DOMINION RESOURCES INC /VA/
Form 424B5
November 09, 2006
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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.

Filed pursuant to Rule 424(b)(5)

Registration No. 333-131810

Subject to Completion, dated November 9, 2006

PROSPECTUS SUPPLEMENT

(To Prospectus Dated February 13, 2006)

$

Dominion Resources, Inc.

$ 2006 Series B Floating Rate Senior Notes due 2008

The Senior Notes will bear interest at a floating rate and will mature on November 14, 2008. We will pay interest on the Senior Notes on February 14, May 14, August 14 and November 14 of each year, beginning February 14, 2007.

Beginning May 14, 2007 we may, at our option, redeem all or any of the Senior Notes on any Interest Payment Date at a redemption price equal to 100% of the principal amount of the Senior Notes to be redeemed, plus accrued interest.

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-8.**

	Public Offering Price[1]	Underwriting Discount	Proceeds to Dominion Before Expenses[1]
Per Senior Note	%	%	%
Total	$	$	$

(1) Plus accrued interest from November , 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 Senior Notes will be ready for delivery in book-entry form only through The Depository Trust Company on or about November , 2006.

Joint Book-Running Managers

Barclays Capital **Citigroup** **JPMorgan**

Co-Managers

Credit Suisse **Deutsche Bank Securities**

BNY Capital Markets, Inc.

HVB Capital Markets

KBC Financial Products

Scotia Capital

The date of this prospectus supplement is November , 2006.

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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 and certain other matters relating to us and our financial condition. The second part, the accompanying base prospectus, gives more general information about Senior Debt Securities we may offer from time to time, some of which does not apply to the Senior 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 Senior Notes in the prospectus supplement differs from the description of Senior Debt Securities 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 such information.

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Prospectus Supplement

Base Prospectus

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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, June 30, 2006 and September 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, June 22, 2006 and September 29, 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

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federal legislative and regulatory developments, including deregulation and 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 (including any divestiture of our natural gas and oil assets); risks associated with the realignment of our operating assets (including the potential dilutive effect on earnings in the near term); costs associated with any sale of our exploration and production operations; costs and reinvestment risks related to the redeployment of proceeds from any sales; political and economic conditions, including the threat of domestic terrorism, inflation and deflation; completing the divestiture of investments held by our financial services subsidiary, Dominion Capital, Inc.; and additional risk exposure associated with the termination of business interruption and offshore property damage insurance related to our exploration and production operations and our inability to replace such insurance on commercially reasonable terms.

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 DESCRIPTION OF THE SENIOR NOTES section of this prospectus supplement and the DESCRIPTION OF SENIOR DEBT SECURITIES section of the accompanying base 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 base prospectus.

DOMINION

Dominion is a fully integrated gas and electric energy holding company headquartered in Richmond, Virginia. As of September 30, 2006, we had approximately $50.2 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 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

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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. See Recent Developments below concerning our announcement of our decision to pursue the sale of the assets of our exploration and production operations.

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.

Recent Developments

On November 1, 2006, we announced our decision to pursue the sale of all of our oil and natural gas exploration and production operations and assets, with the exception of those located in the Appalachian Basin. Proceeds from any sale are expected to be used to reduce debt, repurchase shares of our common stock, and/or acquire assets related to our remaining core businesses. See DOMINION Recent Developments on page S-14.

Ratio of Earnings to Fixed Charges

9 Months Ended September 30, 2006	12 Months Ended September 30, 2006	Years Ended December 31, 2005	2004	2003	2002	2001
3.13	2.90	2.29	2.78	2.29	2.82	1.82

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THE OFFERING

The Senior Notes

We are offering $ aggregate principal amount of the Senior Notes. The Senior Notes will mature on November 14, 2008.

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 system.

Interest Payment Dates

Interest on the Senior Notes will be payable quarterly in arrears on February 14, May 14, August 14 and November 14, commencing on February 14, 2007.

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).

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-17.

Optional Redemption

We may not redeem the Senior Notes prior to May 14, 2007. Beginning May 14, 2007, we may, at our option, redeem all or any of the Senior Notes on any Interest Payment Date at a redemption price equal to 100% of the principal amount of the Senior Notes to be redeemed, plus accrued interest to the date of redemption. The Senior Notes may not be redeemed at anytime at the option of the holder.

No Listing of the Senior Notes

The Senior Notes are not listed and we do not plan to apply to list the Senior Notes on any securities exchange or to include them in any automated quotation system.

Use of Proceeds

We intend to use the net proceeds from the sale of the Senior Notes for general corporate purposes, including the repayment of short-term debt and maturing long-term debt. See USE OF PROCEEDS on page S-14.

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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 below. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the following discussion of risks before deciding whether an investment in the Senior Notes is suitable for you.

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 Electric Utility Restructuring Act (Virginia Restructuring Act), as amended in April 2004, our base rates (excluding, generally, a fuel factor with limited adjustment provisions, and certain other allowable adjustments) remain capped until 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 stranded costs, future environmental compliance requirements, certain tax law changes, costs related to hurricanes or other weather events, inflation, the cost of obtaining

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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 within 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. 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.

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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 decision to pursue a sale of most of our exploration and production assets is expected to be dilutive to earnings, could have an adverse impact on our results of operations and may not yield the benefits that we expect. On November 1, 2006, we announced our decision to pursue a sale of all of our exploration and production assets, excluding those assets located in the Appalachian Basin. We expect that a sale of our exploration and production assets would reduce future earnings in the near term. Although we expect shareholder value to increase over time, we can give no assurance that this will occur. While our management believes it would be able to execute any sales by mid-2007, we may not be able to sell our exploration and production assets within the expected time frame. If we sell our exploration and production assets, we cannot be certain of the price we would receive or the impact that such a sale and the use of proceeds from any sale would have on our results of operations. Additionally, we may incur significant costs or be required to record certain charges in connection with any sale and in connection with transactions related to the deployment of the proceeds from any sale.

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Additionally, uncertainty about the effect of the proposed disposition may have an adverse effect on the Company, particularly our exploration and production business. Although we have taken steps to reduce any adverse effects, including providing retention agreements for employees, these uncertainties may impair our ability to attract, retain and motivate key personnel and could cause partners, customers, suppliers and others that deal with our exploration and production business to seek to change future business relationships. Our exploration and production business could be harmed if, despite our retention efforts, key employees depart as a result of the proposed disposition.

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 at 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 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 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 remained in place for our exploration and production operations. Recently our OEE coverage for both onshore and offshore exploration and production operations was reinstated under a new policy. However, efforts to replace the terminated insurance for our exploration and production operations for offshore property damage and offshore business interruption with similar insurance on commercially reasonable terms were unsuccessful. We have also entered into a six-month weather derivative contract with a special purpose entity, as further described in Note 13 to our Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the quarter ended September 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.

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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. Such 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 November 2, 2006, our senior unsecured debt is rated BBB, positive outlook, by Standard & Poor s Ratings Group, a division of the McGraw-Hill Companies, Inc. (Standard & Poor s); Baa2, stable outlook, by Moody s Investors Service (Moody s) and BBB+, stable outlook, by Fitch Ratings Ltd. (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 Virginia Electric and Power Company (Dominion Virginia Power) and Consolidated Natural 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 September 30, 2006, we had approximately $50.2 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

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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 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 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. See Recent Developments below concerning our announcement of our decision to pursue the sale of the assets of our exploration and production operations.

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.

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

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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 risk management services to other Dominion affiliates and engages in energy trading activities.

Recent Developments

On November 1, 2006, we announced our decision to pursue the sale of all of our oil and natural gas exploration and production operations and assets, with the exception of those located in the Appalachian Basin. Any disposition would allow us to focus on our core electric generating and energy distribution, transmission and storage businesses and realign our operations and risk profile more closely with our peer investment group of utilities.

As of December 31, 2005, our natural gas and oil assets excluding the Appalachian Basin included about 5.3 trillion cubic feet of proved reserves across major producing regions in the lower 48 states, including the deepwater Gulf of Mexico, West Texas, the Mid-Continent and Rockies and the Western Canadian Sedimentary Basin. The Appalachian assets that we would retain constitute approximately 16% of our total reserves.

Proceeds from any sale are expected to be used to reduce debt (including debt of our subsidiary CNG), repurchase shares of our common stock, and/or acquire assets related to our remaining core businesses.

We expect to conduct a formal asset auction process in early 2007. Closing of any sale or sales is targeted for mid-2007.

See the risk factor on page S-10 regarding our decision to pursue the sale of the assets of our exploration and production operations.

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

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the Senior Notes for general corporate purposes, including the repayment of $412,500,000 of our 2000 Series G 3.66% Senior Notes that mature on November 15, 2006, approximately $580,500,000 of our secured bank debt that matures on November 19, 2006, and short-term debt. The short-term debt may include a portion of our commercial paper. As of September 30, 2006, the weighted average maturity of our $85 million of outstanding commercial paper was approximately 12.41 days and the weighted average interest rate was 5.40%.

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CAPITALIZATION

The table below shows our unaudited capitalization on a consolidated basis as of September 30, 2006.

The As Adjusted for Concurrent Offering column reflects our capitalization after giving effect to our offering of $ 2006 Series A % Senior Notes due 2016, which is occurring simultaneously with this offering (the Concurrent Offering).

The As Fully Adjusted column reflects our capitalization after giving effect to this offering of Senior Notes and the Concurrent Offering and the use of the net proceeds from the offerings. You should read this table along with our audited financial statements contained in our Annual Report on Form10-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-14.

	(unaudited) September 30, 2006 (in millions)		
	Actual	As Adjusted for Concurrent Offering	As Fully Adjusted
Short-term debt[1]	$ 4,302	$	$
Long-term debt:			
Junior Subordinated Debentures payable to affiliated trusts	1,147	1,147	1,147
Junior Subordinated Notes	798	798	798
Other long-term debt	12,427		
Total long-term debt[2]	14,372		
Subsidiary preferred stock not subject to mandatory redemption[3]	257	257	257
Total common shareholders equity	13,548	13,548	13,548
Total capitalization	$ 32,479	$	$

1 Includes securities due within one year.

2 Actual September 30, 2006 amounts include the effect of unamortized discount ($ million), unamortized premium ($ million) and deferred losses on fair value hedges ($ 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:

9 Months Ended Sept. 30, 2006[1]	12 Months Ended Sept. 30, 2006[2]	Years Ended December 31,				
		2005[3]	2004[4]	2003[5]	2002	2001[6]
3.13	2.90	2.29	2.78	2.29	2.82	1.82

1 Earnings for the nine months ended September 30, 2006 include a $185 million charge related to the pending sale of The Peoples Natural Gas Company and Hope Gas, Inc. and primarily resulting from the write-off of certain regulatory assets, $89 million of impairment charges related to Dominion Capital, Inc. assets, a $17 million charge related to expenses following Hurricanes Katrina and Rita, a $60 million charge due to an adjustment eliminating the application of hedge accounting for certain interest rate swaps associated with our junior subordinated notes, $19 million of miscellaneous asset impairments and an $8 million benefit associated with the disposition of certain assets. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the nine months ended September 30, 2006.

2 Earnings for the twelve months ended September 30, 2006 include a $185 million charge related to the pending sale of The Peoples Natural Gas Company and Hope Gas, Inc. and primarily resulting from the write-off of certain regulatory assets, $108 million of impairment charges related to Dominion Capital, Inc. assets, $91 million of charges related to other asset impairments, a $34 million charge related to expenses following Hurricanes Katrina and Rita, a $60 million charge due to an adjustment eliminating the application of hedge accounting for certain interest rate swaps associated with our junior subordinated notes, an $8 million benefit associated with the disposition of certain assets and $3 million of net charges related to other items. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended September 30, 2006.

3 Earnings for the twelve months ended December 31, 2005 include a $423 million charge reflecting the de-designation of hedge contracts resulting from the delay of natural gas and oil production following Hurricanes Katrina and Rita, $73 million in charges resulting from the termination of certain long-term power purchase contracts, $21 million in net charges related to trading activities discontinued in 2004, including the Batesville long-term power-tolling contract divested in the second quarter of 2005, and other activities, $35 million of impairment charges related to Dominion Capital, Inc. assets, a $76 million charge related to miscellaneous asset impairments, a $28 million charge related to expenses following Hurricanes Katrina and Rita, and $5 million of charges related to other items. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2005.

4 Earnings for the twelve months ended December 31, 2004 include $76 million of impairment charges related to Dominion s investment in and planned divestiture of Dominion Capital, Inc., a $23 million benefit associated with the disposition of certain assets held for sale, an $18 million benefit from the reduction of accrued expenses associated with Hurricane Isabel restoration activities, $96 million of losses related to the discontinuance of hedge accounting for certain oil hedges and subsequent changes in the fair value of those hedges during the third quarter following Hurricane Ivan, $71 million in charges resulting from the termination of certain long-term power purchase contracts, a $184 million charge related to the Batesville long-term power-tolling contract divested in the second quarter of 2005, a $10 million charge related to the sale of natural gas and oil production assets in British Columbia, and $27 million of charges related to net legal settlements and other items. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2004.

5 Earnings for the twelve months ended December 31, 2003 include a $134 million impairment of Dominion Capital, Inc. assets, $28 million for severance costs related to workforce reductions, an $84 million impairment of certain assets held for sale, $197 million for restoration expenses related to Hurricane Isabel, a $105 million charge related to the termination of a power purchase contract, $64 million in charges for the restructuring and termination of certain electric sales contracts, and a $144 million charge related to our investment in Dominion Telecom, Inc. including impairments, the cost of refinancings, and reallocation of equity losses. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2003.

6 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, a $151 million charge associated with Dominion s estimated Enron-related exposure, and a $105 million charge associated with a senior management restructuring initiative and related costs. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2001.

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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 base prospectus under the caption DESCRIPTION OF SENIOR DEBT SECURITIES and, to the extent it is inconsistent with the accompanying base prospectus, replaces the description in the accompanying base prospectus. The Senior Notes will be issued under an indenture dated as of June 1, 2000, between Dominion and The Bank of New York (successor to JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank)), as indenture trustee, as supplemented and amended by the Thirty Third Supplemental Indenture, dated as of November 1, 2006. 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 Debt Securities in the accompanying base prospectus, the Senior Indenture and the Thirty Third 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 base prospectus, the Senior Indenture or the Thirty-Third Supplemental Indenture. In this DESCRIPTION OF THE SENIOR NOTES section, references to Dominion, we, us and our mean Dominion Resources, Inc., excluding any of its subsidiaries unless otherwise expressly stated or the context otherwise requires.

General

The Senior Notes are unsecured senior obligations of Dominion. The Senior Notes will initially be limited in aggregate principal amount to $. We may, without the consent of the existing holders of the 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 November 14, 2008. The Senior Notes are not subject to any sinking fund provision. The Senior Notes are available for purchase in denominations of $2,000 and any greater integral multiple of $1,000.

Ranking

The Senior Notes are 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 September 30, 2006, Dominion Virginia Power had approximately 2.59 million issued and outstanding shares of preferred stock with

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an aggregate liquidation preference of $259 million. In addition to trade debt, most of our operating subsidiaries have ongoing corporate debt programs used to finance their business activities. As of September 30, 2006, our subsidiaries had approximately $9.3 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 or our subsidiaries may incur. We and our subsidiaries expect to incur additional indebtedness from time to time.

Interest

Each Senior Note will bear interest at a floating rate of interest from the date of original issuance.

The per annum interest rate for the period from the issue date to the first LIBOR Rate Reset Date will be equal to the Three Month LIBOR Rate on November , 2006 plus basis points (%) (the Initial Interest Rate).

Following the initial interest period the per annum interest rate on the Senior Notes will be equal to the Three Month LIBOR Rate plus basis points (%). Such interest rate will be reset on the 14th day of the months of February, May, August and November of each year beginning in February 2007 (each a LIBOR Rate Reset Date).

If any LIBOR Rate Reset Date falls on a day that is not a business day, the LIBOR Rate Reset Date will be postponed to the next day that is a business day, except that if that business day is in the next succeeding calendar month, the LIBOR Rate Reset Date will be the next preceding business day. As used herein, business day means a day other than a Saturday or Sunday, a day on which banks in New York, New York are authorized or obligated by law or executive order to remain closed or a day on which the Corporate Trust Office is closed for business. The interest rate in effect on any LIBOR Rate Reset Date will be the applicable rate as reset on that date. The interest rate applicable to any other day will either be the Initial Interest Rate or the interest rate as reset on the immediately preceding LIBOR Rate Reset Date.

The Three Month LIBOR Rate means the rate determined in accordance with the following provisions:

(1) On the LIBOR Interest Determination Date, the Calculation Agent or its affiliate will determine the Three Month LIBOR Rate which shall be the rate for deposits in U.S. Dollars having a three-month maturity which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on the LIBOR Interest Determination Date.

(2) If no rate appears on Telerate Page 3750 on the LIBOR Interest Determination Date, the Calculation Agent or its affiliate will request the principal London offices of four major reference banks in the London Inter-Bank Market to provide it with their offered quotations for deposits in U.S. Dollars for the period of three months, commencing on the applicable LIBOR Rate Reset Date, to prime banks in the London Inter-Bank Market at approximately 11:00 a.m., London time, on that LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time.

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If at least two quotations are provided, then the Three Month LIBOR Rate will be the average (rounded, if necessary, to the nearest one hundredth (0.01) of a percent) of those quotations. If fewer than two quotations are provided, then the Three Month LIBOR Rate will be the average (rounded, if necessary, to the nearest one hundredth (0.01) of a percent) of the rates quoted at approximately 11:00 a.m., New York City time, on the LIBOR Interest Determination Date by three major banks in New York City selected by the Calculation Agent or its affiliate for loans in U.S. Dollars to leading European banks, having a three-month maturity and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. If the banks selected by the Calculation Agent or its affiliate are not providing quotations in the manner described by this paragraph, the rate for the period following the LIBOR Interest Determination Date will be the rate in effect on that LIBOR Interest Determination Date.

Telerate Page 3750 means the display designated as Telerate page 3750 on Moneyline Telerate, Inc. (or such other page as may replace Telerate page 3750 on such service) or such other service displaying the offer prices, as may replace Moneyline Telerate, Inc.

LIBOR Interest Determination Date means the second LIBOR Business Day preceding each LIBOR Rate Reset Date.

LIBOR Business Day means any business day on which dealings in deposits in U.S. Dollars are transacted in the London Inter-Bank market.

Calculation Agent means The Bank of New York, or its successor appointed by us, acting as calculation agent.

Interest is payable on the Senior Notes quarterly in arrears on February 14, May 14, August 14 and November 14 of each year (each, an Interest Payment Date). The initial Interest Payment Date will be on February 14, 2007. The amount of interest payable will be computed on the basis of the actual number of days in the relevant year divided by a 360-day year. If any Interest Payment Date, other than the maturity date or a redemption date of the Senior Notes, falls on a day that is not a business day, the Interest Payment Date w