.8 days and the weighted average interest rate was approximately 5.42%.

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The table below shows our unaudited capitalization on a consolidated basis as of June 30, 2006. The As Adjusted column reflects our capitalization after giving effect to this offering and use of proceeds. You should read this table along with our audited financial statements contained in our Annual Report on Form 10-K/A for the year ended December 31, 2005 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-18.

	(unaudited)	
	June 30, 2006	
	(in millions)	
	As	
	Actual	Adjusted
	_____	_____
Short-term debt ¹	\$ 3,344	\$
Long-term debt:		
Junior Subordinated Debentures payable to affiliated trusts	1,440	1,140
Junior Subordinated Notes	299	
Other long-term debt	13,964	13,964
	_____	_____
Total long-term debt ²	19,047	
Subsidiary preferred stock not subject to mandatory redemption ³	257	257
Total common shareholders' equity	12,109	12,109
	_____	_____
Total capitalization	\$ 31,413	\$
	_____	_____

¹ Includes securities due within one year.

² Actual June 30, 2006 amounts include the effect of unamortized discount (\$79.6 million), unamortized premium (\$42.7 million) and deferred losses on fair value hedges (\$64.9 million).

³ Includes approximately \$2 million of 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:

**6 Months
Ended**