

DOMINION RESOURCES INC /VA/

Form 424B5

March 03, 2011

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Filed pursuant to Rule 424(b)(5)

Registration No. 333-157013

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities	Maximum	Amount of
to be Registered	Aggregate Offering Price	Registration Fee (1)(2)
Senior Debt Securities	\$900,000,000	\$104,490

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

(2) This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the Company's Registration Statement of Form S-3 (File No. 333-157013) in accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated January 29, 2009)

\$900,000,000

Dominion Resources, Inc.

\$500,000,000 2011 Series A 4.45% Senior Notes due 2021

\$400,000,000 2011 Series B 1.80% Senior Notes due 2014

The Series A Senior Notes will bear interest at 4.45% per year and will mature on March 15, 2021. The Series B Senior Notes will bear interest at 1.80% per year and will mature on March 15, 2014. We will pay interest on the Senior Notes on March 15 and September 15 of each year, beginning September 15, 2011.

We may redeem all or any of the Series A Senior Notes or Series B Senior Notes at any time at the redemption prices described in this prospectus supplement, plus accrued interest.

We will not make application to list either the Series A Senior Notes or Series B 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 of this prospectus supplement, the Risk Factors section of our most recent Annual Report on Form 10-K and in our other reports we file with the Securities and Exchange Commission.

	Public Offering Price⁽¹⁾	Underwriting Discount	Proceeds to Dominion Before Expenses⁽¹⁾
Per Series A Senior Note	99.751%	0.650%	99.101%
Series A Senior Note Total	\$498,755,000	\$3,250,000	\$495,505,000
Per Series B Senior Note	99.944%	0.400%	99.544%
Series B Senior Note Total	\$399,776,000	\$1,600,000	\$398,176,000

⁽¹⁾ Plus accrued interest from March 7, 2011, 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 March 7, 2011.

Joint Book-Running Managers

Citi

Goldman, Sachs & Co.

J.P. Morgan

Scotia Capital

The date of this prospectus supplement is March 2, 2011.

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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. We take no responsibility for, and can provide no assurance as to the reliability of, any different or inconsistent information. 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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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 Form 10-K for the year ended December 31, 2010; and

Current Report on Form 8-K, filed January 21, 2011.

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 our annual and quarterly reports as described under the heading RISK FACTORS and we refer you to that discussion for further information. These factors include but are not limited to:

Unusual weather conditions and their effect on energy sales to customers and energy commodity prices;

Extreme weather events, including hurricanes, high winds and severe storms, that can cause outages and property damage to facilities;

Federal, state and local legislative and regulatory developments;

Changes to federal, state and local environmental laws and regulations, including those related to climate change, the tightening of emission or discharge limits for greenhouse gases and other emissions, more extensive permitting requirements and the regulation of additional substances;

Cost of environmental compliance, including those costs related to climate change;

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Risks associated with the operation of nuclear facilities;

Unplanned outages of our generation facilities;

Fluctuations in energy-related commodity prices and the effect these could have on our earnings and our liquidity position and the underlying value of our assets;

Counterparty credit and performance risk;

Capital market conditions, including the availability of credit and the ability to obtain financing on reasonable terms;

Risks associated with Virginia Electric and Power Company's (Virginia Power) membership and participation in PJM Interconnection, LLC related to obligations created by the default of other participants;

Price risk due to investments held in nuclear decommissioning trusts and in benefit plan trusts by us;

Fluctuations in interest rates;

Changes in federal and state tax laws and regulations;

Changes in rating agency requirements or credit ratings and their 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;

Receipt of approvals for, and timing of, closing dates for acquisitions and divestitures;

Changes in rules for regional transmission organizations and independent system operators in which we participate, including changes in rate designs and new and evolving capacity models;

Political and economic conditions, including the threat of domestic terrorism, inflation and deflation;

Industrial, commercial and residential growth or decline in our service areas and changes in customer growth or usage patterns, including as a result of energy conservation programs;

Additional competition in electric markets in which our merchant generation facilities operate;

Changes in technology, particularly with respect to new, developing or alternative sources of generation and smart grid technologies;

Changes to regulated electric rates and regulated gas distribution, transportation and storage rates, including liquefied natural gas storage, collected by us;

Timing and receipt of regulatory approvals necessary for planned construction or expansion projects;

The inability to complete planned construction projects within the terms and time frames initially anticipated; and

Adverse outcomes in litigation matters.

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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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 DEBT SECURITIES and ADDITIONAL TERMS OF THE SENIOR DEBT SECURITIES sections 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, headquartered in Richmond, Virginia and incorporated in Virginia in 1983, is one of the nation's largest producers and transporters of energy. Our strategy is to be a leading provider of electricity, natural gas and related services to customers primarily in the eastern region of the United States. Our portfolio of assets includes approximately 27,615 megawatts of generating capacity, 6,100 miles of electric transmission lines, 56,800 miles of electric distribution lines, 11,000 miles of natural gas transmission, gathering and storage pipeline and 21,800 miles of gas distribution pipeline, exclusive of service lines of two inches in diameter or less. We also own the nation's largest underground natural gas storage system, operate approximately 947 billion cubic feet of storage capacity and serve retail energy customers in 14 states.

We are focused on expanding our investment in regulated electric generation, transmission and distribution and regulated natural gas transmission and distribution infrastructure within and around our existing footprint. Our nonregulated operations include merchant generation, energy marketing and price risk management activities and retail energy marketing operations. Our operations are conducted through various subsidiaries, including Virginia Power, a regulated public utility that generates, transmits and distributes electricity for sale in Virginia and northeastern North Carolina.

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

Ratio of Earnings to Fixed Charges

Years Ended December 31,				
2010	2009	2008	2007	2006
6.10	2.76	3.53	4.26	2.93

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THE OFFERING

The Senior Notes

We are offering \$500,000,000 aggregate principal amount of the Series A Senior Notes and \$400,000,000 aggregate principal amount of the Series B Senior Notes. The Series A Senior Notes will mature on March 15, 2021 and the Series B Senior Notes will mature of March 15, 2014.

Each series of the Senior Notes will be represented by one or more global certificates that will be deposited with or held on behalf of 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 each series of the Senior Notes will be payable semi-annually in arrears on March 15 and September 15, commencing on September 15, 2011.

Record Dates

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

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

Ranking

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

Optional Redemption

We may redeem some or all of the Senior Notes at any time at the redemption prices described in DESCRIPTION OF THE SENIOR NOTES Optional Redemption on page S-13, plus accrued interest to the Redemption Date. The Senior Notes may not be redeemed at any time 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, including commercial paper. See USE OF PROCEEDS on page S-8.

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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 under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated by reference in this prospectus supplement, as well as in other information included or incorporated by reference in this prospectus supplement and the accompanying base prospectus. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the discussions of risks that we have incorporated by reference before deciding whether an investment in the Senior Notes is suitable for you.

See WHERE YOU CAN FIND MORE INFORMATION on page S-4.

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, including commercial paper. As of February 28, 2011, we had an aggregate of approximately \$790 million in outstanding commercial paper with a weighted average yield of 0.39% per year and a weighted average maturity of approximately 16.66 days.

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The table below shows our unaudited capitalization on a consolidated basis as of December 31, 2010. The As Adjusted column reflects our capitalization after giving effect to this offering and the intended use of the net proceeds from this offering. You should read this table along with our audited financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2010. See WHERE YOU CAN FIND MORE INFORMATION on page S-4 and USE OF PROCEEDS on page S-8.

	(unaudited) December 31, 2010 (in millions)	
	Actual	As Adjusted ⁽¹⁾
Short-term debt ⁽²⁾	\$ 1,883	\$ 989
Long-term debt:		
Senior Notes and the other long-term debt	14,023	14,923
Junior Subordinated Debentures payable to affiliated trusts	268	268
Junior Subordinated Notes	1,467	1,467
Total long-term debt ⁽³⁾⁽⁴⁾	15,758	16,658
Subsidiary preferred stock not subject to mandatory redemption ⁽⁵⁾	257	257
Total common shareholders equity	11,997	11,997
Total capitalization	\$ 29,895	\$ 29,901

(1) To give effect to the issuance of the Senior Notes offered by this prospectus supplement.

(2) Includes securities due within one year.

(3) Includes a \$48.9 million deferred gain on fair value hedges.

(4) Includes the effect of unamortized discount (\$36.1 million) net of unamortized premium (\$13.0 million).

(5) Includes the effect of preferred stock issuance expenses (\$(1.9) million).

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For purposes of this ratio, earnings are determined by adding distributed income of equity investees and fixed charges (excluding interest capitalized) to income from continuing operations before income taxes and adjustments for noncontrolling 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:

	Years Ended December 31,				
2010 ^(a)	2009 ^(b)	2008 ^(c)	2007 ^(d)	2006 ^(e)	
6.10	2.76	3.53	4.26	2.93	

- (a) Earnings for the twelve months ended December 31, 2010 include a \$2.4 billion benefit resulting from the sale of our Appalachian exploration and production (E&P) operations primarily reflecting the gain on the sale partially offset by certain transaction costs and other related charges. Earnings for the period also include a \$338 million charge related to a workforce reduction program primarily reflecting severance pay and other benefits to affected employees, \$194 million of charges related to our State Line and Salem Harbor merchant power stations, and a \$1 million net charge related to other items. Excluding these items from the calculation would result in a lower ratio of earnings to fixed charges for the twelve months ended December 31, 2010.
- (b) Earnings for the twelve months ended December 31, 2009 include a \$455 million impairment charge as a result of the quarterly ceiling test performed on our gas and oil properties under the full cost method of accounting, a \$712 million charge in connection with the settlement of Virginia Power's 2009 rate case proceeding and a \$41 million net charge related to other items. Earnings for the period also include a \$103 million reduction in other operation and maintenance expense due to a downward revision in the nuclear decommissioning asset retirement obligation for a power station that is no longer in service. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2009.
- (c) Earnings for the twelve months ended December 31, 2008 include \$180 million of impairment charges reflecting other-than-temporary declines in the fair value of securities held in nuclear decommissioning trust funds, \$59 million of impairment charges related to Dominion Capital, Inc. (DCI) assets, a \$42 million reduction in the gain recognized in 2007 from the sale of the majority of our U.S. E&P businesses as a result of post-closing adjustments, and a \$30 million net charge 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, 2008.
- (d) Earnings for the twelve months ended December 31, 2007 include a \$3.6 billion gain from the disposition of the majority of our U.S. E&P operations, partially offset by \$1 billion of charges related to the disposition which are comprised of \$541 million related to the discontinuance of hedge accounting for certain gas and oil derivatives and subsequent changes in the fair value of these derivatives, \$171 million primarily related to the settlement of volumetric production payment agreements, \$242 million of charges related to the early retirement of debt, and \$91 million of employee-related expenses. Earnings for the period also include a \$387 million charge related to the impairment of the partially-completed Dresden generation facility; a \$231 million charge due to the termination of a power sales agreement at our State Line generating facility; \$88 million of impairment charges related to DCI assets; \$48 million of charges related to litigation reserves, and \$70 million of charges related to other items. Fixed charges for the twelve months ended December 31, 2007 include \$234 million of costs related to the early retirement of debt associated with our debt tender offer completed in July 2007. Excluding these items from the calculation would result in a lower ratio of earnings to fixed charges for the twelve months ended December 31, 2007.

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- (e) Earnings for the twelve months ended December 31, 2006 include \$90 million of impairment charges related to DCI assets, a \$60 million charge due to an adjustment eliminating the application of hedge accounting related to certain interest rate swaps associated with our junior subordinated notes payable to affiliated trusts, a \$27 million charge resulting from the termination of a pipeline project in West Virginia, a \$26 million impairment charge resulting from a change in method of assessing other-than-temporary decline in the fair value of certain securities, \$17 million of incremental charges related to hurricanes Katrina and Rita, and \$12 million of net charges related to other items. Fixed charges for the twelve months ended December 31, 2006 include a \$60 million charge due to an adjustment eliminating the application of hedge accounting related to certain interest rate swaps associated with our junior subordinated notes payable to affiliated trusts. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2006.

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DESCRIPTION OF THE SENIOR NOTES

Set forth below is a description of the specific terms of the Senior Notes. The term "Senior Notes" includes both the Series A Senior Notes and Series B 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 captions DESCRIPTION OF DEBT SECURITIES and ADDITIONAL TERMS OF THE 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, as supplemented and amended from time to time by supplemental indentures, including by the Forty-First Supplemental Indenture, dated as of March 1, 2011, in the case of the Series A Senior Notes, and the Forty-Second Supplemental Indenture, dated as of March 1, 2011, in the case of the Series B Senior Notes. 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 Forty-First and Forty-Second Supplemental Indentures, as applicable. 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 Forty-First and Forty-Second Supplemental Indentures, as applicable. 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

Each series of the Senior Notes will be our senior unsecured obligations. The Series A Senior Notes will be initially limited in aggregate principal amount to \$500,000,000. The Series B Senior Notes will be initially limited in aggregate principal amount to \$400,000,000. 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 either the Series A Senior Notes or Series B Senior Notes, as applicable. Any additional notes having such similar terms, together with either the Series A Senior Notes or Series B Senior Notes, as applicable, will constitute a single series of notes under the Senior Indenture.

The entire principal amount of the Series A Senior Notes will mature and become due and payable, together with any accrued and unpaid interest, on March 15, 2021. The entire principal amount of the Series B Senior Notes will mature and become due and payable, together with any accrued and unpaid interest, on March 15, 2014. The Senior Notes are not subject to any sinking fund provision. The Senior Notes are available for purchase in denominations of \$1,000 and any 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, will be senior in right of payment to all of our subordinated indebtedness, 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 December 31, 2010, Virginia Power had approximately 2.59 million issued and outstanding shares of preferred stock with an aggregate liquidation preference of \$259 million. Additionally, as of December 31, 2010, our subsidiaries had approximately \$7.2 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 Series A Senior Note will bear interest at the rate of 4.45% per year from the date of original issuance. Each Series B Senior Note will bear interest at the rate of 1.80% per year from the date of original issuance.

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Interest is payable on each series of the Senior Notes semi-annually in arrears on March 15 and September 15 of each year (each, an Interest Payment Date). The initial Interest Payment Date for each of the Series A Senior Notes and Series B Senior Notes is September 15, 2011.

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

So long as the Senior Notes remain in book-entry only form, the record date for each Interest Payment Date will be the close of business on the business day before the applicable Interest Payment Date. If the Senior Notes are not in book-entry only form, the record date for each Interest Payment Date will be the close of business on the fifteenth calendar day before the applicable Interest Payment Date (whether or not a business day); however, interest payable at maturity or upon redemption or repurchase will be paid to the person to whom principal is payable.

Optional Redemption

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

100% of the principal amount of Senior Notes then outstanding to be redeemed, or

the sum of the present values of the remaining scheduled payments of principal and interest (not including any portion of such payments of interest accrued as of the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 15 basis points in the case of the Series A Senior Notes and plus 10 basis points in the case of the Series B Senior Notes, as calculated by an Independent Investment Banker, plus accrued and unpaid interest to the Redemption Date.

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

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

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

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

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Senior Notes to be

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redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Senior Notes (Remaining Life).

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

Independent Investment Banker means any of Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC and one other primary United States government securities dealer in the United States (Primary Treasury Dealer) selected by Scotia Capital (USA) Inc. and their respective successors, as selected by us, or if any such firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by us.

Reference Treasury Dealer means:

Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC and one other Primary Treasury Dealer selected by Scotia Capital (USA) Inc. and their respective successors; provided that, if any such firm or its successors ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer; and

up to one other Primary Treasury Dealer selected by us.

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

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

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

Limitation on Liens

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

- (1) purchase money liens on future property acquired by us; liens of any kind existing on property or shares of stock at the time they are acquired by us; conditional sales agreements and other title retention agreements on future property acquired by us (as long as none of those liens cover any of our other properties);
- (2) liens on our property or any shares of stock of any Material Subsidiary that existed as of the date the Senior Notes were first issued; liens on the shares of stock of any corporation, which liens existed at the time that corporation became a Material Subsidiary; certain liens typically incurred in the ordinary course of business;
- (3)

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liens in favor of the United States (or any State), any foreign country or any department, agency or instrumentality or political subdivision of those jurisdictions, to secure payments pursuant to any

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contract or statute or to secure any debt incurred for the purpose of financing the purchase price or the cost of constructing or improving the property subject to those liens, including, for example, liens to secure debt of the pollution control or industrial revenue bond type;

- (4) debt that we may issue in connection with