DOMINION RESOURCES INC /VA/
Form 424B5
September 10, 2012
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-179213

Subject to Completion, dated September 10, 2012

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the 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.

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated January 27, 2012)

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Dominion Resources, Inc.

$ 2012 Series A % Senior Notes due 2017

$ 2012 Series B % Senior Notes due 2022

$ 2012 Series C % Senior Notes due 2042

The Series A Senior Notes will bear interest at % per year and will mature on September , 2017. The Series B Senior Notes will bear interest at % per year and will mature on September , 2022. The Series C Senior Notes will bear interest at % per year and will mature on September , 2042. We will pay interest on the Senior Notes on March and September of each year, beginning March , 2013.

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

We will not make application to list the Series A, Series B or Series C 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-9 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	%	%	%
Series A Senior Note Total	$	$	$
Per Series B Senior Note	%	%	%
Series B Senior Note Total	$	$	$
Per Series C Senior Note	%	%	%
Series C Senior Note Total	$	$	$

[1] Plus accrued interest from September , 2012, 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 September , 2012.

Joint Book-Running Managers

BNP PARIBAS **J.P. Morgan** **RBS** **Wells Fargo Securities**

Deutsche Bank Securities **RBC Capital Markets**

The date of this prospectus supplement is September , 2012.

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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, 2011;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012; and
- Current Reports on Form 8-K filed January 20, 2012, January 27, 2012 (with respect to Items 8.01 and 9.01) (other than any portions of those documents not deemed to be filed), May 9, 2012 and September 6, 2012.

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 and other natural disasters, including hurricanes, high winds, severe storms, and earthquakes 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;

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

Risks associated with the operation of nuclear facilities, including costs associated with the disposal of spent nuclear fuel, decommissioning, plant maintenance and changes in existing regulations governing such facilities;

Unplanned outages of our 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, including risks 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;

Asset portfolio reviews and resulting decisions to acquire or divest assets; and receipt of approvals for, and timing of, closing dates for these or other transactions;

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 inflation and deflation;

Domestic terrorism and other threats to our physical and intangible assets, as well as threats to cybersecurity;

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 the electric industry, including in electric markets in which our merchant generation facilities operate, and potential competition in the construction and ownership of electric transmission facilities in Virginia Power s service territory, in connection with recent Federal Energy Regulatory Commission orders;

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 liquified natural gas storage, collected by us;

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- 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 or regulatory proceedings.

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 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 U.S. Our portfolio of assets includes approximately 28,000 megawatts of generating capacity, 6,300 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. Dominion also owns the nation s largest underground natural gas storage system, operates approximately 947 billion cubic feet of storage capacity and serves retail energy customers in 15 states.

Dominion is 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.

Recent Developments

On September 6, 2012, we announced our decision to pursue the sale of three fossil fuel-fired merchant power stations. This decision is a result of our on-going strategic reviews of our asset portfolio and our focus on expanding our investment in regulated businesses. The power stations include Brayton Point Power Station, Kincaid Power Station and our 50% interest in Elwood Power Station. The sales are expected to be completed in the first half of 2013. For additional information, see WHERE YOU CAN FIND MORE INFORMATION on page S-4.

Ratio of Earnings to Fixed Charges

Six Months Ended	Twelve Months Ended	Years Ended December 31,				
June 30, 2012	June 30, 2012	2011	2010	2009	2008	2007
3.25	2.93	3.11	6.26	2.79	3.46	4.43

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THE OFFERING

The Senior Notes

We are offering $ aggregate principal amount of the Series A Senior Notes, $ aggregate principal amount of the Series B Senior Notes and $ aggregate principal amount of the Series C Senior Notes. The Series A Senior Notes will mature on September , 2017, the Series B Senior Notes will mature on September , 2022 and the Series C Senior Notes will mature on September , 2042.

Each series of 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 Senior Notes will be payable semi-annually in arrears on March and September , commencing on March , 2013.

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 Senior Notes will rank equally with all of our other senior unsecured indebtedness, and will be 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-13.

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-14, plus accrued and unpaid 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, to repay short-term debt including commercial paper and to fund our capital needs. See USE OF PROCEEDS on page S-9.

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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, 2011, which is incorporated by reference in this prospectus supplement. 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 and to repay short-term debt, which as of August 31, 2012 included $1.57 billion in outstanding commercial paper with a weighted average yield of 0.479% per year and a weighted average maturity of approximately 30 days. We also intend to use a portion of the net proceeds to fund our capital needs, including to refinance our $520,000,000 2002 Series C 5.70% Senior Notes due on September 17, 2012. See CAPITALIZATION on page S-10.

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CAPITALIZATION

The table below shows our unaudited capitalization on a consolidated basis as of June 30, 2012. The As Adjusted column reflects our capitalization after giving effect to this offering of Senior Notes and the intended use of the net proceeds from the offering. See WHERE YOU CAN FIND MORE INFORMATION on page S-4 and USE OF PROCEEDS on page S-9.

	(unaudited) June 30, 2012 (in millions)	
	Actual	**As Adjusted**
Short-term debt[(1)]	$ 3,671	$
Long-term debt:		
Senior Notes and the other long-term debt	14,497	
Variable Interest Entity	875	875
Junior Subordinated Debentures payable to affiliated trusts	268	268
Junior Subordinated Notes	1,363	1,363
Total long-term debt[(2)(3)]	17,003	
Subsidiary preferred stock not subject to mandatory redemption[(4)]	257	257
Total equity	11,953	11,953
Total capitalization	$ 32,884	$

(1) Includes securities due within one year, which includes a $7.4 million gain on fair value hedges and the effect of unamortized discount ($(1.6) million) net of unamortized premium ($0.3 million).
(2) Includes an $95.7 million deferred gain on fair value hedges.
(3) Includes the effect of unamortized discount ($(28.6) million) net of unamortized premium ($39.5 million).
(4) Includes the effect of preferred stock issuance expenses ($(1.9) million).

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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 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:

Six Months Ended June 30, 2012[(a)]	Twelve Months Ended June 30, 2012[(b)]	Years Ended December 31, 2011[(c)]	2010[(d)]	2009[(e)]	2008[(f)]	2007[(g)]
3.25	2.93	3.11	6.26	2.79	3.46	4.43

(a) Earnings for the six months ended June 30, 2012 include $74 million of restoration costs associated with summer storms that occurred in late June throughout the Dominion Virginia Power and Dominion North Carolina service territories; partially offset by a $21 million net gain related to our investments in nuclear decommissioning trust funds. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the six months ended June 30, 2012.

(b) Earnings for the twelve months ended June 30, 2012 include $228 million of impairment charges related to electric utility generation assets; $96 million of restoration costs associated with Hurricane Irene; $74 million of restoration costs associated with summer storms that occurred in late June throughout the Dominion Virginia Power and Dominion North Carolina service territories; $57 million impairment of excess emission allowances resulting from a new EPA Air Pollution Rule; a $31 million net charge in connection with the Virginia State Corporation Commission s (SCC) final ruling associated with its biennial review of Virginia Power s base rates for 2009 and 2010 test years; $21 million of earthquake related costs, largely related to inspections following the safe shutdown of reactors at our North Anna nuclear power station; and a $29 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 June 30, 2012.

(c) Earnings for the twelve months ended December 31, 2011 include $228 million of impairment charges related to electric utility generation assets; $96 million of restoration costs associated with Hurricane Irene; $57 million impairment of excess emission allowances resulting from a new EPA Air Pollution Rule; a $31 million net charge in connection with the SCC s final ruling associated with its biennial review of Virginia Power s base rates for 2009 and 2010 test years; $21 million of earthquake related costs, largely related to inspections following the safe shutdown of reactors at our North Anna nuclear power station; and a $45 million net charge related to other items; partially offset by a $24 million benefit related to litigation with the Department of Energy for spent nuclear fuel-related costs at our Millstone nuclear power station. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2011.

(d) 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 $331 million charge related to the workforce reduction program primarily reflecting severance pay and other benefits to affected employees 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.

(e) Earnings for the twelve months ended December 31, 2009 include a $712 million charge for a partial refund of 2008 earnings and other amounts in connection with the settlement of Virginia Power s 2009 rate case proceeding; 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 $31 million impairment charge related to an equity method investment; and a $10 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.

(f) 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.

(g) 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,

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$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. 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. Earnings for the period also include a $387 million charge related to the impairment of the partially-completed Dresden generation 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. 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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DESCRIPTION OF THE SENIOR NOTES

Set forth below is a description of the specific terms of the Senior Notes. The term Senior Notes includes the Series A Senior Notes, the Series B Senior Notes and the Series C 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-Fifth Supplemental Indenture, dated as of September 1, 2012, the Forty-Sixth Supplemental Indenture, dated as of September 1, 2012, and the Forty-Seventh Supplemental Indenture, dated as of September 1, 2012. 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-Fifth, Forty-Sixth and Forty-Seventh Supplemental Indentures. 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-Fifth, Forty-Sixth and Forty-Seventh 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 Senior Notes will be an unsecured senior obligation of Dominion. The Series A Senior Notes will be initially limited in aggregate principal amount to $. The Series B Senior Notes will be initially limited in aggregate principal amount to $. The Series C Senior Notes will be initially 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 any of the Series A, Series B or Series C Senior Notes. Any additional notes having such similar terms, together with any of the Series A, Series B or Series C 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 September , 2017. 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 September , 2022. The entire principal amount of the Series C Senior Notes will mature and become due and payable, together with any accrued and unpaid interest, on September , 2042. 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 June 30, 2012, Virginia Power had approximately 2.59 million issued and outstanding shares of preferred stock

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with an aggregate liquidation preference of $259 million. Additionally, as of June 30, 2012, our subsidiaries had approximately $8.7 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

The Series A Senior Notes will bear interest at the rate of % per year from the date of original issuance. The Series B Senior Notes will bear interest at the rate of % per year from the date of original issuance. The Series C Senior Notes will bear interest at the rate of % per year from the date of original issuance.

Interest is payable on each series of Senior Notes semi-annually in arrears on March and September of each year (each, an Interest Payment Date). The initial Interest Payment Date for each of the Series A, Series B and Series C Senior Notes is March , 2013.

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