DOMINION RESOURCES INC /VA/
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March 27, 2007
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Dominion Resources Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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NOTICE OF ANNUAL MEETING

Dominion Resources, Inc.

P.O. Box 26532

Richmond, Virginia 23261

March 27, 2007

Dear Fellow Shareholder:

On Friday, April 27, 2007, Dominion Resources, Inc. will hold its Annual Meeting of Shareholders at 510 Atlantic Ave., Boston, Massachusetts. The meeting will begin at 9:30 a.m. Eastern Daylight Time. Only shareholders who owned stock at the close of business on February 23, 2007, may vote at this meeting or any adjournments that may take place. At the meeting we propose to:

- Elect 10 directors;
- Ratify the appointment of independent auditors for the audit of the 2007 financial statements and internal controls over financial reporting;
- Consider two shareholder proposals, if presented; and
- Attend to other business properly presented at the meeting.

This proxy statement and our 2006 Annual Report will be mailed or be available to you on approximately March 27, 2007. For information on attending the meeting, please see page 3. I hope you will be able to attend, but even if you cannot, please vote your proxy as soon as possible.

By order of the Board of Directors,

Patricia A. Wilkerson
Vice President and Corporate Secretary

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PROXY PROCESS

Your Board of Directors is soliciting this proxy for the 2007 Annual Meeting of Shareholders and recommends that you vote **FOR**:

- All the director nominees; and
- Ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2007.

Your Board recommends that you vote **AGAINST** the shareholder proposals presented on pages 30 and 32.

Record Date

All shareholders that owned common stock at the close of business on February 23, 2007 are entitled to vote at the Annual Meeting. There were 350,206,598 shares of Dominion Resources, Inc. common stock outstanding on that date.

Householding

For registered shareholders and Dominion Direct® participants, a single copy of the annual report has been sent to multiple shareholders who reside at the same address. Any shareholder who would like to receive a separate annual report may call or write us at the address below, and we will promptly deliver it.

If you received multiple copies of the annual report and would like to receive combined mailings in the future, please contact us at the address below. Shareholders who hold their shares in street name an account with a broker or a bank should contact their broker regarding combined mailings.

Dominion Resources, Inc.

Shareholder Services

P.O. Box 26532

Richmond, VA 23261

1-800-552-4034

shareholder.services@dom.com

Electronic Delivery

Registered shareholders and Dominion Direct® participants can elect to view future proxy statements and annual reports on the Internet by marking the appropriate box on your proxy card or by following the instructions provided when voting by Internet or by telephone. If you choose this option, you will receive a proxy card by mail, along with instructions on how to access the proxy statement and annual report at a specific Internet site. Your choice will remain in effect until you notify Dominion that you wish to resume mail delivery of these documents. If you hold your shares in street name, please refer to the information provided by your bank or broker for instructions on how to elect this option. If you elect to receive your proxy statement and annual report via the Internet, you can still request paper copies by contacting us at the email or postal address or phone number above.

Voting

Methods. You may vote in person at the Annual Meeting or by proxy. For shares that you hold directly as a registered shareholder or shares held in Dominion Direct®, you have three ways to vote by proxy:

1. Connect to the Internet at www.cesvote.com;
2. Call 1-888-693-8683; or
3. Complete the proxy card and mail it back to us. Complete instructions for voting your shares can be found on your proxy card.

If you vote and change your mind on any issue, you may revoke your proxy by:

1. Connecting to the website listed above or calling 1-888-693-8683. Your deadline for voting on the Internet or by telephone is 11:59 p.m. EDT, April 26, 2007;
2. Notifying our Corporate Secretary in writing prior to the close of business on April 26, 2007; or
3. Voting your shares at the Annual Meeting.

Beneficial Owners. If your shares are held in street name with your broker or by a nominee and you wish to vote by telephone, Internet or mail, please follow the instructions found on the Voting Instruction Card enclosed with this proxy statement. Please note that under New York Stock Exchange (NYSE) rules, if you do not provide voting instructions to your broker, your shares will not be voted on any proposal for which your broker does not have discretionary authority to vote (broker non-votes). For this meeting, brokers cannot vote without instructions on the shareholder proposals (Items 3 and 4). If you are a beneficial owner and wish to vote your shares at the Annual Meeting, you should mark the Voting Instruction Card to indicate that you plan to attend and vote your shares at the meeting. The institution that holds your shares will then provide you with a legal proxy, which will be required along with a ballot that will be provided at the meeting.

Registered Shareholders and Dominion Direct® Participants. Your proxy card shows the number of full and fractional shares you own. If you are a participant in our Dominion Direct® stock purchase plan, the number includes shares we hold in your Dominion Direct® account. All shares will be voted according to your instructions if you properly vote your proxy by one of the methods listed above. If you sign your proxy and do not make a selection, your shares will be voted as recommended by the Board. No vote will be recorded for shares unless a properly signed proxy is returned.

Employee Savings Plan Participants. You will receive a request for Voting Instructions from the Trustee for the Plans. The share amounts listed on that form include the full and fractional shares in your Plan account(s). You may instruct the Trustee by:

1. Connecting to the Internet at www.cesvote.com;
2. Calling 1-888-693-8683; or
3. Returning your Voting Instructions in the enclosed envelope (not to Dominion).

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Complete instructions can be found on the Voting Instruction Card included with this proxy statement. Whichever method you choose, the Trustee will vote according to your instructions and will keep your vote confidential. If you do not vote your Savings Plan shares, an independent fiduciary hired by the Plan Administrator will vote your shares. All voting instructions must be received by 6:00 a.m. EDT on Monday, April 23, 2007.

How Votes are Counted. Each of your shares will be counted as one vote. A majority of the shares outstanding on February 23, 2007 constitutes a quorum for this meeting. Abstentions and broker non-votes are included in determining a quorum.

The 10 nominees for director receiving the most votes will be elected.

The ratification of the appointment of our auditor and the shareholder proposals presented on pages 30 and 32 require more votes in favor than the number of votes against in order for them to be approved. Abstentions and broker non-votes are not counted as a vote in favor or against and, therefore, will not affect the outcome of these items.

Attending the Meeting

Shareholders who plan to attend the meeting will be asked to present valid picture identification, such as a driver s license or passport. Registered shareholders must bring a copy of their Dominion Direct® statement or dividend check stub as proof of ownership. If you hold stock in street name, you must bring a copy of your recent brokerage statement, and if you plan to vote at the meeting, you must have a legal proxy. If you are an authorized proxy, you must present the proper documentation. Registration will begin at 8:30 a.m., and seating will be available on a first come, first served basis. Cameras (including cell phones with cameras), recording devices and other electronic devices will not be permitted at the meeting. Rules of the meeting will be printed on the back of the agenda that you will be given at the meeting.

Solicitation and Tabulation

We will pay for soliciting proxies from our shareholders, and some of our employees may telephone shareholders after the initial mail solicitation. We also have retained Georgeson Inc., a proxy solicitation firm, to assist in the solicitation of proxies for a fee of $14,000 and reimbursement of expenses. In addition, we may reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable expenses in sending proxy materials to the beneficial owners of stock. We have retained Corporate Election Services, Inc. to tabulate the votes and to assist with the Annual Meeting.

Matters Before the 2007 Annual Meeting

Management and the Board are not aware of any matters that may come before the Annual Meeting other than the matters disclosed in this proxy statement.

Proposals for the 2008 Annual Meeting

For a shareholder proposal to be considered for possible inclusion in the 2008 proxy statement, Dominion s Corporate Secretary must receive it no later than close of business November 16, 2007. Shareholders should refer to Securities and Exchange Commission (SEC) rules, which set standards for eligibility and specify the types of proposals that are not appropriate for inclusion in the proxy statement.

If you wish to bring any matter (other than the nomination of director candidates) before the 2008 Annual Meeting, you must notify the Corporate Secretary in writing no later than the close of business January 28, 2008. Under our bylaws, the notice must contain the following information regarding each matter:

- A brief description of the business you wish to bring before the Annual Meeting, including the complete text of any related resolutions to be presented and the reasons for conducting such business at the meeting;
- Your name and address;
- The number of shares of stock that you own; and
- Any material interest you have in such business.

If you do not provide the proper notice by January 28, 2008, the chairman of the meeting may exclude the matter, and it will not be acted upon at the meeting. If the chairman does not exclude the matter, the proxies may vote in the manner they believe is appropriate, as SEC rules allow. Dominion plans to hold its 2008 Annual Meeting on April 25, 2008.

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GOVERNANCE AND THE BOARD

In 2006, the Committee responsible for governance took a comprehensive view of Dominion s governance practices in light of the SEC s new rules and made several recommendations to the Board. Among the recommendations made was changing that Committee s name to the Compensation, Governance and Nominating (CGN) Committee to clearly define the Committee s governance role. The CGN Committee also recommended revisions to its charter, Dominion s corporate governance guidelines, director independence standards and bylaws, as well as the establishment of related party transaction guidelines. The Board has adopted the CGN Committee s recommendations.

The revised CGN Committee charter has the following new provisions: (i) a requirement that the Committee review and discuss the Compensation Discussion and Analysis (CD&A) prepared by management and decide whether to recommend to the Board that it be included in this proxy statement and (ii) a description of the Committee s responsibility regarding related party transactions. The revised corporate governance guidelines have the following new provisions: (i) a clawback policy for the recovery of performance-based compensation in the event financial results are restated due to fraud, negligence or intentional misconduct and (ii) a policy that any director submitting a resignation will abstain from participating in deliberations or voting regarding such resignation. In addition, the revised CGN Committee charter, corporate governance guidelines and director independence standards contain a new provision that two members of the CGN Committee must be considered outside directors under Section 162(m) of the Internal Revenue Code. Finally, Dominion s bylaws have been amended to provide for a director nominee s resignation in the event that such nominee does not receive a majority vote and to conform with revisions to the Virginia Corporation Act. All of these documents can be found in the governance section of our website (www.dom.com). The corporate governance guidelines, CGN Committee Charter and director independence standards are also printed in the *Appendix*.

Dominion s Code of Ethics, which applies to our Board of Directors, principal executive, financial and accounting offi-cers, and all employees also can be found in the governance section of our website. Any waivers or changes to our Code of Ethics relating to our senior executives will be posted on this section of our website. You may write to the Corporate Secretary at the address found on the back cover of this proxy statement for a copy of the Code of Ethics and any of our governance documents at no charge.

RELATED PARTY TRANSACTIONS

Dominion s related party transaction guidelines were recommended by the CGN Committee and established by the Board in February 2007 in order to recognize the process the Board will use in identifying potential conflicts of interest arising out of financial transactions, arrangements and relations between Dominion and any related persons. The term related

person includes not only Dominion s directors and executive officers, but others related to them by certain family or business ties. The guidelines spell out in greater detail the practices outlined in Dominion s Code of Ethics and procedures already followed by Dominion and the CGN Committee. The guidelines are printed in the *Appendix* to this proxy statement and can be found on our website (www.dom.com).

We collect information about potential related party transactions (those in which a related person may have a material interest) in our annual questionnaires completed by directors and executive officers. Potential related party transactions are first reviewed and assessed by the Corporate Secretary and the General Counsel to consider the materiality of the transactions and then reported to the CGN Committee. The CGN Committee reviews and considers relevant facts and circumstances and determines whether to ratify, approve or deny the related party transactions identified. Since January 1, 2006, there have been no related party transactions involving Dominion that were required either to be approved under Dominion s policies or reported under the SEC related party rules.

NOMINATION PROCESS

Nominating Committee

The CGN Committee, which is comprised entirely of independent directors, is responsible for reviewing the qualifications of and selecting director candidates for nomination by the Board. As stated in the Committee s charter and the Board s governance guidelines, the Committee selects candidates who represent a mix of backgrounds and experiences that the Committee believes will enhance the quality of the Board s deliberations and decisions. These attributes may include a candidate s character, judgment, diversity of experience, acumen and ability to act on behalf of shareholders. Business and financial experience and governmental and community service are relevant criteria. In selecting candidates, the Committee assesses and considers the Board s diversity, in its broadest sense, reflecting, but not limited to, geography, gender and ethnicity.

The Committee also considers whether a director candidate is independent in accordance with Dominion s independence standards. Based on its deliberations, the Committee recommends director candidates, the majority of whom are independent, to the Board for nomination.

Director Nominations

A current member of the Board, a member of management or a shareholder may submit director nominations to the CGN Committee. The Committee considers all nominee recommendations and uses the nomination process described above in selecting nominees. Under our bylaws, if you wish to nominate a director at a shareholders meeting you must be a shareholder and deliver written notice to our Corporate Secretary at least 60 days before the meeting. If the meeting date has not been publicly announced 70 days before the meeting, then notice can be given up to 10 days following the public announcement. Any notice must include the following information:

1. Your name and address;
2. Each nominee s name and address;
3. A statement that you are entitled to vote at the meeting and intend to appear in person or by proxy to nominate your nominee;
4. A description of all arrangements or undertakings between you and each nominee and any other person concerning the nomination;
5. Other information about the nominee that would be included in a proxy statement soliciting proxies for the election of directors; and
6. The consent of the nominee to serve as a director. This year the CGN Committee recommended the nominees presented on pages 8 and 9.

DETERMINATION OF INDEPENDENCE

The CGN Committee evaluates all directors and director nominees under Dominion s independence standards (found in the Appendix), including consideration of the matters described above under *Related Party Transactions,* that might impair a director s independence. Based on its review in January and February 2007, the Committee recommended to the full Board that all nominees except Mr. Farrell, be determined independent. In considering the Committee s recommendations, the Board determined that Mr. Farrell is not independent because he is a current Dominion employee. The CGN Committee also considered the employment of Dr. Brown s, adult, financially independent daughter by Dominion s services company and determined that Dr. Brown does not have a material interest in his daughter s employment at Dominion. The Committee recommended and the Board concurred that such employment does not affect his independence.

As part of its director independence evaluation in 2006, the Board determined that Mr. Capps, who is not standing for re-election in 2007, was not considered independent because of his recent employment with Dominion. The Board also determined that Dr. Simmons, who also is not standing for re-election in 2007, was considered independent. In making its determination, the Board considered the employment of Dr. Simmons adult, financially independent son by Dominion s services company and determined that he does not have a material interest in such employment.

COMMUNICATIONS WITH DIRECTORS

Shareholders and other interested persons may communicate directly with Dominion s non-management directors in two ways by email or by writing to them.

Email. Emails may be sent directly to our non-management directors at www.dom.com/about/governance/contact.jsp. You may direct your communications to our non-management directors as a group or to any committee of the Board. The Board has directed the Corporate Secretary or her representative to monitor the non-management directors electronic mailbox and, as appropriate, to review, sort and summarize communica-

tions or forward certain communications (such as customer complaints) to other company personnel. All emails received in the non-management directors electronic mailbox are treated as any emails received by Dominion. They are first isolated and scanned for viruses, malicious/disruptive code, spam/junk email and profanity, and are forwarded only if free of these items. When appropriate, the Corporate Secretary consults with the General Counsel and Audit Committee chairman, who then determine whether to communicate further with the Audit Committee and/or the full Board. The non-management directors have access at all times to their electronic mailbox, as well as a report that tracks how communications have been handled.

Postal mail. Letters may be sent to the non-management directors or one or more directors by writing to the Board of Directors, c/o Corporate Secretary, Dominion Resources, Inc., P.O. Box 26532, Richmond, Virginia 23261. The same procedures described above will be followed for postal mail. Inappropriate communications (such as commercial solicitations) will not be forwarded to the Board.

SECTION 16(a) BENEFICIAL REPORTING COMPLIANCE

Our directors and officers report their stock transactions to the SEC. As part of our annual review and confirmation of share ownership, Dr. Brown discovered that a managed Individual Retirement Account of his had acquired Dominion common stock in February and June 2003 without his knowledge. These shares have now been reported on a Form 4.

EXECUTIVE SESSIONS

The CGN Committee chairman leads executive sessions of non-management, independent directors at the conclusion of each regularly scheduled Board meeting.

COMMITTEES & MEETING ATTENDANCE

The Board met eight times in 2006. Each Board member attended at least 92% of the Board meetings and all meetings of the committees on which he or she served. All 2006 Board nominees attended the 2006 Annual Meeting of Shareholders.

Effective following the 2006 Annual Meeting, Dominion s Board changed its committee memberships and modified its committee structure to merge the Finance Committee with the Risk Oversight Committee. Messrs. Kington and Harris moved from the Audit and Finance Committees, respectively, to become members of the CGN Committee and Mr. Leatherwood moved from the CGN Committee to chair the newly constituted Finance and Risk Oversight Committee. In June, that committee adopted a charter that describes its responsibilities and can be found on the governance section of Dominion s website. The current committee memberships are listed on the following page.

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GOVERNANCE AND THE BOARD

Committee	Members	Description
Audit	David A. Wollard, *Chairman* Ronald J. Calise Robert S. Jepson, Jr. Margaret A. McKenna	As determined by the Board in accordance with Dominion s Director Independence Standards, these four directors are independent audit committee financial experts. They consult with the independent and internal auditors regarding the audits of Dominion s consolidated financial statements, the adequacy of internal controls and the independence of auditors. The committee s report to shareholders can be found on page 11. The committee also retains the independent auditors for the next year. In 2006, this committee met eleven times.
Compensation, Governance and Nominating (CGN)	Frank S. Royal, *Chairman* John W. Harris Robert S. Jepson, Jr. Mark J. Kington David A. Wollard	As determined by the Board in accordance with Dominion s Director Independence Standards, these five directors are independent and consult directly with their compensation consultant and management to review and evaluate Dominion s organizational structure and compensation practices. They are also responsible for overseeing Dominion s governance practices, evaluating the Board s effectiveness and reviewing the qualifications of director candidates. They make recommendations to the Board regarding all of these matters, including director nominees, and they administer certain compensation plans. In 2006, this committee met eight times.
Finance and Risk Oversight Committee	Richard L. Leatherwood, *Chairman* Peter W. Brown George A. Davidson, Jr.	These five independent directors review the company s financing strategies and its relationships with rating agencies, consider Dominion s dividend policy, review its insurance coverages, and oversee and advise management on its policies and guidelines regarding energy trading. In 2006, this committee and its predecessor committees met an aggregate of four times.

Benjamin J. Lambert, III

S. Dallas Simmons

NON-EMPLOYEE DIRECTOR COMPENSATION

The tables and footnotes below reflect the compensation and fees received by our non-employee directors for their services.

Name	Fees earned or paid in cash(1)	Stock Awards(2)	All Other Compensation(4)	Total
Peter W. Brown	$ 64,500	$ 79,981	$ 22,785	$ 167,266
Ronald J. Calise	80,000	79,981	0	159,981
Thos. E. Capps	300,000	0(3)	227,641	527,641
George A. Davidson, Jr.	64,500	79,981	13,910	158,391
John W. Harris	67,500	39,990	36,999	144,489
Robert S. Jepson, Jr.	96,000	79,981	19,778	195,759
Mark J. Kington	74,000	79,981	0	153,981
Benjamin J. Lambert, III	64,500	39,990	37,105	141,596
Richard L. Leatherwood	73,500	39,990	38,255	151,746
Margaret A. McKenna	80,000	79,981	0	159,981
Frank S. Royal	89,000	39,990	38,200	167,191
S. Dallas Simmons	62,500	39,990	37,273	139,764
David A. Wollard	111,000	39,990	40,779	191,769

Footnotes:

(1) The annual cash retainer is $40,000 for all non-employee directors. The Audit and CGN Committee chairmen each receive an annual cash retainer of $15,000, while the chairman of the Finance and Risk Oversight Committee receives a $5,000 annual cash retainer. Non-employee directors receive $2,000 in cash for each Board, Audit or CGN Committee meeting attended and $1,500 for each Finance and Risk Oversight Committee meeting attended. These directors may defer any portion or all of their compensation under the Non-Employee Director Compensation Plan. In the case of Mr. Capps, the amount listed represents the annual fee paid for his services as a consultant and Board member pursuant to his agreement with Dominion approved by the Board and dated May 26, 2005.

(2) Each non-employee director, except Mr. Capps, receives an annual stock retainer valued at approximately $40,000. On the date of the grant, the awards were valued at $75.17 per share. Non-employee directors may defer any portion or this entire stock retainer. In addition, non-employee directors elected to the Board after January 1, 1995 and who were not yet 62 years old, receive an annual deferred stock grant valued at approximately $40,000. On the date of grant, this award was valued at $75.17 per share. (See share ownership table for February 9, 2007 balances).

(3) While Mr. Capps does not receive stock awards as a director of Dominion, in 2005 as a Dominion executive he received a restricted stock award of 57,098 shares contingent upon his services as a consultant. The company continues to accrue expenses for this award. During 2006, 19,032 shares vested and the remaining shares will vest in 2007 and 2008. The 2006 expense was $1,550,560.

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(4) All Other Compensation

Director	Other	Personal Use of Corporate Plane	Dividends[a]	Tax Gross Ups[b]
Brown			$ 21,679	$ 1,106
Calise				
Capps	$ 65,913[c]	$43,534	118,194	
Davidson	13,910[d]			
Harris			36,999	
Jepson			19,390	388
Kington				
Lambert			36,999	106
Leatherwood			36,999	1,256
McKenna				
Royal			36,999	1,201
Simmons			36,999	274
Wollard			36,999	3,780

Footnotes:

(a) With the exception of Mr. Capps, amounts represent dividend equivalents earned on the Directors Stock Accumulation Plan (SAP) balances (see share ownership table for February 9, 2007 balances). For directors elected to the Board prior to 2004, the SAP provided non-employee directors a one-time stock award equivalent in value to approximately 17 times the annual cash retainer. Stock units were credited to a book account and a separate account continues to be credited with additional stock units equal in value to dividends on all stock units held in the director s account. A director must have 17 years of service to receive all of the stock units awarded and accumulated under this Plan. Reduced distributions are made where a director has at least 10 years of service or has reached age 62. Dividend earnings under the Plan are paid at the same rate declared by the company for all shareholders. In the case of Mr. Capps, this amount represents dividends paid on his outstanding restricted stock.

(b) Amounts represent tax liabilities associated with reimbursement of expenses as described below in Expense Reimbursements.

(c) This amount represents benefits provided for Mr. Capps in a 2005 agreement which includes $36,589 for home security systems; and $29,324 for a vehicle allowance, club fees, home computer equipment and technical support. The cost of technical support is calculated based on the full weighted-cost of an employee s time. Mr. Capps has the use of office space at no incremental cost to the company. The company reimburses Mr. Capps for nominal clerical help.

(d) This amount represents benefits provided in accordance with the Consolidated Natural Gas Company (CNG) merger agreement for financial planning, downtown office parking space, cell phone and laptop. Mr. Davidson has the use of office space and nominal clerical help at no incremetal cost to the company.

Expense Reimbursements

We reimburse directors for travel, lodging and related expenses they incur in attending Board and committee meetings. These reimbursements include the expenses incurred by directors spouses in accompanying the directors to one Board meeting and the Annual Meeting each year, along with any taxes related to such payments as disclosed in the table above. In addition, directors and their spouses may accompany the chief executive officer (CEO) or other senior executive on corporate aircraft for both business and personal travel. The company imputes income to the director for all spousal travel and any personal travel.

Director Compensation Plans

Non-Employee Directors Compensation Plan. Under this plan, the company issues the equity portion of non-employee directors compensation. The plan also allows directors to defer all or a portion of their annual retainer and meeting fees

into stock unit or cash accounts and provides for the annual deferred stock grant given to certain directors elected to the Board after January 1, 1995. Stock unit accounts are credited quarterly with additional stock units equal in value to dividends paid on Dominion common stock and cash accounts are credited monthly with interest at an annual rate established for the Fixed Rate Fund (which was 5% in 2006) under Dominion s frozen Executive Deferred Compensation Plan. Shares of Dominion common stock equal in value to stock units held for directors under this plan are issued into a trust and directors retain all voting and other rights as shareholders. Distributions under this plan are made when a director ceases to serve on the Board. In addition, this plan provides a means for the Board to make restricted stock awards and option grants.

Frozen Directors Plans. In order to comply with tax law changes resulting from the enactment of the American Jobs Creation Act, on December 31, 2004, the Board froze the following directors plans: Deferred Cash Compensation Plan, Stock Compensation Plan, and Stock Accumulation Plan (described in Footnote (a) under All Other Compensation on this page). These plans provided a means to compensate directors and allowed directors to defer that compensation, whether in cash or stock, until they ceased to be a director or reached a specified age. In the case of the Deferred Cash Compensation Plan, deferred fees were credited to either an interest bearing account or a Dominion common stock equivalent account. Under the frozen plan, interest (at the same rate as under the Non-Employee Directors Compensation Plan) or dividend equivalents continue to accrue and may be held in trust until distributions are made. Prior to 2005, the stock portion of a director s retainer was paid under the Stock Compensation Plan and directors had the option to defer receipt of that stock.

Other Benefits

Charitable Contribution Program. This program was discon- tinued in January 2000. For directors elected before that time, Dominion funded the program by purchasing life insurance policies on the directors. Those policies have been fully funded and participating directors (currently Messrs. Capps, Harris, Leatherwood and Wollard, and Drs. Lambert, Royal and Simmons) will derive no financial or tax benefits from the program, because all insurance proceeds and charitable tax deductions accrue solely to Dominion. However, upon a participating director s death, $500,000 will be paid in 10 installments to the qualifying charitable organization(s) designated by that director.

Matching Gifts Program. Dominion will match a director s donations, on a 1-to-1 basis, to one or more 501(c)3 organizations up to a maximum of $5,000 per year. If the donation is to an organization on whose board the director serves or for which the director volunteers more than 50 hours of work during a year, Dominion will match the donation on a 2-to-1 basis, up to the $5,000 maximum.

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ITEM 1 ELECTION OF DIRECTORS

Presented below is information about each nominee for director. Each nominee is an incumbent director recommended by the CGN Committee and nominated by the Board. Directors are elected annually; therefore, each director s term of office will end at the next Annual Meeting of Shareholders when his

or her successor has been elected. Your proxy will be voted to elect the nominees unless you tell us otherwise. If any nominee is not available to serve (for reasons such as death or disability), your proxy will be voted for a substitute nominee if the Board of Directors nominates one.

PETER W. BROWN, 64, physician, Virginia Surgical Associates. He is a director of Bassett Furniture Industries, Inc. Dr. Brown received his undergraduate and medical degrees from Emory University and is a clinical associate professor of surgery at Virginia Commonwealth University Medical Center. He is a former director of America s Utility Fund and former chairman of the board of trustees at Capitol Medical Center.

DIRECTOR SINCE 2002

GEORGE A. DAVIDSON, JR., 68, retired chairman of the board of directors of Dominion and former chairman and chief executive officer of CNG. He is a director of PNC Financial Services Group, Inc. and Goodrich Corporation. Mr. Davidson received his undergraduate degree in petroleum engineering from the University of Pittsburgh. He served in a variety of management and executive positions with CNG for 34 years and is a former chairman of the American Gas Association.

DIRECTOR SINCE 2000

THOMAS F. FARRELL, II, 52, president and chief executive officer of Dominion (from January 1, 2004 to December 31, 2006, president and chief operating officer and before that, executive vice president). He is chairman of the board and chief executive officer of Virginia Electric and Power Company and chairman, president and chief executive officer of CNG, both wholly-owned subsidiaries of Dominion. He is also a director of the Institute of Nuclear Power Operations (INPO). Mr. Farrell received his undergraduate and law degrees from the University of Virginia, where he is currently the rector of the Board of Visitors. He joined Dominion in 1995 after practicing law with a regional law firm and has held several executive management positions for Dominion and its subsidiaries.

DIRECTOR SINCE 2005

JOHN W. HARRIS, 59, president, Lincoln Harris, LLC, a real estate consulting firm. He is a director of Piedmont Natural Gas Company, Inc. and Mapeley Limited, a commercial real estate management and outsourcing company located in the United Kingdom. Mr. Harris received his undergraduate degree from the University of North Carolina at Chapel Hill. He is also the former president of The Bissell Companies, Inc., a real estate development firm.

DIRECTOR SINCE 1999

ROBERT S. JEPSON, JR., 64, chairman and chief executive officer of Jepson Associates, Inc., a private investment firm. Mr. Jepson received his undergraduate and graduate degrees in business and commerce from the University of Richmond. He also was chairman and chief executive officer of Kuhlman Corporation, Coburn Optical Industries and The Jepson Corporation. He is the principal contributor and founder of the University of Richmond s Jepson School of Leadership Studies.

DIRECTOR SINCE 2003

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MARK J. KINGTON, 47, managing director, X-10 Capital Management, LLC and president, Kington Management Corporation, private investment firms. He is and has been the principal officer and investor in several communications firms and is a founding and managing member of Columbia Capital, LLC, a venture capital firm specializing in the communications and information technology industries. Mr. Kington received his undergraduate degree from the University of Tennessee and an MBA from the University of Virginia.

DIRECTOR SINCE 2005

BENJAMIN J. LAMBERT, III, 70, optometrist. He is a director of Consolidated Bank & Trust Company and SLM Corporation. Mr. Lambert received his undergraduate degree from Virginia Union University and a graduate degree from the New England College of Optometry. He has been a member of the Virginia Senate since 1986 and before that was a member of the House of Delegates beginning in 1978.

DIRECTOR SINCE 1994

MARGARET A. McKENNA, 61, president, Lesley University. She received her undergraduate degree from Emmanuel College and her law degree from Southern Methodist University. Ms. McKenna was a civil rights attorney with the U.S. Department of Justice and held a variety of positions with the U.S. government from 1976 to 1981, including deputy counsel in the White House and deputy under secretary of education. Prior to taking her current position in 1985, she was a director of the Bunting Institute and vice president at Radcliffe College.

DIRECTOR SINCE 2000

FRANK S. ROYAL, M.D., 67, physician. He is a director of SunTrust Banks, Inc., Chesapeake Corporation, CSX Corporation and Smithfield Foods, Inc. Dr. Royal received his undergraduate degree from Virginia Union University and his medical degree from Meharry Medical College.

DIRECTOR SINCE 1994

DAVID A. WOLLARD, 69, founding chairman of the board, emeritus, Exempla Healthcare. He is a director of Vectra Bank Colorado. He received his undergraduate degree from Harvard College and graduated from the Stonier Graduate School of Banking. Mr. Wollard held a variety of executive positions with banking institutions in Florida and Colorado, where he was the president of Bank One Colorado, N.A.

DIRECTOR SINCE 1999

Your Board of Directors recommends that you vote

FOR these nominees.

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SHARE OWNERSHIP

DIRECTOR AND OFFICER SHARE OWNERSHIP TABLE

Name of	Beneficial Share Ownership of Common Stock (as of February 9, 2007)					Other Plan Accounts[1]	
Beneficial Owner	Shares	Deferred Stock Accounts[2]	Restricted Shares	Exercisable Stock Options	Total	Stock Accumulation[3]	Deferred Compensation[4]
Peter W. Brown	8,940	1,048			9,988	8,028	
Ronald J. Calise	4,000	10,661		12,000	26,661		
Thos. E. Capps[5]	506,249		38,066	800,000	1,344,315		
George A. Davidson, Jr.	104,942	2,408		12,000	119,350		
Thomas F. Farrell, II[5]	132,670		129,873	500,000	762,543		
John W. Harris	31,192	10,686		8,000	49,878	13,702	
Robert S. Jepson, Jr.	35,890	1,048			36,938	7,181	
Mark J. Kington	16,700	2,096			18,796		
Benjamin J. Lambert, III	1,386	5,459		22,000	28,845	13,702	
Richard L. Leatherwood	1,992	23,090		22,000	47,082	13,702	
Margaret A. McKenna	1,965	9,021			10,986		
Frank S. Royal	3,191	5,734		12,000	20,925	13,702	
S. Dallas Simmons	4,108	9,044		12,000	25,152	13,702	
David A. Wollard	5,582			22,000	27,582	13,702	
Thomas N. Chewning[6]	114,352		71,793	400,000	586,145		192
Jay L. Johnson	23,561		26,787	33,334	83,682		4,813
Mark F. McGettrick	25,692		28,944	66,667	121,303		5,799
Duane C. Radtke	32,854		71,793	587,500	692,147		8,766
All directors and executive officers as a group (26 persons)[7]	1,230,225	80,295	497,049	2,779,501	4,587,070	97,421	41,712

Footnotes:

(1) Amounts represent share equivalents accumulated under executive and director plans and do not have voting rights.

(2) Shares in trust for which a director has voting rights. Amounts include shares issued to a trust for certain directors from their frozen Deferred Cash Compensation Plan accounts.

(3) Because of this plan s vesting provisions, amounts distributable to a director will be dependent on years of service.

(4) Amounts represent cash and other compensation that were deferred by an executive under the frozen Executive Deferred Compensation Plan, which are deemed invested in Dominion common stock. Such amounts may be distributed in cash or stock at a specified age or retirement.

(5) Messrs. Capps and Farrell disclaim ownership for 19,946 and 399 shares, respectively.

(6) Mr. Chewning pledged 96,960 shares as collateral for a Wachovia Bank loan to a nonprofit organization. Based on the February 9, 2007 closing price of $87.46, if the loan for which these shares are pledged defaults, Wachovia Bank has the right to approximately 36,800 shares.

(7) All directors and executive officers as a group own 1.3% of the number of shares outstanding at February 9, 2007. No individual executive officer or director owns more than one percent of the shares outstanding.

SIGNIFICANT SHAREHOLDER

Name and address of Beneficial Owner	Beneficial Ownership of Common Stock (based on 13G filing)	Percentage of Common Shares Outstanding
Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	33,610,210	9.6%

The shareholder disclaims beneficial ownership of the shares reported above. The ownership results from the shareholder acting as an investment advisor to various investment companies.

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THE AUDIT COMMITTEE

Audit Committee Report

Our Committee operates under a written charter, which can be found on our website, and was most recently revised in January 2005.

Our Committee reviews and oversees Dominion s financial reporting process and related disclosure and internal controls. Each November, we develop the coming year s meeting schedule and agendas, which include reviews of Dominion s internal controls testing, disclosure controls and procedures, charter requirements, charitable giving, auditor independence requirements, pre-approval of fees, and other issues that we, management and the independent auditors feel should be addressed more closely.

During 2006, we reviewed and discussed the following with management and the independent auditors:

- Quarterly and year-end results, financial statements and reports prior to public disclosure;
- The activities of management s disclosure committee and Dominion s disclosure controls and procedures, including internal controls;
- Management s compliance with Section 404 of the Sar-banes-Oxley Act relative to documentation and internal and external auditors testing of internal controls;
- New and proposed accounting standards and their potential effect on Dominion s financial statements;
- The status of internal audit s staffing, qualifications and audit plans; and
- Dominion s compliance program for employees.

Our Committee conducts pre-meeting sessions to review with management a single topic in more detail. The topics are chosen as part of a November planning process. In 2006, sessions focused on: environmental risks, including clean air and water regulations and climate change; a review of emerging accounting issues and a technical accounting update; an overview of Dominion s workforce including its workforce profile and planning strategies; and an overview of the company s law department and its practice areas. In addition to the Committee members, other members of the Board attended each of these sessions.

At four of the Committee s meetings, we met with the internal and independent auditors, with and without management present, to discuss the plans for, and scope and results of, their audits and reviews of Dominion s internal controls and the overall quality of Dominion s financial reporting.

Management has represented that Dominion s consolidated financial statements were prepared in accordance with generally accepted accounting principles. We reviewed and discussed the audited consolidated financial statements with management and the independent auditors. In accordance with the

requirements established by the Statement on Auditing Standards No. 61, *Communication with Audit Committees (as amended by Auditing Standards 89 and 90)*, this discussion included a review of significant accounting estimates and controls, and the quality of Dominion s accounting principles.

We have received written disclosures and letters from the independent auditors required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees* and the NYSE governance standards regarding internal quality control procedures. We have discussed with the independent auditors the issue of their independence from Dominion, including any non-audit services performed by them.

2006 Consolidated Financial Statements

Relying on these reviews and discussions, we recommended to the Board of Directors, and the Board approved, the inclusion of the audited financial statements and management s annual report on internal control over financial reporting in Dominion s Annual Report on Form 10-K for the year ended December 31, 2006, for filing with the SEC.

Independent Auditors for 2007

Our Committee discussed with management and reviewed with the independent auditors their plans and proposed fees for auditing the 2007 consolidated financial statements and internal controls over financial reporting of Dominion and its subsidiaries, as well as their proposed audit-related and non-audit services and fees. Based on our discussions and review of the proposed fee schedule, we have retained Deloitte & Touche LLP, a registered public accounting firm, independent of us, as Dominion s independent auditors for 2007, and in accordance with our pre-approval policy, approved the fees for the services presented to us. We determined that the non-audit related services proposed to us do not impair Deloitte & Touche s independence, and that it is more economical and efficient to use them for the proposed services. Permission for any other specific non-audit related services will require prior approval by our Committee or its chairman. When appropriate, Dominion seeks competitive bids for non-audit related services.

David A. Wollard, *Chairman*

Ronald J. Calise

Robert S. Jepson, Jr.

Margaret A. McKenna

February 28, 2007

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ITEM 2 AUDITORS

Fees and Pre-Approval Policy

The Audit Committee has a pre-approval policy for Deloitte & Touche s services and fees. Attached to the policy is a schedule that details the services to be provided and an estimated charge for such services. At its December 2006 meeting, the Committee approved the schedule of services and fees for 2007. As provided by Dominion s pre-approval policy, any changes to the schedule may be approved by the Committee chairman, and reported to the full Committee at its next meeting.

The following table presents fees paid to Deloitte & Touche for the fiscal years ended December 31, 2006 and 2005.

Type of Fees (millions)	2006	2005
Audit fees	$ 6.71	$ 5.69
Audit-related fees	0.71	0.93
Tax fees	0.08	0.71
All other fees		
	$ 7.50	$ 7.33

Audit fees are for the audit and review of Dominion s financial statements in accordance with the standards of the Public Company Accounting Oversight Board of the United States, including Section 404 testing, comfort letters, statutory and regulatory audits, consents and other services related to SEC matters.

Non-Audit Services

Audit-related fees are for assurance and related services that are associated with the audit or review of Dominion s financial statements, including employee benefit plan audits, due diligence services and financial accounting and reporting consultation.

Tax fees are for tax compliance services, tax consulting services, and related costs.

Other Information About the Auditors

Representatives of Deloitte & Touche will be present at the Annual Meeting. They will have an opportunity to make a statement if they desire, and will be available to respond to shareholder questions.

ITEM 2 RATIFICATION OF APPOINTMENT OF AUDITORS

Dominion s Audit Committee has retained Deloitte & Touche LLP, an independent registered public accounting firm, as Dominion s independent auditors for 2007.

Your Board of Directors recommends that you vote

FOR ratification of the Committee s action.

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COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Our Compensation, Governance and Nominating Committee operates under a written charter that can be found on our website and was most recently updated in January of this year.

Our Committee reviews and oversees Dominion s executive compensation programs and the process by which compensation and benefits are determined. To assist us with these responsibilities, we have hired Pearl Meyer & Partners (PMP) as our independent compensation consultant. We meet in person with a managing director of PMP at least once a year and have her participate in other meetings by teleconference as circumstances warrant.

During 2006, we reviewed and discussed the following with management and our independent consultant:

- Dominion s overall executive compensation program, including its structure and all its components as described in this proxy statement;
- Dominion s peer companies, how they are chosen, and how they compare to Dominion on several financial measures;
- Compensation for Dominion s Board of Directors, including how our compensation should be paid and how it compares with compensation paid to directors of Dominion s peer companies;
- The SEC s new rules related to executive and director compensation disclosure and how those rules apply to our responsibilities; and
- Dominion s internal pay equity and other issues relevant to our compensation responsibilities.

During 2006, we met with our independent consultant, without management present to review and discuss CEO compensation and other matters. We also met several times with our CEO and discussed his succession and that of key executive positions, as well as the overall performance of his leadership team.

Compensation Discussion and Analysis

In preparation for filing this proxy statement, our Committee reviewed management s CD&A that describes in more detail our Committee s process and decisions with regard to Dominion s executive compensation programs. During our review of the CD&A, we discussed the content of the CD&A with management. We subsequently recommended to the Board of Directors that, based on our review and discussion, the CD&A be included in this proxy statement and incorporated by reference in Dominion s Annual Report on Form 10-K.

Frank S. Royal, *Chairman*

John W. Harris

Robert S. Jepson, Jr.

Mark J. Kington

David A. Wollard

February 27, 2007

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COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE COMPENSATION PHILOSOPHY

THE OBJECTIVES OF DOMINION S PROGRAM

Dominion s executive compensation program is designed to attract, motivate and retain a superior management team, while ensuring that our annual and long-term incentive programs align management s financial success with that of our shareholders. Management and Dominion s Board of Directors, through the oversight of its CGN Committee, believe in putting a substantial portion of our senior executives compensation at risk based on performance goals established by the CGN Committee. While we benchmark and set general compensation levels relative to Dominion s peer group of companies (detailed below) and market data, we administer our program to meet the needs and requirements of Dominion. Market data is used as a reality check in evaluating our compensation decisions for our senior executives.

Our Process

Each year, the executive compensation program is comprehensively assessed and analyzed. The review process includes, but is not limited to, the following steps:

- A peer group of companies is identified and Dominion is compared with these peer companies based on a number of different financial and stock performance metrics for a number of different measurement periods;
- The CGN Committee reviews the performance of the CEO and other senior officers, including the CEO s assessment of the performance of other key officers, and his views on succession and retention issues;
- The current annual compensation of senior management and long-term compensation grants made over the past few years are reviewed;
- The appropriate performance metrics and attributes of annual and long-term programs for the next year are considered and discussed;
- The entirety of our compensation program is considered, including periodic reviews of specific benefits and perquisites;
- The base pay, annual incentive pay, long-term pay and total compensation for individual officers are benchmarked against survey data using appropriate job matches and comparable asset and revenue size. The survey data is based on purchased surveys from Mercer HR Consulting, Towers Perrin and other organizations, including industry specific surveys whenever possible. The industry specific surveys provide information on positions at companies of similar size or revenue scope, or general industry data on positions for which we may compete;
- For our top officers, if peer group compensation is available for their position, we use a blend of survey and peer compensation for comparison, as we compete not only in our own market, but nationally and across industries, for talent;
- The compensation practices of our peer companies are reviewed, including their practices with respect to equity and other grants, benefits and perquisites;
- The compensation of our management team from the standpoint of internal equity, complexity of the job, scope of responsibility and other factors is assessed;
- Specific market-based conditions and other circumstances for certain executives and competitive business groups are considered; and
- Management s stock ownership is reviewed.

Management has the following involvement with the executive compensation process:

- Dominion s financial planning group identifies companies for inclusion in the peer group based on our industry and the companies used by Dominion analysts and external analysts for comparison purposes. Both Dominion s CFO and the CGN Committee s independent compensation consultant, a managing director of Pearl Meyer & Partners (PMP), review and comment on the proposed group before it is submitted to the CGN Committee for approval;
- Dominion s CEO and CFO are both involved in establishing and recommending to the CGN Committee financial goals for the incentive programs based on management s operational goals and strategic plans; and
- The CEO reviews recommendations from Dominion s director of executive compensation and PMP regarding salaries, annual and long-term incentive targets, and plan amendments and design before recommendations are made to the CGN Committee. While he reviews and makes recommendations for officers, the CEO does not make any recommendations or review proposals with regard to his own compensation, and only the CGN Committee has the authority to approve compensation for the company s senior executives. Also, our independent compensation consultant meets with the CGN Committee, without management present, to review her recommendations. The

CEO and CFO are also involved in making recommendations about the timing and frequency of our long-term programs, special arrangements to address specific concerns such as the retention program for our exploration and production (E&P) officers, and the elimination or modification of certain benefits.

The Peer Group and Peer Group Comparisons

Dominion s peer group is generally consistent from year to year, with merger and acquisition activity being the primary reason for any changes. The 2006 peer group consisted of a diversified group of ten energy companies: American Electric Power Company, Inc.; Constellation Energy Group, Inc.; Duke Energy Corporation; Entergy Corporation; Exelon Corporation; FirstEnergy Corporation; FPL Group, Inc.; Progress Energy, Inc.; Southern Company and TXU Corp. We have a separate group of peer companies for our E&P business unit: Anadarko Petroleum Corporation; Apache Corporation; Burlington Resources, Inc.; Devon Energy Corporation; EOG Resources, Inc.; Kerr McGee Corporation; Pioneer Natural Resources Company and XTO Energy Inc. Because of unusual compensation practices, XTO Energy Inc. is not fully used for compensation setting purposes.

The CGN Committee, PMP and Dominion s executive compensation department use the peer company data to (i) compare

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Dominion s stock and financial performance against these peers using a number of different metrics and time periods; (ii) analyze compensation practices within our industry; and (iii) benchmark other benefits such as our Employment Continuity Agreements and the use of long-term equity vehicles. The general energy peer group is used for our named executive officers other than Mr. Radtke for whom the E&P peer group was used.

Elements of Dominion s Executive Compensation Program