

DOMINION RESOURCES INC /VA/

Form 424B5

January 29, 2009

Table of Contents

Filed pursuant to Rule 424(b)(5)

Registration No. 333-157013

**CALCULATION OF REGISTRATION FEE**

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<b>Title of Each Class of Securities</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee (1)(2)</b>
<b>to be Registered Common Stock</b>	<b>\$400,000,000</b>	<b>\$15,720</b>

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

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

**Table of Contents**

**Filed Pursuant to Rule 424(b)(5)**

**Registration No. 333-157013**

PROSPECTUS SUPPLEMENT

(To Prospectus Dated January 29, 2009)

## **Dominion Resources, Inc.**

**\$400,000,000**

### **Common Stock**

This prospectus supplement and accompanying base prospectus relate to the offer and sale from time to time of shares of our common stock having an aggregate offering price of up to \$400,000,000. The shares of our common stock to which this prospectus supplement relates will be offered from time to time through the sales agents named below.

Our common stock is listed and traded on the New York Stock Exchange under the symbol **D**. The last reported sale price of our common stock on the New York Stock Exchange on January 26, 2009 was \$35.75 per share.

The proceeds from the sale of the shares of common stock to which this prospectus supplement relates will be used for general corporate purposes as described herein under **Use of Proceeds**.

The shares of our common stock to which this prospectus supplement relates may be offered and sold in (i) privately negotiated transactions, or (ii) by any other method or payment permitted by law deemed to be an **at the market** offering as defined in Rule 415 of the Securities Act, including sales made directly on the New York Stock Exchange or sales made to or through a market maker or through an electronic communications network, all pursuant to sales agency agreements that we have entered into with our sales agents. An indeterminate number of shares of common stock may be sold up to the number of shares that will result in the receipt of gross proceeds of up to \$400,000,000. Subject to the terms and conditions of its sales agency agreement with us, each sales agent, as applicable, will use its commercially reasonable efforts to sell, as our sales agent and on our behalf, any shares of common stock to be offered by us under our sales agency agreement with it. We will pay each of the sales agents a commission equal to 1.00% of the gross sales price per share of shares sold through it. The net proceeds that we will receive will be the gross proceeds from such sales less the commissions and any other costs we may incur in issuing the shares. See **Use of Proceeds** and **Plan of Distribution** in this prospectus supplement for further information.

**Investing in our common stock involves risks. For a description of these risks, see Risk Factors beginning on page S-7 of this prospectus supplement.**

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.

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**BNY Mellon Capital Markets, LLC**

**Merrill Lynch & Co.**

**Morgan Stanley**

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The date of this prospectus supplement is January 29, 2009.

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this common stock offering and certain other matters relating to us and our financial condition. The second part, the accompanying base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the common stock we are offering pursuant to this prospectus supplement. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of the common stock in the prospectus supplement differs from the description of common stock 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 sales agents to authorize anyone, to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This document may only be used where it is legal to sell these securities. The information which appears in this document and which is incorporated by reference in this document may only be accurate as of the date of this prospectus supplement or the date of the document in which incorporated information appears. Our business, financial condition, results of operations and prospects may have changed since the date of such information.

**TABLE OF CONTENTS**

**Prospectus Supplement**

	<b><u>Page</u></b>
<u>About This Prospectus Supplement</u>	S-2
<u>Where You Can Find More Information</u>	S-3
<u>Forward-Looking Information</u>	S-3
<u>Prospectus Supplement Summary</u>	S-5
<u>Risk Factors</u>	S-7
<u>Dominion</u>	S-13
<u>Use of Proceeds</u>	S-15
<u>Common Stock Price Range and Dividends</u>	S-16
<u>Description of Common Stock</u>	S-17
<u>Plan of Distribution</u>	S-17
<u>Legal Matters</u>	S-18

**Base Prospectus**

	<b><u>Page</u></b>
<u>About This Prospectus</u>	2

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form 424B5

<u>Where You Can Find More Information</u>	2
<u>Safe Harbor and Cautionary Statements</u>	3
<u>Dominion</u>	3
<u>Use of Proceeds</u>	5
<u>Ratio of Earnings to Fixed Charges</u>	6
<u>Description of Debt Securities</u>	7
<u>Description of Capital Stock</u>	37
<u>Virginia Stock Corporation Act and the Articles and the Bylaws</u>	39
<u>Description of Stock Purchase Contracts of Stock Purchase Units</u>	42
<u>Plan of Distribution</u>	42
<u>Legal Opinions</u>	44

S-2

**Table of Contents**

**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, 2007;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008, June 30, 2008, and September 30, 2008;

Current Reports on Form 8-K, filed January 3, 2008, January 30, 2008 (with respect to Items 5.02 and 9.01), April 2, 2008, May 9, 2008, June 5, 2008, June 16, 2008, November 26, 2008; December 5, 2008 and January 29, 2009 (with respect to Items 5.02, 8.01 and 9.01) (other than any portions of those documents not deemed to be filed); and

the description of our common stock contained in our Current Report on Form 8-K, filed December 5, 2008.

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 statements.

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. These factors include unusual weather conditions and their effect on energy sales to customers and energy commodity prices; extreme weather events, including hurricanes and severe storms, that can cause outages and property damage to our facilities; state and federal legislative

**Table of Contents**

and regulatory developments and changes to environmental and other laws and regulations, including those related to climate change, greenhouse gases, and other emissions, to which we are subject; costs of environmental compliance, including those costs related to climate change; risks associated with the operation of nuclear facilities; fluctuations in energy-related commodity prices and the effect these could have on our earnings, liquidity position and the underlying value of our assets; counterparty credit risk; risks associated with our membership and participation in regional transmission organizations (RTOs) related to obligations created by the default of other participants; capital market conditions, including the availability of credit and our ability to obtain financing on reasonable terms; price risk due to securities held as investments in nuclear decommissioning and benefit plan trusts; fluctuations in interest rates; changes in federal and state tax laws and regulations; changes to benefit plan assumptions such as discount rates and the expected rate of return on plan assets; 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; changes to regulated gas and electric rates collected by Dominion Resources, Inc. and the timing of such collection as it relates to fuel costs; receipt of approvals for and timing of closing dates for acquisitions and divestitures; changes in rules for RTOs in which we participate, including changes in rate designs and capacity models; adverse outcomes in litigation matters; political and economic conditions, including the threat of domestic terrorism, inflation and deflation; timing and receipt of regulatory approvals necessary for planned construction or expansion projects; the inability to complete planned construction or expansion projects within the terms and time frames initially anticipated; and completing the divestiture of The Peoples Natural Gas Company and Hope Gas, Inc.

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

In addition to the factors described above, we have identified a number of these factors in this prospectus supplement, under the heading RISK FACTORS, and we refer you to that discussion for further information.



**Table of Contents**

**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.*

*The following summary contains basic information about this offering. It may not contain all the information that is important to you. The DESCRIPTION OF COMMON STOCK section of this prospectus supplement and the DESCRIPTION OF CAPITAL STOCK and VIRGINIA STOCK CORPORATION ACT AND THE ARTICLES AND THE BYLAWS sections of the accompanying base prospectus contain more detailed information regarding our common stock. 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, is one of the nation's largest producers and transporters of energy. Dominion also operates the nation's largest natural gas storage network and serves retail energy customers in 12 states. As of September 30, 2008, we had approximately \$41.4 billion in assets.

We currently manage our operations through three primary business segments that are designed to streamline operations and position us for long-term growth in the competitive energy marketplace by focusing on our electric and gas products and services. They are:

*Dominion Energy* Dominion Energy manages our 14,000 miles of natural gas transmission, gathering and storage pipeline, and a 975 billion cubic foot natural gas storage network. This business segment includes our Ohio regulated natural gas distribution operations that serve approximately 1.2 million residential, commercial and industrial gas sales and transportation customers. Dominion Energy also operates our Cove Point, Maryland liquefied natural gas import and storage facility. In addition, it oversees our natural gas production located in the Appalachian Basin and producer services, which aggregates gas supply, engages in trading and marketing activities, provides market-based services related to fuel and gas supply management, and supplies price risk management services to Dominion affiliates.

*Dominion Generation* Dominion Generation manages our approximately 27,000 megawatt portfolio of merchant and regulated utility electric power generation and guides our generation growth strategy and energy trading and marketing activities associated with our generation assets. The generation mix is diversified and includes coal, nuclear, gas, oil, renewables and purchased power. Our electric generation operations currently focus on serving customers in the energy intensive Northeast, Mid-Atlantic and Midwest regions of the United States. Our generation

facilities are located in Connecticut, Illinois, Indiana, Massachusetts, North Carolina, Pennsylvania, Rhode Island, Virginia, West Virginia and Wisconsin.

S-5

**Table of Contents**

*Dominion Virginia Power* Dominion Virginia Power manages our regulated electric distribution and electric transmission operations in Virginia and northeastern North Carolina as well as our nonregulated retail energy marketing and regulated and nonregulated customer service operations. Our regulated electric distribution operations serve approximately 2.4 million residential, commercial, industrial and governmental customer accounts in Virginia and northeastern North Carolina, and our nonregulated retail energy marketing operations serve approximately 1.7 million customer accounts in the Northeast, Mid-Atlantic, South and Midwest.

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

**THE OFFERING**

Securities Offered                      Shares of common stock having an aggregate offering price of up to \$400,000,000.

Use of Proceeds                         We intend to use the net proceeds from this offering for general corporate purposes. See USE OF PROCEEDS on page S-15.

New York Stock Exchange    D  
Symbol

Table of Contents

**RISK FACTORS**

Investing in our common stock involves risks. Before deciding to invest in our common stock, and in consultation with your own financial and legal advisers, you should consider carefully the risk factors identified and discussed below. Additionally, you should consider any additional discussion of risks and uncertainties that may be included in any other prospectus supplement or other offering materials we issue in connection with this offering of common stock. The risk factors we discuss in this prospectus supplement are those that we currently believe may materially affect our company or the common stock. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may materially and adversely affect our business, financial condition and results of operations, or could adversely affect the value of the common stock offered by this prospectus supplement.

**Our operations are weather sensitive.** Our results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas, and affect the price of energy commodities. In addition, severe weather, including hurricanes and winter storms, can be destructive, causing outages and property damage that require us to incur additional expenses. In addition, droughts can result in reduced water levels that could adversely affect operations at some of our power stations.

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

**We could be subject to penalties as a result of mandatory reliability standards.** As a result of Energy Policy Act of 2005, owners and operators of bulk power transmission systems, including Dominion, are subject to mandatory reliability standards enacted by the North American Electric Reliability Corporation and enforced by the Federal Energy Regulatory Commission. If we are found not to be in compliance with the mandatory reliability standards we could be subject to sanctions, including substantial monetary penalties.

**Our costs of compliance with environmental laws are significant, and the cost of compliance with future environmental laws could adversely affect our cash flow and profitability.** Our operations are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, natural resources, and health and safety. Compliance with these legal requirements requires us to commit significant capital toward permitting, emission fees, environmental monitoring, installation and operation of pollution control equipment and purchase of allowances and/or offsets. Additionally, we could be responsible for expenses relating to remediation and containment obligations, including at sites

S-7

**Table of Contents**

where we have been identified by a regulatory agency as a potentially responsible party. Under United States environmental laws, an entity designated as a potentially responsible party may be held jointly, severally and strictly liable for all such cost. Our expenditures relating to environmental compliance have been significant in the past, and we expect that they will remain significant in the future. Costs of compliance with environmental regulations could adversely affect our results of operations and financial position, especially if emission and/or discharge limits are tightened, more extensive permitting requirements are imposed, additional substances become regulated and the number and types of assets we operate increases. We cannot estimate our compliance costs with certainty due to our inability to predict the requirements and timing of implementation of any new environmental rules or regulations related to emissions. Other factors which affect our ability to predict our future environmental expenditures with certainty include the difficulty in estimating clean-up costs and quantifying liabilities under environmental laws that impose joint and several liability on all responsible parties.

**If federal and/or state requirements are imposed on energy companies mandating further emission reductions, including limitations on carbon dioxide emissions, such requirements could make some of our electric generating units uneconomical to maintain or operate.** Environmental advocacy groups, other organizations and some agencies are focusing considerable attention on carbon dioxide emissions from power generation facilities and their potential role in climate change. We expect that federal legislation, and possibly additional state legislation, may pass resulting in the imposition of limitations on greenhouse gas emissions from fossil fuel-fired electric generating units. Such limits could make certain of our electric generating units uneconomical to operate in the long term, unless there are significant improvements in the commercial availability and cost of carbon capture and sequestration technology. There are also potential impacts on our natural gas businesses as federal greenhouse gas legislation may require greenhouse gas emission reduction requirements from the natural gas sector. Several regions of the U.S. have moved forward with greenhouse gas regulations including regions where we have operations. For example, Massachusetts has implemented regulations requiring reductions in carbon dioxide emissions and the Regional Greenhouse Gas Initiative, a cap and trade program covering carbon dioxide emissions from power plants in the Northeast, will affect several of our facilities. In addition, a number of bills have been introduced in Congress that would require greenhouse gas emissions reductions from fossil fuel-fired electric generation facilities, natural gas facilities and other sectors of the economy, although none have yet been enacted. Compliance with these greenhouse gas emission reduction requirements may require us to commit significant capital toward carbon capture and sequestration technology, purchase of allowances and/or offsets, fuel switching, and/or retirement of high-emitting generation facilities and replacement with lower emitting generation facilities. The costs of compliance with expected greenhouse gas legislation are subject to significant uncertainties due to the outcome of several interrelated assumptions and variables, including timing of the implementation of rules, required levels of reductions, allocation requirements of the

**Table of Contents**

new rules, the maturation and commercialization of carbon capture and sequestration technology and associated regulations, and our selected compliance alternatives. As a result, we cannot estimate the effect of any such legislation on our results of operations, financial condition or our customers.

**We are exposed to cost-recovery shortfalls because of capped base rates for our regulated electric utility.** Under the Virginia Electric Utility Restructuring Act, as amended in 2004 and 2007 (Restructuring Act), our Virginia base rates remain capped through December 31, 2008. Although the Restructuring Act allows for the recovery of certain generation-related costs during the capped rates period, we remain exposed to numerous risks of cost-recovery shortfalls, such as costs related to hurricanes or other unanticipated events.

**The rates charged to our Virginia jurisdictional customers by Virginia Electric and Power Company (Virginia Power) are subject to regulatory review.** As a result of the Restructuring Act, commencing in 2009 the base rates of our electric utility company will be reviewed by the Virginia State Corporation Commission (Virginia Commission) under a modified cost-of-service model. Such rates will be set based on analyses of our electric utility's costs and capital structures, as reviewed and approved in regulatory proceedings. Under the Restructuring Act, the Virginia Commission may, in a proceeding conducted in 2009, reduce rates or order a credit to customers if Virginia Power is deemed to have earnings during a 2008 test period which are more than 50 basis points above a return on equity level to be established by the Virginia Commission in that proceeding. After the initial rate case, the Virginia Commission will review Virginia Power's rates biennially and may order a credit to its customers if Virginia Power is deemed to have earned more than 50 basis points above a return on equity level established by the Virginia Commission and may reduce rates if Virginia Power is found to have had earnings in excess of the established return on equity level during two consecutive biennial review periods.

**Energy conservation could negatively impact our financial results.** A number of regulatory and legislative bodies have introduced requirements and/or incentives to reduce energy consumption by certain dates. Conservation programs could impact our financial results in different ways. To the extent conservation resulted in reduced energy demand or significantly slowed the growth in demand, the value of our merchant generation, oil and gas exploration and production assets and other unregulated business activities could be adversely impacted. In our regulated operations, conservation could negatively impact Dominion depending on the regulatory treatment of the associated impacts. Should we be required to invest in conservation measures that resulted in reduced sales from effective conservation, regulatory lag in adjusting rates for the impact of these measures could have a negative financial impact. We are unable to determine what impact, if any, conservation will have on our financial condition or results of operations.

**Our merchant power business is operating in a challenging market, which could adversely affect our results of operations and future growth.** The success of our merchant power business depends upon favorable market conditions as well as

## Table of Contents

our ability to find buyers willing to enter into power purchase agreements at prices sufficient to cover operating costs. We attempt to manage these risks by entering into both short-term and long-term fixed price sales and purchase contracts and locating our assets in active wholesale energy markets. However, high fuel and commodity costs and excess capacity in the industry could adversely impact our results of operations.

**There are risks associated with the operation of nuclear facilities.** We operate nuclear facilities that are subject to risks, including the threat of terrorist attack and our ability to dispose of spent nuclear fuel, the disposal of which is subject to complex federal and state regulatory constraints. These risks also include the cost of and our ability to maintain adequate reserves for decommissioning, costs of replacement power, costs of plant maintenance and exposure to potential liabilities arising out of the operation of these facilities. We maintain decommissioning trusts and external insurance coverage to mitigate the financial exposure to these risks. However, it is possible that decommissioning costs could exceed the amount in our trusts or that costs arising from claims could exceed the amount of any insurance coverage.

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

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

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

Our operations in regards to these transactions are subject to multiple market risks including market liquidity, counterparty credit strength and price





**Table of Contents**

volatility. These market risks are beyond our control and could adversely affect our results of operations and future growth.

**Our exploration and production business is affected by factors that cannot be predicted or controlled and that could damage facilities, disrupt production or reduce the book value of our assets.** Factors that may affect our financial results include, but are not limited to: damage to or suspension of operations caused by weather, fire, explosion or other events at our or third-party gas and oil facilities, fluctuations in natural gas and crude oil prices, results of future drilling and well completion activities, our ability to acquire additional land positions in competitive lease areas, drilling cost pressures, operational risks that could disrupt production, drilling rig availability and geological and other uncertainties inherent in the estimate of gas and oil reserves.

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

**We may not complete plant construction or expansion projects that we commence, or we may complete projects on materially different terms or timing than initially anticipated and we may not be able to achieve the intended benefits of any such project, if completed.** We have announced several plant construction and expansion projects and may consider additional plant construction and expansion projects in the future. We anticipate that we will be required to seek additional financing in the future to fund our current and future plant construction and expansion projects and we may not be able to secure such financing on favorable terms. In addition, we may not be able to complete the plant construction or expansion projects on time as a result of weather conditions, delays in obtaining or failure to obtain regulatory approvals, delays in obtaining key materials, labor difficulties, difficulties with partners or other factors beyond our control. With respect to our liquified natural gas and gas transmission pipeline operations, if we do not meet designated schedules for approval and construction of our plant and expansion projects, certain of our customers may have the right to terminate their precedent agreements relating to the expansion projects. Certain of our customers may also have the right to receive liquidated damages. Even if plant construction and expansion projects are completed, the total costs of the plant construction and expansion projects may be higher than anticipated and the performance of our business following the plant construction and expansion projects may not meet expectations. Additionally, regulators may disallow recovery of some of the costs of a plant or expansion project if they are deemed not to be prudently incurred. Any of these or other factors could adversely affect our ability to realize the anticipated benefits from the plant construction and expansion projects.

## **Table of Contents**

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

**Market performance and other changes may decrease the value of decommissioning trust funds and benefit plan assets or increase our liabilities, which then could require significant additional funding.** The performance of the capital markets affects the value of the assets that are held in trust to satisfy future obligations to decommission our nuclear plants and under our pension and postretirement benefit plans. We have significant obligations in these areas and hold significant assets in these trusts. These assets are subject to market fluctuation and will yield uncertain returns, which may fall below our projected return rates. A decline in the market value of the assets may increase the funding requirements of the obligations to decommission our nuclear plants and under our pension and postretirement benefit plans. Additionally, changes in interest rates affect the liabilities under our pension and postretirement benefit plans; as interest rates decrease, the liabilities increase, potentially requiring additional funding. Further, changes in demographics, including increased numbers of retirements or changes in life expectancy assumptions, may also increase the funding requirements of the obligations related to the pension benefit plans. If we are unable to successfully manage the decommissioning trust funds and benefit plan assets, our results of operation and financial position could be negatively affected.

**Changing rating agency requirements could negatively affect our growth and business strategy.** As of December 31, 2008, Dominion's senior unsecured debt was rated A-, stable outlook, by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. (Standard & Poor's); Baa2, stable outlook, by Moody's Investors Service (Moody's); and BBB+, stable outlook, by Fitch Ratings Ltd. (Fitch). In order to maintain our current credit ratings in light of existing or future requirements, we may find it necessary to take steps or change our business plans in ways that may adversely affect our growth and earnings per share. A reduction in Dominion's credit ratings or the credit ratings of our Virginia Power subsidiary by Standard & Poor's, Moody's or Fitch could increase our borrowing costs and adversely affect operating results and could require us to post additional collateral in connection with some of our price risk management activities.

**Potential changes in accounting practices may adversely affect our financial results.** We cannot predict the impact that future changes in accounting

## Table of Contents

standards or practices may have on public companies in general, the energy industry or our operations specifically. New accounting standards could be issued that could change the way we record revenues, expenses, assets and liabilities. These changes in accounting standards could adversely affect our reported earnings or could increase reported liabilities.

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

**Delays in the recovery of fuel costs at Virginia Power could negatively affect its cash flow, which could adversely affect our results of operations.** Virginia Power has a statutory right to recover from customers all prudently incurred fuel costs through fuel factors which have been implemented in our Virginia and North Carolina jurisdictions. However, as a result of increasing fuel costs and a statutory limitation on the amount of fuel recovery that can be collected from Virginia jurisdictional customers in the July 1, 2007 through June 30, 2008 fuel factor period, Virginia Power has deferred a significant amount of fuel costs. Deferred recovery of fuel costs could have a negative impact on Virginia Power's cash flow. The recent fluctuations in fuel prices may make it difficult to accurately predict fuel costs. In the future, if actual fuel costs incurred during the fuel factor period exceed the estimate of costs which the Virginia Commission has

approved for recovery in that period, we will not have authority to recover the excess costs through fuel rates until the following year when a new factor is determined. To the extent that such deferrals occur, the resulting delays in the current recovery of fuel costs could negatively impact Virginia Power's cash flow, which could adversely affect our results of operations.

**The price of our common stock may be adversely affected by the issuance and sale of our common stock, including pursuant to the sales agency agreements.** We cannot predict the effect that future issuances or sales of our common stock, if any, including those made pursuant to the sales agency agreements, may have on the market price for our common stock. In addition, the sales agents, as agents for sales under the sales agency agreements, will not engage in any transactions that stabilize the price of our common stock. The issuance and sale of substantial amounts of common stock, including issuances and sales pursuant to the sales agency agreements, could adversely affect the market price of our common stock.

## **DOMINION**

Dominion, headquartered in Richmond, Virginia, is one of the nation's largest producers and transporters of energy. Dominion also operates the nation's largest natural gas storage network and serves retail energy customers in 12 states. As of September 30, 2008, we had approximately \$41.4 billion in assets.

We currently manage our operations through three primary business segments that are designed to streamline operations and position us for long-term growth in the competitive energy marketplace by focusing on our electric and gas products and services. They are:

S-13

## **Table of Contents**

*Dominion Energy* Dominion Energy manages our 14,000 miles of natural gas transmission, gathering and storage pipeline, and a 975 billion cubic foot natural gas storage network. This business segment includes our Ohio regulated natural gas distribution operations that serve approximately 1.2 million residential, commercial and industrial gas sales and transportation customers. Dominion Energy also operates our Cove Point, Maryland liquefied natural gas import and storage facility. In addition, it oversees our natural gas production located in the Appalachian Basin and producer services, which aggregates gas supply, engages in trading and marketing activities, provides market-based services related to fuel and gas supply management, and supplies price risk management services to Dominion affiliates.

*Dominion Generation* Dominion Generation manages our approximately 27,000 megawatt portfolio of merchant and regulated utility electric power generation and guides our generation growth strategy and energy trading and marketing activities associated with our generation assets. The generation mix is diversified and includes coal, nuclear, gas, oil, renewables and purchased power. Our electric generation operations currently focus on serving customers in the energy intensive Northeast, Mid-Atlantic and Midwest regions of the United States. Our generation facilities are located in Connecticut, Illinois, Indiana, Massachusetts, North Carolina, Pennsylvania, Rhode Island, Virginia, West Virginia and Wisconsin.

*Dominion Virginia Power* Dominion Virginia Power manages our regulated electric distribution and electric transmission operations in Virginia and northeastern North Carolina, as well as our nonregulated retail energy marketing and regulated and nonregulated customer service operations. Our regulated electric distribution operations serve approximately 2.4 million residential, commercial, industrial and governmental customer accounts in Virginia and northeastern North Carolina and our nonregulated retail energy marketing operations serve approximately 1.7 million customer accounts in the Northeast, Mid-Atlantic, South and Midwest.

## **Principal Subsidiaries**

Our principal direct, legal subsidiaries include Virginia Power, a regulated public utility that generates, transmits and distributes electricity for sale in Virginia and northeastern North Carolina, Dominion Energy, Inc., which is involved in merchant generation, energy marketing and risk management activities and natural gas exploration and production in the Appalachian basin of the U.S., Dominion Transmission, Inc., which operates a regulated interstate natural gas transmission pipeline and underground storage system in the Northeast, mid-Atlantic and Midwest states and is engaged in the production, gathering and extraction of natural gas in the Appalachian basin, Virginia Power Energy Marketing, Inc., which provides fuel, gas supply management and risk management services to other Dominion affiliates and engages in energy trading activities, Dominion Retail, Inc. which provides energy and energy related services to 1.7 million customers in 12 states, including electricity customers in Texas, Pennsylvania, Massachusetts, Connecticut, Ohio, Maine, New York and Maryland, Dominion Exploration & Production, Inc., which explores for, develops and produces natural gas and oil in the Appalachian basin of the U.S., and The East Ohio Gas

**Table of Contents**

Company, our Ohio regulated natural gas distribution subsidiary.

**Other**

We expect that changes occurring in our industry and in the marketplace generally may create opportunities for acquisitions of assets or business combinations consistent with our strategic principles. We regularly evaluate opportunities that we identify or learn about that may either increase shareholder value or build on our existing asset platform. We sometimes participate in discussions, bidding or negotiation processes related to these potential transactions. Material strategic acquisitions or business combinations may require us to access external financing sources, including debt and equity capital markets.

For more information about us, see WHERE YOU CAN FIND MORE INFORMATION on page S-3.

**USE OF PROCEEDS**

We intend to use the net proceeds from this offering for general corporate purposes including repayment of debt and funding capital expenditures.

S-15

**Table of Contents****COMMON STOCK PRICE RANGE AND DIVIDENDS**

Our common stock is listed on the New York Stock Exchange under the symbol D. The following table sets forth the range of intra-day high and low sale prices, as reported on the New York Stock Exchange and the cash dividends declared on the common stock for the periods indicated:

	Price Range*		Dividends
	High	Low	
<b>2006</b>			
First Quarter	\$ 40.21	\$ 34.44	\$ 0.345
Second Quarter	38.01	34.46	0.345
Third Quarter	40.71	37.22	0.345
Fourth Quarter	42.22	38.02	0.345
<b>2007</b>			
First Quarter	\$ 44.71	\$ 39.84	\$ 0.355
Second Quarter	46.82	40.03	0.355
Third Quarter	46.00	40.76	0.355
Fourth Quarter	49.38	42.23	0.355
<b>2008</b>			
First Quarter	\$ 48.23	\$ 38.63	\$ 0.395
Second Quarter	48.28	41.12	0.395
Third Quarter	48.50	40.51	0.395
Fourth Quarter	44.46	31.26	0.395
<b>2009</b>			
First Quarter (through January 26, 2009)	\$ 36.77	\$ 33.17	\$ 0.4375

\* All per-share stock prices reflect November 2007 2-for-1 stock split.

On January 26, 2009, the last reported sale price of the common stock on the New York Stock Exchange was \$35.75 per share.

Dividends on our common stock are paid as declared by Dominion's board of directors. On December 17, 2008, our board of directors declared a quarterly dividend of \$0.4375 cents per share payable on March 20, 2009 to shareholders of record on February 27, 2009. Dividends are typically paid on the 20th of March, June, September and December. Dividends can be paid by check or electronic deposit, or may be reinvested.

As of December 31, 2008, we had approximately 583 million shares of common stock outstanding and there were approximately 151,330 registered holders of our common stock, including approximately 62,000 certificate holders.





**Table of Contents**

**DESCRIPTION OF COMMON STOCK**

See DESCRIPTION OF CAPITAL STOCK in the accompanying base prospectus for a summary description of our common stock.

We, along with Continental Stock Transfer & Trust Company, are transfer agent and registrar for our common stock.

**PLAN OF DISTRIBUTION**

We have entered into a separate sales agency agreement with each of BNY Mellon Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. Incorporated as our sales agents under which we may offer and sell from time to time shares of our common stock having an aggregate offering price of up to \$400,000,000 through, at our discretion, any of the sales agents. Sales of the shares, if any, will be made in (i) privately negotiated transactions (if and only if we and the sales agents have so agreed in writing), or (ii) by any other method or payment permitted by law deemed to be an at the market offering as defined in Rule 415 of the Securities Act, including sales made directly on the New York Stock Exchange or sales made to or through a market maker or through an electronic communications network. Nothing in the sales agency agreements shall be deemed to require us or the sales agents to agree to the method of offer and sale specified in clause (i) above, and any party may withhold its consent thereto in such party's sole discretion. As our sales agents, BNY Mellon Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. Incorporated will not engage in any transactions that stabilize our common stock. An affiliate of BNY Mellon Capital Markets, LLC, The Bank of New York Mellon, serves as trustee under the indentures for our and Virginia Power's senior and subordinated debt.

Each sales agent will offer shares of our common stock subject to the terms and conditions of its sales agency agreement with us. We will designate the minimum price per share at which the shares may be sold and the maximum amount of shares of common stock to be sold through the sales agents on a daily basis or otherwise determine such maximum amount together with the sales agents. Subject to the terms and conditions of its sales agency agreement with us, each sales agent, as applicable, will use its commercially reasonable efforts to sell as our sales agent and on our behalf, all of the designated shares of common stock. We or any of the sales agents may suspend the offering of shares of common stock being made through the sales agents under the sales agency agreements upon proper notice to the other party.

Each sales agent will receive from us a commission equal to 1.00% of the gross sales price per share for any shares sold through it as our sales agent under its sales agency agreement with us. The remaining sales proceeds, after deducting transaction fees imposed by any governmental, regulatory, or self-regulatory organization in connection with the sales, will equal our net proceeds for the sale of such shares. We have agreed to reimburse the agents for certain of their legal and other expenses in certain circumstances.

Each sales agent will provide written confirmation to us following the close of trading on the New York Stock Exchange each day in which shares of common stock are sold by such sales agent for us under its

S-17

## **Table of Contents**

sales agency agreement with us. Each confirmation will include the number of shares sold on that day, the gross sales price per share, the net proceeds to us and the compensation payable by us to the applicable sales agent.

Settlement for sales of common stock will occur, unless the parties agree otherwise, on the third business day following the date on which any sales were made against payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We will deliver to the New York Stock Exchange copies of this prospectus supplement pursuant to the rules of the exchange. We will report at least quarterly the number of shares of common stock sold through the sales agents under the sales agency agreements, the net proceeds to us and the compensation paid by us to the sales agents in connection with the sales of common stock.

In connection with the sale of the common stock on our behalf, each of the sales agents may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act), and the compensation paid to the sales agents may be deemed to be underwriting commissions or discounts. We have agreed in the sales agency agreements to provide indemnification and contribution to each of the sales agents against certain civil liabilities, including liabilities under the Securities Act.

The sales agents and their affiliates have performed investment banking, commercial banking and advisory services for us from time to time for which they have received customary fees and expenses. The sales agents may, from time to time in the future, engage in transactions with and perform services for us in the ordinary course of business.

If any of the sales agents or we have reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied, that party will promptly notify the other and sales of common stock under the sales agency agreements will be suspended until that or other exemptive provisions have been satisfied in the judgment of the sales agents and us.

The offering of common stock pursuant to each of the sales agency agreements will terminate upon the termination of each respective sales agency agreement, pursuant to its terms, by each respective sales agent or us.

We estimate that the total expenses of the offering payable by us, excluding discounts and commissions payable to the sales agents under the sales agency agreements, will be approximately \$250,000.00.

## **LEGAL MATTERS**

Certain legal matters in connection with this common stock offering will be passed upon for us by McGuireWoods LLP, and for the sales agents by Troutman Sanders LLP, which also performs certain legal services for us and our other affiliates on other matters.

## **EXPERTS**

The financial statements incorporated in this Prospectus by reference from the Company's Annual Report on Form 10-K

S-18

**Table of Contents**

for the year ended December 31, 2007, and the effectiveness of Dominion Resources Inc. s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, which reports (1) express an unqualified opinion on the consolidated financial statements (and include an explanatory paragraph relating to the adoption of new accounting standards) and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

S-19

Table of Contents

PROSPECTUS

**DOMINION RESOURCES, INC.**

120 Tredegar Street

Richmond, Virginia 23219

(804) 819-2000

Senior Debt Securities

Junior Subordinated Debentures

Junior Subordinated Notes

Trust Preferred Securities, Related Guarantee and Agreement as to Expenses  
and Liabilities

Common Stock

Preferred Stock

Stock Purchase Contracts

## Stock Purchase Units

From time to time, we may offer and sell our securities. The securities we may offer may be convertible into or exercisable or exchangeable for other securities of the Company.

We will file prospectus supplements and may provide other offering materials that furnish specific terms of the securities to be offered under this prospectus. The terms of the securities will include the initial offering price, aggregate amount of the offering, listing on any securities exchange or quotation system, investment considerations and the agents, dealers or underwriters, if any, to be used in connection with the sale of the securities. You should read this prospectus and any supplement or other offering materials carefully before you invest.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

This prospectus is dated January 29, 2009.



**Table of Contents**

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (SEC) utilizing a shelf registration process. Under this shelf process, we may, from time to time, sell either separately or in units any combination of the securities described in this prospectus in one or more offerings up to an unspecified dollar amount. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement or other offering materials that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will also be discussed in the applicable prospectus supplement or other offering materials as necessary. The prospectus supplement or other offering materials may also add, update or change information contained in this prospectus. You should read both this prospectus, any prospectus supplement or other offering materials together with additional information described under the heading **WHERE YOU CAN FIND MORE INFORMATION**. When we use the terms *we*, *our*, *us*, *Dominion* or the *Company* in this prospectus, we are referring to Dominion Resources, Inc. and not Dominion Resources Capital Trust IV.

**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 in Washington, D.C. 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 them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and 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 until we sell all of the securities:

Annual Report on Form 10-K for the year ended December 31, 2007;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008; June 30, 2008; and September 30, 2008;

Current Reports on Form 8-K, filed January 3, 2008, January 30, 2008 (with respect to Items 5.02 and 9.01), April 2, 2008, May 9, 2008, June 5, 2008, June 16, 2008, November 26, 2008, December 5, 2008 and January 29, 2009 (with respect to Item 5.02) (other than any portions of the documents not deemed to be filed); and

the description of our common stock contained in our Current Report on Form 8-K, filed December 5, 2008.

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, (804) 819-2000.

## **Table of Contents**

You should rely only on the information contained in this prospectus or to which this prospectus refers you. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus may only be used where it is legal to sell these securities. The information which appears in this prospectus and which is incorporated by reference in this prospectus may only be accurate as of the date of this prospectus or the date of the document in which incorporated information appears. Our business, financial condition, results of operations and prospects may have changed since that date.

## **SAFE HARBOR AND CAUTIONARY STATEMENTS**

This prospectus or other offering materials may contain or incorporate by reference forward-looking statements. Examples include discussions as to our expectations, beliefs, plans, goals, objectives and future financial or other performance. These statements, by their nature, involve estimates, projections, forecasts and uncertainties that could cause actual results or outcomes to differ substantially from those expressed in the forward-looking statements. Factors that could cause actual results to differ from those in the forward-looking statements may accompany the statements themselves; generally applicable factors that could cause actual results or outcomes to differ from those expressed in the forward-looking statements will be discussed in our reports on Forms 10-K, 10-Q and 8-K incorporated by reference herein and in prospectus supplements and other offering materials.

By making forward-looking statements, we are not intending to become obligated to publicly update or revise any forward-looking statements whether as a result of new information, future events or other changes. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as at their dates.

## **DOMINION**

Dominion, headquartered in Richmond, Virginia, is one of the nation's largest producers and transporters of energy. Dominion also operates the nation's largest natural gas storage network and serves retail energy customers in 12 states. As of September 30, 2008, we had approximately \$41.4 billion in assets.

We currently manage our operations through three primary business segments that are designed to streamline operations and position us for long-term growth in the competitive energy marketplace by focusing on our electric and gas products and services. They are:

*Dominion Energy* Dominion Energy manages our 14,000 miles of natural gas transmission, gathering and storage pipeline, and a 975 billion cubic foot natural gas storage network. This business segment includes our Ohio regulated natural gas distribution operations that serve approximately 1.2 million residential, commercial and industrial gas sales and transportation customers. Dominion Energy also operates our Cove Point, Maryland liquefied natural gas

import and storage facility. In addition, it oversees our natural gas production located in the Appalachian Basin and producer services, which aggregates gas supply, engages in trading and marketing activities, provides market-based services related to

## **Table of Contents**

fuel and gas supply management, and supplies price risk management services to Dominion affiliates.

*Dominion Generation* Dominion Generation manages our approximately 27,000 megawatt portfolio of merchant and regulated utility electric power generation and guides our generation growth strategy and energy trading and marketing activities associated with our generation assets. The generation mix is diversified and includes coal, nuclear, gas, oil, renewables and purchased power. Our electric generation operations currently focus on serving customers in the energy intensive Northeast, Mid-Atlantic and Midwest regions of the United States. Our generation facilities are located in Connecticut, Illinois, Indiana, Massachusetts, North Carolina, Pennsylvania, Rhode Island, Virginia, West Virginia and Wisconsin.

*Dominion Virginia Power* Dominion Virginia Power manages our regulated electric distribution and electric transmission operations in Virginia and northeastern North Carolina, as well as our nonregulated retail energy marketing and regulated and nonregulated customer service operations. Our regulated electric distribution operations serve approximately 2.4 million residential, commercial, industrial and governmental customer accounts in Virginia and northeastern North Carolina; and our nonregulated retail energy marketing operations serve approximately 1.7 million customer accounts in the Northeast, Mid-Atlantic, South and Midwest.

## **Principal Subsidiaries**

Our principal direct, legal subsidiaries include Virginia Electric and Power Company (Virginia Power), a regulated public utility that generates, transmits and distributes electricity for sale in Virginia and northeastern North Carolina; Dominion Energy, Inc., which is involved in merchant generation, energy marketing and price risk management activities and natural gas exploration and production in the Appalachian basin of the U.S.; Dominion Transmission, Inc., which operates a regulated interstate natural gas transmission pipeline and underground storage system in the Northeast, mid-Atlantic and Midwest states and is engaged in the production, gathering and extraction of natural gas in the Appalachian basin; Virginia Power Energy Marketing, Inc., which provides fuel, gas supply management and risk management services to other Dominion affiliates and engages in energy trading activities; Dominion Retail, Inc., which provides energy and energy related services to 1.7 million customers in 12 states, including electricity customers in Texas, Pennsylvania, Massachusetts, Connecticut, Ohio, Maine, New York and Maryland; Dominion Exploration & Production, Inc., which explores for, develops and produces natural gas and oil in the Appalachian basin of the U.S.; and The East Ohio Gas Company, our Ohio regulated natural gas distribution subsidiary.

For additional information about us, see WHERE YOU CAN FIND MORE INFORMATION on page 2.

**Table of Contents**

**THE TRUST**

Dominion Resources Capital Trust IV is a statutory trust formed under Delaware law by us, as sponsor for the Trust, and BNY Mellon Trust of Delaware (successor to Chase Bank USA, National Association (formerly known as Chase Manhattan Bank USA, National Association)), who will serve as trustee in the State of Delaware for the purpose of complying with the provisions of the Delaware Statutory Trust Act. The trust agreement for the Trust will be amended and restated substantially in the form filed as an exhibit to the registration statement, effective when securities of the Trust are initially issued. The amended trust agreement will be qualified as an indenture under the Trust Indenture Act of 1939.

The Trust exists for the exclusive purposes of

issuing two classes of trust securities, Trust Preferred Securities and trust common securities, which together represent undivided beneficial interests in the assets of the Trust;

investing the gross proceeds of the trust securities in the applicable series of our Debt Securities;

acquiring such other assets or making such other investments as may be described in any prospectus supplement;

making distributions; and

engaging in only those other activities necessary, advisable or incidental to the purposes listed above.

The applicable series of Debt Securities will be the sole assets of the Trust, and our payments under the applicable series of Debt Securities issued to the Trust and the Agreement as to Expenses and Liabilities will be the sole revenue of the Trust.

No separate financial statements of the Trust are included in this prospectus. We believe that these financial statements would not be material to holders of the Trust Preferred Securities because the Trust has no independent operations and the purpose of the Trust is as described above. The Trust is not required to file annual, quarterly or current reports with the SEC.

The principal place of business of the Trust will be c/o Dominion Resources, Inc., 120 Tredegar Street, Richmond, Virginia 23219.

## **USE OF PROCEEDS**

Unless otherwise indicated in the applicable prospectus supplement or other offering materials, we will use the net proceeds from the sale of the securities offered by this prospectus to finance capital expenditures and future acquisitions and to retire or redeem debt securities issued by us and for other general corporate purposes which may include the repayment of commercial paper and debt under any of our credit facilities.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

For purposes of this ratio, earnings are determined by adding distributed income of equity investees and fixed charges (excluding interest capitalized) to income before income taxes and minority interest after eliminating the equity in earnings or losses of equity investees. These earnings are then divided by total fixed charges. Fixed charges consist of interest charges (without reduction for Allowance for Funds Used During Construction) on long-term and short-term debt, interest capitalized, the portion of rental expense that is representative of the interest factor and preferred stock dividends of consolidated subsidiaries (grossed-up by a factor of pre-tax net income divided by net income).

The ratio of earnings to fixed charges presented below shall also serve to represent the ratio of preference dividends to earnings.

The ratio of earnings to fixed charges for each of the periods indicated is as follows:

Nine Months Ended	Twelve Months Ended	Years Ended December 31,				
September 30,	September 30,					
2008 <sup>(a)</sup>	2008 <sup>(b)</sup>	2007 <sup>(c)</sup>	2006 <sup>(d)</sup>	2005 <sup>(e)</sup>	2004 <sup>(f)</sup>	2003 <sup>(g)</sup>
3.81	3.65	4.28	2.90	2.34	2.83	2.27

- (a) Earnings for the nine months ended September 30, 2008 include \$83 million of impairment charges reflecting other-than-temporary declines in the fair value of securities held in merchant nuclear decommissioning trust funds, \$59 million of impairment charges related to Dominion Capital, Inc. (DCI) assets, and a \$42 million reduction in the gain recognized in 2007 from the sale of the majority of our U.S. exploration and production (E&P) businesses as a result of post-closing adjustments. Earnings for the period also include a \$46 million benefit related to the planned sale of two natural gas distribution utilities, The Peoples Natural Gas Company (Peoples) and Hope Gas, Inc. (Hope), and a \$7 million benefit related to other items. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the nine months ended September 30, 2008.
- (b) Earnings for the twelve months ended September 30, 2008 include \$99 million of impairment charges reflecting other-than-temporary declines in the fair value of securities held in nuclear decommissioning trust funds, \$61 million of impairment charges related to DCI assets, a \$46 million benefit related to the planned sale of Peoples and Hope, and \$2 million of charges related to other items. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended September 30, 2008.
- (c) Earnings for the twelve months ended December 31, 2007 include a \$3.6 billion gain from the disposition of the majority of our U.S. E&P operations, partially offset by \$1 billion of charges related to the disposition which are comprised of \$541 million related to the discontinuance of hedge accounting for certain gas and oil derivatives and subsequent changes in the fair value of these derivatives, \$171 million primarily related to the settlement of volumetric production payment agreements, \$242 million of charges related to the early retirement of debt, and \$91 million of employee-related expenses. Earnings for the period also include a \$387 million charge related to the impairment of the partially-completed Dresden generation facility; a \$231 million charge due to the termination of a power sales agreement at our State Line generating facility; \$88 million of impairment charges related to DCI assets; \$48 million of charges related to litigation reserves, and \$70 million of charges related to other items. Fixed charges for the twelve months ended December 31, 2007 include \$234 million of costs related to the early retirement of debt associated with our debt tender offer completed in July 2007. Excluding these items from the calculation would result in a lower ratio of earnings to fixed charges for the twelve months ended December 31, 2007.
- (d) Earnings for the twelve months ended December 31, 2006 include \$189 million of charges related to the planned sale of two natural gas distribution utilities, Peoples and Hope, including \$166 million resulting from the write-off of certain regulatory assets, \$90 million of impairment charges related to DCI assets, a \$60 million charge due to an adjustment eliminating the application of hedge accounting related to certain interest rate swaps associated with our junior subordinated notes payable to affiliated trusts, a \$27 million charge resulting from the termination of a pipeline project in West Virginia, a \$26 million impairment charge resulting from a change in method of assessing other-than-temporary decline in the fair value of certain securities, \$17 million of incremental charges related to hurricanes Katrina and Rita, and \$9 million of net charges related to other items. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2006.



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

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## **Table of Contents**

- (f) Earnings for the twelve months ended December 31, 2004 include \$76 million of impairment charges related to Dominion's investment in and planned divestiture of DCI, a \$23 million benefit associated with the disposition of certain assets held for sale, an \$18 million benefit from the reduction of accrued expenses associated with Hurricane Isabel restoration activities, \$96 million of losses related to the discontinuance of hedge accounting for certain oil hedges and subsequent changes in the fair value of those hedges during the third quarter following Hurricane Ivan, \$71 million in charges resulting from the termination of certain long-term power purchase contracts, a \$184 million charge related to the Batesville long-term power-tolling contract divested in the second quarter of 2005, and \$22 million of charges related to net legal settlements and other items. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2004.
- (g) Earnings for the twelve months ended December 31, 2003 include a \$134 million impairment of DCI assets, \$28 million for severance costs related to workforce reductions, an \$84 million impairment of certain assets held for sale, \$197 million for restoration expenses related to Hurricane Isabel, a \$105 million charge related to the termination of a power purchase contract, \$64 million in charges for the restructuring and termination of certain electric sales contracts and a \$144 million charge related to our investment in Dominion Telecom including impairments, the cost of refinancing, and reallocation of equity losses. Excluding these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2003.

## **DESCRIPTION OF DEBT SECURITIES**

The term Debt Securities includes the Senior Debt Securities, Junior Subordinated Debentures and Junior Subordinated Notes. We will issue the Senior Debt Securities in one or more series under our Senior Indenture dated as of June 1, 2000 between us and The Bank of New York Mellon, successor to JPMorgan Chase Bank, N.A., (formerly known as The Chase Manhattan Bank) as Trustee, as amended and as supplemented from time to time. We will issue the Junior Subordinated Debentures in one or more series under our Junior Subordinated Indenture dated as of December 1, 1997 between us and The Bank of New York Mellon, successor to JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank), as Trustee, as supplemented from time to time. We will issue Junior Subordinated Notes in one or more series under our Junior Subordinated Notes Indenture dated as of June 1, 2006 between us and The Bank of New York Mellon, successor to JPMorgan Chase Bank, N.A. The indenture related to the Junior Subordinated Debentures is called the Subordinated Indenture in this prospectus and the indenture related to the Junior Subordinated Notes is called the Subordinated Indenture II; and together the Senior Indenture, the Subordinated Indenture and the Subordinated Indenture II are called Indentures. We have summarized selected provisions of the Indentures below. The Senior Indenture, the Subordinated Indenture and the Subordinated Indenture II have been filed as exhibits to the registration statement and you should read the Indentures for provisions that may be important to you. In the summary below, we have included references to section numbers of the Indentures so that you can easily locate these provisions. Capitalized terms used in the summary have the meanings specified in the Indentures.

### **General**

The Senior Debt Securities will be our direct, unsecured obligations and will rank equally with all of our other senior and unsubordinated debt, except to the extent provided in the applicable prospectus supplement or other offering materials. The Junior Subordinated Debentures will be our unsecured obligations and are junior in right of payment to our Senior Indebtedness, as described under the caption **ADDITIONAL TERMS OF THE JUNIOR SUBORDINATED DEBENTURES** Subordination. The Junior Subordinated Notes will be our unsecured obligation and are junior in right of payment to our Priority Indebtedness, as described under the caption **ADDITIONAL TERMS OF THE JUNIOR SUBORDINATED NOTES** Subordination.



## **Table of Contents**

Because we are a holding company that conducts all of our operations through our subsidiaries, our ability to meet our obligations under the Debt Securities 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 Debt Securities will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders. As of December 31, 2008, Virginia Power had approximately 2.59 million issued and outstanding shares of preferred stock with an aggregated liquidation preference of \$259 million. In addition, as of December 31, 2008, our subsidiaries had approximately \$6.4 billion in aggregate principal amount of outstanding long-term debt (including securities due within one year).

The Indentures do not limit the amount of Debt Securities that we may issue. We may issue Debt Securities from time to time under the Indentures in one or more series by entering into supplemental indentures or by our Board of Directors or duly authorized officers authorizing the issuance. A form of supplemental indenture to each of the Indentures is an exhibit to the registration statement.

The Indentures do not protect the holders of Debt Securities if we engage in a highly leveraged transaction.

## **Provisions of a Particular Series**

The Debt Securities of a series need not be issued at the same time, bear interest at the same rate or mature on the same date. Unless otherwise provided in the terms of a series, a series may be reopened, without notice to or consent of any holder of outstanding Debt Securities, for issuances of additional Debt Securities of that series. The prospectus supplement or other offering materials for a particular series of Debt Securities will describe the terms of that series, including, if applicable, some or all of the following:

the title and type of the Debt Securities;

the total principal amount of the Debt Securities;

the portion of the principal payable upon acceleration of maturity, if other than the entire principal;

the date or dates on which principal is payable or the method for determining the date or dates, and any right that we have to change the date on which principal is payable;

the interest rate or rates, if any, or the method for determining the rate or rates, and the date or dates from which interest will accrue;

any interest payment dates and the regular record date for the interest payable on each interest payment date, if any;

any payments due if the maturity of the Debt Securities is accelerated;

any optional redemption terms, or any repayment terms;

any provisions that would obligate us to repurchase or otherwise redeem the Debt Securities, or any sinking fund provisions;

**Table of Contents**

the currency in which payments will be made if other than U.S. dollars, and the manner of determining the equivalent of those amounts in U.S. dollars;

if payments may be made, at our election or at the holder's election, in a currency other than that in which the Debt Securities are stated to be payable, then the currency in which those payments may be made, the terms and conditions of the election and the manner of determining those amounts;

any index or formula used for determining principal, interest or premium, if any;

the percentage of the principal amount at which the Debt Securities will be issued, if other than 100% of the principal amount;

whether the Debt Securities will be issued in fully registered certificated form or book-entry form, represented by certificates deposited with the Trustee and registered in the name of a securities depository or its nominee (Book-Entry Debt Securities);

denominations, if other than \$1,000 each or multiples of \$1,000;

any rights that would allow us to defer or extend an interest payment date in connection with any series of Debt Securities;

any provisions requiring payment of principal or interest in our capital stock or with proceeds from the sale of our capital stock or from any other specific source of funds in connection with any series of Debt Securities;

in the case of Senior Debt Securities, the identity of the series trustee, if other than the trustee (*Sections 201 and 202 of the Thirty Eighth Supplemental and Amending Indenture to the Senior Indenture*);

any changes to events of defaults or covenants; and

any other terms of the Debt Securities. (*Sections 201 & 301 of the Senior Indenture; Sections 2.1 & 2.3 of the Subordinated Indenture & the Subordinated Indenture II.*)

The prospectus supplement will also indicate any special tax implications of the Debt Securities and any provisions granting special rights to holders when a specified event occurs.

**Conversion or Redemption**

No Debt Security will be subject to conversion, amortization or redemption, unless otherwise provided in the applicable prospectus supplement or other offering materials. Any provisions relating to the conversion or redemption of Debt Securities will be set forth in the applicable prospectus supplement or other offering materials, including whether conversion is mandatory or at our option. If no redemption date or redemption price is indicated with respect to a Debt Security, we may not redeem the Debt Security prior to its stated maturity. Debt Securities subject to redemption by us will be subject to the following terms:

redeemable on and after the applicable redemption dates;

redemption dates and redemption prices fixed at the time of sale and set forth on the Debt Security; and

## **Table of Contents**

redeemable in whole or in part (provided that any remaining principal amount of the Debt Security will be equal to an authorized denomination) at our option at the applicable redemption price, together with interest, payable to the date of redemption, on notice given not more than 60 nor less than 20 days prior to the date of redemption. (*Section 1104 of the Senior Indenture; Section 3.2 of the Subordinated Indenture & the Subordinated Indenture II.*)

We will not be required to:

issue, register the transfer of, or exchange any Debt Securities of a series during the period beginning 15 days before the date the Debt Securities of that series are selected for redemption; or

register the transfer of, or exchange any Debt Security of that series selected for redemption except the unredeemed portion of a Debt Security being partially redeemed. (*Section 305 of the Senior Indenture; Section 2.5 of the Subordinated Indenture & the Subordinated Indenture II.*)

## **Payment and Transfer; Paying Agent**

The paying agent will pay the principal of any Debt Securities only if those Debt Securities are surrendered to it. Unless we state otherwise in the applicable prospectus supplement or other offering materials, the paying agent will pay principal, interest and premium, if any, on Debt Securities, subject to such surrender, where applicable, at its office or, at our option:

by wire transfer to an account at a banking institution in the United States that is designated in writing to the Trustee prior to the deadline set forth in the applicable prospectus supplement or other offering materials by the person entitled to that payment (which in the case of Book-Entry Debt Securities is the securities depository or its nominee); or

by check mailed to the address of the person entitled to that interest as that address appears in the security register for those Debt Securities. (*Sections 307 & 1001 of the Senior Indenture; Section 4.1 of the Subordinated Indenture & the Subordinated Indenture II.*)

Neither we nor the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Book-Entry Debt Security, or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. We expect that the securities depository, upon receipt of any payment of principal, interest or premium, if any, in a Book-Entry Debt Security, will credit immediately the accounts of the related participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interest in the Book-Entry Debt Security as shown on the records of the securities depository. We also expect that payments by participants to owners of beneficial interests in a Book-Entry Debt Security will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility



of the participants.

## **Table of Contents**

Unless we state otherwise in the applicable prospectus supplement or other offering materials, the Trustee will act as paying agent for the Debt Securities, and the principal corporate trust office of the Trustee will be the office through which the paying agent acts. We may, however, change or add paying agents or approve a change in the office through which a paying agent acts. *(Section 1002 of the Senior Indenture; Section 4.4 of the Subordinated Indenture & the Subordinated Indenture II.)*

Any money that we have paid to a paying agent for principal or interest on any Debt Securities which remains unclaimed at the end of two years after that principal or interest has become due will be repaid to us at our request. After repayment to the Company, holders should look only to us for those payments. *(Section 1003 of the Senior Indenture; Section 12.4 of the Subordinated Indenture & the Subordinated Indenture II.)*

Fully registered securities may be transferred or exchanged at the corporate trust office of the Trustee or at any other office or agency we maintain for those purposes, without the payment of any service charge except for any tax or governmental charge and related expenses. *(Section 1002 of the Senior Indenture; Section 2.5 of the Subordinated Indenture & the Subordinated Indenture II.)*

## **Global Securities**

We may issue some or all of the Debt Securities as Book-Entry Debt Securities. Book-Entry Debt Securities will be represented by one or more fully registered global certificates. Book-Entry Debt Securities of like tenor and terms up to \$500,000,000 aggregate principal amount may be represented by a single global certificate. Each global certificate will be deposited with the Trustee and registered in the name of the securities depository or its nominee. Unless it is exchanged in whole or in part for Debt Securities in definitive form, a global certificate may generally be transferred only as a whole unless it is being transferred to certain nominees of the depository. *(Section 305 of the Senior Indenture; Section 2.5 of the Subordinated Indenture & the Subordinated Indenture II.)*

Unless otherwise stated in any prospectus supplement or other offering materials, The Depository Trust Company will act as the securities depository. Beneficial interests in global certificates will be shown on, and transfers of global certificates will be effected only through, records maintained by the securities depository and its participants. If there are any additional or differing terms of the depository arrangement with respect to the Book-Entry Debt Securities, we will describe them in the applicable prospectus supplement or other offering materials.

Holders of beneficial interests in Book-Entry Debt Securities represented by a global certificate are referred to as beneficial owners. Beneficial owners will be limited to institutions having accounts with the securities depository or its nominee, which are called participants in this discussion, and to persons that hold beneficial interests through participants. When a global certificate representing Book-Entry Debt Securities is issued, the securities depository will credit on its book-entry, registration and transfer system the principal amounts of Book-Entry Debt Securities the

global certificate represents to the accounts of its participants.

**Table of Contents**

Ownership of beneficial interests in a global certificate will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by:

the securities depository, with respect to participants' interests; and

any participant, with respect to interests the participant holds on behalf of other persons.

As long as the securities depository or its nominee is the registered holder of a global certificate representing Book-Entry Debt Securities, that person will be considered the sole owner and holder of the global certificate and the Book-Entry Debt Securities it represents for all purposes. Except in limited circumstances, beneficial owners:

may not have the global certificate or any Book-Entry Debt Securities it represents registered in their names;

may not receive or be entitled to receive physical delivery of certificated Book-Entry Debt Securities in exchange for the global certificate; and

will not be considered the owners or holders of the global certificate or any Book-Entry Debt Securities it represents for any purposes under the Debt Securities or the Indentures. (*Section 308 of the Senior Indenture; Section 2.2 of the Subordinated Indenture & the Subordinated Indenture II.*)

We will make all payments of principal, interest and premium, if any, on a Book-Entry Debt Security to the securities depository or its nominee as the holder of the global certificate. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global certificate.

Payments participants make to beneficial owners holding interests through those participants will be the responsibility of those participants. The securities depository may from time to time adopt various policies and procedures governing payments, transfers, exchanges and other matters relating to beneficial interests in a global certificate. None of the following will have any responsibility or liability for any aspect of the securities depository's or any participant's records relating to beneficial interests in a global certificate representing Book-Entry Debt Securities, for payments made on account of those beneficial interests or for maintaining, supervising or reviewing any records relating to those beneficial interests:

Dominion;

the Trustee;

the Trust; or

any agent of any of the above.

### **Covenants**

Under the Indentures we will:

pay the principal, interest and premium, if any, on the Debt Securities when due;

## **Table of Contents**

maintain a place of payment;

deliver an officer's certificate to the Trustee at the end of each fiscal year confirming our compliance with our obligations under each of the Indentures; and

deposit sufficient funds with any paying agent on or before the due date for any principal, interest or premium, if any. (*Sections 1001, 1002, 1003 & 1006 of the Senior Indenture; Sections 4.1, 4.2, 4.4 & 4.6 of the Subordinated Indenture & the Subordinated Indenture II.*)

## **Consolidation, Merger or Sale**

The Indentures provide that we may consolidate or merge with or into, or sell all or substantially all of our properties and assets to, another corporation or other entity, provided that any successor assumes our obligations under the Indentures and the Debt Securities issued under the Indentures. We must also deliver an opinion of counsel to the Trustee affirming our compliance with all conditions in the applicable Indenture relating to the transaction. When the conditions are satisfied, the successor will succeed to and be substituted for us under the applicable Indenture, and, in the case of a sale of all or substantially all of our assets, we will be relieved of our obligations under the applicable Indenture and the Debt Securities issued under it. (*Sections 801 & 802 of the Senior Indenture; Sections 11.1, 11.2 & 11.3 of the Subordinated Indenture & the Subordinated Indenture II.*)

## **Events of Default**

Event of Default when used in each of the Indentures, will mean any of the following with respect to Debt Securities of any series:

failure to pay the principal or any premium on any Debt Security when due;

with respect to the Senior Debt Securities, failure to deposit any sinking fund payment for that series when due that continues for 60 days;

failure to pay any interest on any Debt Securities of that series, when due, that continues for 60 days (or for 30 days in the case of any Junior Subordinated Debentures or Junior Subordinated Notes, as applicable); provided that, if applicable, for this purpose, the date on which interest is due is the date on which we are required to make payment following any deferral of interest payments by us under the terms of the applicable series of Debt Securities that permit such deferrals;

failure to perform any other covenant in the Indentures (other than a covenant expressly included solely for the benefit of other series) that continues for 90 days after the Trustee or the holders of at least 33% of the outstanding Debt Securities (25% in the case of the Junior Subordinated Debentures or Junior Subordinated Notes, as applicable) of that series give written notice of the default;

certain events in bankruptcy, insolvency or reorganization of Dominion; or

any other Event of Default included in the Indentures or any supplemental indenture. (*Section 501 of the Senior Indenture; Section 6.1 of the Subordinated Indenture & the Subordinated Indenture II.*)

## **Table of Contents**

In the case of a general covenant default described above, the Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Debt Securities of that series, together with the Trustee, may also extend the grace period. The grace period will be automatically extended if we have initiated and are diligently pursuing corrective action.

An Event of Default for a particular series of Debt Securities does not necessarily constitute an Event of Default for any other series of Debt Securities issued under the Indentures. Additional events of default may be established for a particular series and, if established, will be described in the applicable prospectus supplement or other offering materials.

If an Event of Default for any series of Debt Securities occurs and continues, the Trustee or the holders of at least 33% (25%, in the case of the Junior Subordinated Debentures or Junior Subordinated Notes, as applicable) in aggregate principal amount of the Debt Securities of the series may declare the entire principal of all the Debt Securities of that series to be due and payable immediately. If this happens, subject to certain conditions, the holders of a majority of the aggregate principal amount of the Debt Securities of that series can void the declaration. (*Section 502 of the Senior Indenture; Section 6.1 of the Subordinated Indenture & the Subordinated Indenture II.*)

The Trustee may withhold notice to the holders of Debt Securities of any default (except in the payment of principal or interest) if it considers the withholding of notice to be in the best interests of the holders. Other than its duties in case of a default, a Trustee is not obligated to exercise any of its rights or powers under the Indentures at the request, order or direction of any holders, unless the holders offer the Trustee reasonable indemnity. If they provide this reasonable indemnification, the holders of a majority in principal amount of any series of Debt Securities may direct the time, method and place of conducting any proceeding or any remedy available to the Trustee, or exercising any power conferred upon the Trustee, for any series of Debt Securities. However, the Trustee must give the holders of Debt Securities notice of any default to the extent provided by the Trust Indenture Act. (*Sections 512, 601, 602 & 603 of the Senior Indenture; Sections 6.6, 6.7, 7.1 & 7.2 of the Subordinated Indenture & the Subordinated Indenture II.*)

The holder of any Debt Security will have an absolute and unconditional right to receive payment of the principal, any premium and, within certain limitations, any interest on that Debt Security on its maturity date or redemption date and to enforce those payments. (*Section 508 of the Senior Indenture; Section 14.2 of the Subordinated Indenture & the Subordinated Indenture II.*)

## **Option to Extend Interest Payment Period**

If elected in the applicable supplemental indenture, we may defer interest payments by extending the interest payment period for the number of consecutive extension periods specified in the applicable prospectus supplement or other offering materials (each, an





## **Table of Contents**

Extension Period). Other details regarding the Extension Period will also be specified in the applicable prospectus supplement or other offering materials. No Extension Period may extend beyond the maturity of the applicable series of Debt Securities. At the end of the Extension Period(s), we will pay all interest then accrued and unpaid, together with interest compounded quarterly at the interest rate for the applicable series of Debt Securities, to the extent permitted by applicable law. (*Section 2.10 of the Subordinated Indenture & the Subordinated Indenture II.*)

During any Extension Period, except as otherwise provided in the applicable supplemental indenture, we will not make distributions related to our capital stock, including dividends, redemptions, repurchases, liquidation payments, or guarantee payments. Also we will not make any payments on, redeem or repurchase any debt securities of equal or junior rank to the applicable series of Debt Securities or make any guarantee payments on any such Debt Securities. We may, however, make the following types of distributions and any other types of distributions specified in the applicable supplemental indenture:

dividends paid in common stock;

dividends in connection with the implementation of a shareholder rights plan;

payments to a trust holding securities of the same series under a guarantee; or

repurchases, redemptions or other acquisitions of shares of our capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants. (*Section 4.9 of the Subordinated Indenture & the Subordinated Indenture II.*)

## **Additional Covenants Applicable to Junior Subordinated Debentures and Junior Subordinated Notes if Issued to the Trust**

Under the Subordinated Indenture or Subordinated Indenture II, if Junior Subordinated Debentures or Junior Subordinated Notes, as applicable, are issued to the Trust, we will:

maintain 100% ownership of the common securities of the Trust to which the Junior Subordinated Debentures or Junior Subordinated Notes, as applicable, have been issued while that series of the Junior Subordinated Debentures or Junior Subordinated Notes, as applicable, remains outstanding; and

pay to the Trust to which the Junior Subordinated Debentures or Junior Subordinated Notes, as applicable, have been issued any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other taxing authority on the Trust, so that the net amounts received and retained by the Trust (after paying any taxes, duties, assessments or other governmental charges) will be not less

than the Trust would have received had no such taxes, duties, assessments or other governmental charges been imposed. (*Sections 4.8 & 4.9 of the Subordinated Indenture & the Subordinated Indenture II.*)

## **Table of Contents**

### **Satisfaction; Discharge**

We may discharge all our obligations (except those described below) to holders of the Debt Securities issued under the Indentures, which Debt Securities have not already been delivered to the Trustee for cancellation and which either have become due and payable or are by their terms due and payable within one year, or are to be called for redemption within one year, by depositing with the Trustee an amount certified to be sufficient to pay when due the principal, interest and premium, if any, on all outstanding Debt Securities. However, certain of our obligations under the Indentures will survive, including with respect to the following:

remaining rights to register the transfer, conversion, substitution or exchange of Debt Securities of the applicable series;

rights of holders to receive payments of principal of, and any interest on, the Debt Securities of the applicable series, and other rights, duties and obligations of the holders of Debt Securities with respect to any amounts deposited with the Trustee; and

the rights, obligations and immunities of the Trustee under the Indentures. (*Section 401 of the Senior Indenture; Section 12.1 of the Subordinated Indenture & the Subordinated Indenture II.*)

Under federal income tax law as in effect as of the date of this prospectus, a discharge may be treated as an exchange of the related Debt Securities. Each holder might be required to recognize gain or loss equal to the difference between the holder's cost or other tax basis for the Debt Securities and the value of the holder's interest in the defeasance trust. Holders might be required to include as income a different amount than would be includable without the discharge. We urge prospective investors to consult their own tax advisers as to the consequences of a discharge, including the applicability and effect of tax laws other than the federal income tax law.

### **Defeasance**

Unless we elect differently in the applicable supplemental indenture, we will be discharged from our obligations on the Senior Debt Securities or Junior Subordinated Notes of any series, as applicable, at any time if we deposit with the Trustee sufficient cash or government securities to pay the principal, interest, any premium and any other sums due to the stated maturity date or a redemption date of the Senior Debt Securities and Junior Subordinated Notes of the series. If this happens, the holders of the Senior Debt Securities or Junior Subordinated Notes of the series, as applicable, will not be entitled to the benefits of either the Senior Indenture or the Subordinated Indenture II, as applicable, except for registration of transfer and exchange of Senior Debt Securities or Junior Subordinated Notes, as applicable, and replacement of lost, stolen or mutilated Senior Debt Securities or Junior Subordinated Notes, as applicable. (*Section 402 of the Senior Indenture; Section 12.5 of the Subordinated Indenture II.*)

Under federal income tax law as in effect as of the date of this prospectus, a discharge may be treated as an exchange of the related Senior Debt Securities or Junior Subordinated Notes, as

## **Table of Contents**

applicable. Each holder might be required to recognize gain or loss equal to the difference between the holder's cost or other tax basis for the Senior Debt Securities or Junior Subordinated Notes, as applicable, and the value of the holder's interest in the defeasance trust. Holders might be required to include as income a different amount than would be includable without the discharge. We urge prospective investors to consult their own tax advisers as to the consequences of a discharge, including the applicability and effect of tax laws other than the federal income tax law.

## **Modification of Indentures; Waiver**

Under the Indentures our rights and obligations and the rights of the holders may be modified with the consent of the holders of a majority in aggregate principal amount of the outstanding Debt Securities of each series affected by the modification. No modification of the principal or interest payment terms, and no modification reducing the percentage required for modifications, is effective against any holder without its consent. (*Section 902 of the Senior Indenture; Section 10.2 of the Subordinated Indenture & the Subordinated Indenture II.*) In addition, we may supplement the Indentures to create new series of Debt Securities and for certain other purposes, without the consent of any holders of Debt Securities. (*Section 901 of the Senior Indenture; Section 10.1 of the Subordinated Indenture & the Subordinated Indenture II.*)

The holders of a majority of the outstanding Debt Securities of all series under the applicable Indenture with respect to which a default has occurred and is continuing may waive a default for all those series, except a default in the payment of principal or interest, or any premium, on any Debt Securities or a default with respect to a covenant or provision which cannot be amended or modified without the consent of the holder of each outstanding Debt Security of the series affected. (*Section 513 of the Senior Indenture; Section 6.6 of the Subordinated Indenture & the Subordinated Indenture II.*)

In addition, under certain circumstances, the holders of a majority of the outstanding Junior Subordinated Debentures or Junior Subordinated Notes of any series, as applicable, may waive in advance, for that series, our compliance with certain restrictive provisions of the Subordinated Indenture or the Subordinated Indenture II under which those Junior Subordinated Debentures or Junior Subordinated Notes, as applicable, were issued. (*Section 4.7 of the Subordinated Indenture & the Subordinated Indenture II.*)

## **Concerning the Trustee**

The Bank of New York Mellon, successor to JPMorgan Chase Bank, N.A., is the Trustee under the Indentures. An affiliate of The Bank of New York Mellon is also the Delaware Trustee of the Trust. We and certain of our affiliates maintain deposit accounts and banking relationships with The Bank of New York Mellon. The Bank of New York Mellon also serves as trustee under other indentures pursuant to which securities of ours and of certain of our affiliates are outstanding. Affiliates of The Bank of New York Mellon have purchased, and are likely to purchase in the future,

our securities and securities of our affiliates.

## **Table of Contents**

The Trustee will perform only those duties that are specifically described in the Indentures unless an event of default under an Indenture occurs and is continuing. The Trustee is under no obligation to exercise any of its powers under the Indentures at the request of any holder of Debt Securities unless that holder offers reasonable indemnity to the Trustee against the costs, expenses and liabilities which it might incur as a result. (*Section 601 of the Senior Indenture; Section 7.1 of the Subordinated Indenture & the Subordinated Indenture II.*)

The Senior Indenture permits us to name a different trustee for individual series of Senior Debt Securities. If named, a series trustee performs the duties that would otherwise be performed by the Trustee under the Senior Indenture with respect to that series. In these circumstances, the Trustee under the Senior Indenture has no responsibility with respect to that series.

The Trustee administers its corporate trust business at 101 Barclay Street, 8W ATTN: Global Trust Administration, New York, New York 10286.

## **ADDITIONAL TERMS OF THE SENIOR DEBT SECURITIES**

### **Repayment at the Option of the Holder; Repurchases by Dominion**

We must repay the Senior Debt Securities at the option of the holders prior to the Stated Maturity Date only if specified in the applicable prospectus supplement or other offering materials. Unless otherwise provided in the prospectus supplement or other offering materials, the Senior Debt Securities subject to repayment at the option of the holder will be subject to repayment:

on the specified Repayment Dates; and

at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued to the Repayment Date. (*Section 1302 of the Senior Indenture.*)

For any Senior Debt Security to be repaid, the Trustee must receive, at its office maintained for that purpose in the Borough of Manhattan, New York City not more than 60 nor less than 30 calendar days prior to the date of repayment:

in the case of a certificated Senior Debt Security, the certificated Senior Debt Security and the form in the Senior Debt Security entitled Option of Holder to Elect Purchase duly completed; or



in the case of a book-entry Senior Debt Security, instructions to that effect from the beneficial owner to the securities depository and forwarded by the securities depository. Exercise of the repayment option by the holder will be irrevocable. (*Section 1303 of the Senior Indenture.*)

Only the securities depository may exercise the repayment option in respect of beneficial interests in the book-entry Senior Debt Securities. Accordingly, beneficial owners that desire repayment in respect of all or any portion of their beneficial interests must instruct the participants through which they own their interests to direct the securities depository to

## **Table of Contents**

exercise the repayment option on their behalf. All instructions given to participants from beneficial owners relating to the option to elect repayment will be irrevocable. In addition, at the time the instructions are given, each beneficial owner will cause the participant through which it owns its interest to transfer its interest in the book-entry Senior Debt Securities or the global certificate representing the related book-entry Senior Debt Securities, on the securities depository's records, to the Trustee. See DESCRIPTION OF DEBT SECURITIES Global Securities.

## **ADDITIONAL TERMS OF THE JUNIOR SUBORDINATED DEBENTURES**

### **Subordination**

Each series of Junior Subordinated Debentures will be subordinate and junior in right of payment, to the extent set forth in the Subordinated Indenture, to all Senior Indebtedness as defined below. If:

we make a payment or distribution of any of our assets to creditors upon our dissolution, winding-up, liquidation or reorganization, whether in bankruptcy, insolvency or otherwise;

a default beyond any grace period has occurred and is continuing with respect to the payment of principal, interest or any other monetary amounts due and payable on any Senior Indebtedness; or

the maturity of any Senior Indebtedness has been accelerated because of a default on that Senior Indebtedness;

then the holders of Senior Indebtedness generally will have the right to receive payment, in the case of the first instance, of all amounts due or to become due upon that Senior Indebtedness, and, in the case of the second and third instances, of all amounts due on that Senior Indebtedness, or we will make provision for those payments, before the holders of any Junior Subordinated Debentures have the right to receive any payments of principal or interest on their Junior Subordinated Debentures. (*Sections 14.1 & 14.9 of the Subordinated Indenture.*)

Senior Indebtedness means, with respect to any series of Junior Subordinated Debentures, the principal, premium, interest and any other payment in respect of any of the following, unless otherwise specified in the prospectus supplement or offering materials:

all of our current and future indebtedness for borrowed or purchased money or other similar instruments whether or not evidenced by notes, debentures, bonds or other written instruments;

our obligations for reimbursement under letters of credit, banker's acceptances, security purchase facilities or similar facilities issued for our account;

any of our other indebtedness or obligations with respect to derivative contracts, including commodity contracts, interest rate, commodity and currency swap agreements, forward contracts and other similar agreements or arrangements; and

all indebtedness of others of the kinds described in the preceding categories which we have assumed or guaranteed.

## **Table of Contents**

Senior Indebtedness will not include our obligations to trade creditors or indebtedness to our subsidiaries. (*Section 1.1 of the Subordinated Indenture.*)

Senior Indebtedness will be entitled to the benefits of the subordination provisions in the Subordinated Indenture irrespective of the amendment, modification or waiver of any term of the Senior Indebtedness. We may not amend the Subordinated Indenture to change the subordination of any outstanding Junior Subordinated Debentures without the consent of each holder of Senior Indebtedness that the amendment would adversely affect. (*Sections 10.2 & 14.7 of the Subordinated Indenture.*)

The Subordinated Indenture does not limit the amount of Senior Indebtedness that we may issue.

## **ADDITIONAL TERMS OF THE JUNIOR SUBORDINATED NOTES**

### **Subordination**

Each series of Junior Subordinated Notes will be subordinate and junior in right of payment, to the extent set forth in the Subordinated Indenture II, to all Priority Indebtedness as defined below. If:

we make a payment or distribution of any of our assets to creditors upon our dissolution, winding-up, liquidation or reorganization, whether in bankruptcy, insolvency or otherwise;

a default beyond any grace period has occurred and is continuing with respect to the payment of principal, interest or any other monetary amounts due and payable on any Priority Indebtedness; or

the maturity of any Priority Indebtedness has been accelerated because of a default on that Priority Indebtedness unless otherwise specified in the prospectus supplement or offering materials;

then the holders of Priority Indebtedness generally will have the right to receive payment, in the case of the first instance, of all amounts due or to become due upon that Priority Indebtedness, and, in the case of the second and third instances, of all amounts due on that Priority Indebtedness, or we will make provision for those payments, before the holders of any Junior Subordinated Notes have the right to receive any payments of principal or interest on their Junior Subordinated Notes. (*Sections 14.1 & 14.9 of the Subordinated Indenture II.*)

Priority Indebtedness means, with respect to any series of Junior Subordinated Notes, the principal, premium, interest and any other payment in respect of any of the following:

all of our current and future indebtedness for borrowed or purchase money whether or not evidenced by notes, debentures, bonds or other similar written instruments;

our obligations under synthetic leases, finance leases and capitalized leases;

our obligations for reimbursement under letters of credit, banker's acceptances, security purchase facilities or similar facilities issued for our account;

## **Table of Contents**

any of our other indebtedness or obligations with respect to derivative contracts, including commodity contracts, interest rate, commodity and currency swap agreements, forward contracts and other similar agreements or arrangements; and

all indebtedness of others of the kinds described in the preceding categories which we have assumed or guaranteed.

Priority Indebtedness will not include trade accounts payable, accrued liabilities arising in the ordinary course of business or indebtedness to our subsidiaries. *(Section 1.1 of the Subordinated Indenture II.)*

Priority Indebtedness will be entitled to the benefits of the subordination provisions in the Subordinated Indenture II irrespective of the amendment, modification or waiver of any term of the Priority Indebtedness. We may not amend the Subordinated Indenture II to change the subordination of any outstanding Priority Indebtedness without the consent of each holder of Priority Indebtedness that the amendment would adversely affect. *(Sections 10.2 & 14.7 of the Subordinated Indenture II.)*

The Subordinated Indenture II does not limit the amount of Priority Indebtedness that we may issue.

## **DESCRIPTION OF THE TRUST PREFERRED SECURITIES**

The following is a summary of the principal terms of the Trust Preferred Securities. The form of amended trust agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, or is incorporated by reference. The terms of the Trust Preferred Securities will include those stated in the amended trust agreement and those made part of the amended trust agreement by the Trust Indenture Act.

### **General**

The Trust will exist until terminated as provided in its amended trust agreement. Except under certain circumstances, we will be entitled to appoint, remove or replace trustees, who will conduct the business and affairs of the Trust. The trustees of the Trust will consist of:

two employees, officers or affiliates of the Company as Administrative Trustees;

a financial institution unaffiliated with us that will act as property trustee and as indenture trustee for purposes of

the Trust Indenture Act, under the terms set forth in a prospectus supplement (the Property Trustee); and

one trustee with its principal place of business or who resides in the State of Delaware and who will act under the terms set forth in a prospectus supplement or other offering materials. (*Sections 6.1 through 6.5 of the Amended Trust Agreement.*)

The amended trust agreement will authorize the Administrative Trustees to issue, on behalf of the Trust, two classes of trust securities, Trust Preferred Securities and trust common

## **Table of Contents**

securities, each of which will have the terms described in this prospectus and in the prospectus supplement or other offering materials. We will own all of the trust common securities. The trust common securities will rank equally in right of payment, and payments will be made on the trust common securities, proportionately with the Trust Preferred Securities. However, if an event of default occurs and is continuing under the amended trust agreement, the rights of the holders of the trust common securities to payment for distributions and payments upon liquidation, redemption and otherwise, will be subordinated to the rights of the holders of the Trust Preferred Securities. We will acquire, directly or indirectly, trust common securities in an amount that may be advisable in light of interpretations of tax or accounting rules and regulations. (*Sections 3.6, 5.1, 5.2 & 7.1 of the Amended Trust Agreement.*)

The proceeds from the sale of the Trust Preferred Securities will be used by the Trust to purchase a series of our Debt Securities, as specified in the applicable prospectus supplement or other offering materials. The applicable series of Debt Securities will be held in trust by the Property Trustee for the benefit of the holders of the trust securities. We will guarantee the payments of distributions and payments on redemption or liquidation with respect to the Trust Preferred Securities, but only to the extent the Trust has funds available to make those payments and has not made the payments. See DESCRIPTION OF THE GUARANTEE.

Unless otherwise provided in the applicable prospectus supplement or other offering materials, the assets of the Trust available for distribution to the holders of Trust Preferred Securities will be limited to payments from us under the applicable series of Debt Securities held by the Trust. If we fail to make a payment on the applicable series of Debt Securities the Trust will not have sufficient funds to make related payments, including distributions, on its Trust Preferred Securities.

The Guarantee, when taken together with our obligations under the applicable indenture and the amended trust agreement, will provide a full and unconditional guarantee of amounts due on the Trust Preferred Securities issued by the Trust.

The Trust Preferred Securities will have the terms, including distributions, redemption, voting, liquidation rights and other preferred, deferred or other special rights or restrictions that will be described in the amended trust agreement or made part of the amended trust agreement by the Trust Indenture Act or the Delaware Statutory Trust Act. Holders of Trust Preferred Securities have no preemptive or similar rights. (*Section 7.1 of the Amended Trust Agreement.*)

## **Provisions of a Particular Series**

The Trust may issue only one series of Trust Preferred Securities. The applicable prospectus supplement or other offering materials will set forth the principal terms of the Trust Preferred Securities that will be offered, including:



the name of the Trust Preferred Securities;

the liquidation amount and number of Trust Preferred Securities issued;

**Table of Contents**

the annual distribution rate(s) or method of determining such rate(s), the payment date(s) and the record dates used to determine the holders who are to receive distributions;

the date from which distributions will be cumulative;

the optional redemption provisions, if any, including the prices, time periods and other terms and conditions on which the Trust Preferred Securities will be purchased or redeemed, in whole or in part;

the terms and conditions, if any, upon which the applicable series of Debt Securities and the related Guarantee may be distributed to holders of those Trust Preferred Securities;

any securities exchange on which the Trust Preferred Securities will be listed;

whether the Trust Preferred Securities are to be issued in book-entry form and represented by one or more global certificates, and if so, the depositary for those global certificates and the specific terms of the depositary arrangements; and

any other relevant rights, preferences, privileges, limitations or restrictions of the Trust Preferred Securities. (*Article 7 of the Amended Trust Agreement.*)

The interest rate and interest and other payment dates of each applicable series of Debt Securities issued to a Trust will correspond to the rate at which distributions will be paid and the distribution and other payment dates of the Trust Preferred Securities of the Trust.

**Extensions**

We have the right under the Indentures, if specified in the applicable supplemental indenture, to defer payments of interest on the applicable series of Debt Securities by extending the interest payment period from time to time. The Administrative Trustees will give the holders of the Trust Preferred Securities notice of any Extension Period upon their receipt of notice from us. If distributions are deferred, the deferred distributions and accrued interest will be paid to holders of record of the Trust Preferred Securities as they appear on the books and records of the Trust on the record date next following the termination of such deferral period. See DESCRIPTION OF DEBT SECURITIES Option to Extend Interest Payment Period.

**Distributions**

Distributions on the Trust Preferred Securities will be made on the dates payable to the extent that the Trust has funds available for the payment of distributions in the Property Account held by the Property Trustee. Unless otherwise provided in the applicable prospectus supplement or other offering materials, the Trust's funds available for distribution to the holders of the trust securities will be substantially limited to payments received from us on the applicable series of Debt Securities. We have guaranteed the payment of distributions out of monies held by the Trust to the extent set forth under DESCRIPTION OF THE GUARANTEE.

## **Table of Contents**

Distributions on the Trust Preferred Securities will be payable to the holders named on the securities register of the Trust at the close of business on the record dates, which, as long as the Trust Preferred Securities remain in book-entry only form, will be one business day prior to the relevant payment dates. Distributions will be paid through the Property Trustee who will hold amounts received in respect of the applicable series of Debt Securities, in the Property Account for the benefit of the holders of the trust securities. If the Trust Preferred Securities do not continue to remain in book-entry only form, the relevant record dates will conform to the rules of any securities exchange on which the Trust Preferred Securities are listed and, if none, the Administrative Trustees will have the right to select relevant record dates, which will be more than 14 days but less than 60 days prior to the relevant payment dates. If any date on which distributions are to be made on the Trust Preferred Securities is not a business day, then payment of the distributions 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 that delay, except that, if that business day is in the next succeeding calendar year, the payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on the payment date. *(Section 7.2 of the Amended Trust Agreement.)*

## **Mandatory Redemption of Trust Preferred Securities**

The Trust Preferred Securities have no stated maturity date, but will be redeemed upon the maturity of the applicable series of Debt Securities or to the extent the applicable series of Debt Securities are redeemed prior to maturity. The applicable series of Debt Securities will mature on the date specified in the applicable prospectus supplement or other offering materials and may be redeemed at any time, in whole but not in part, in certain circumstances upon the occurrence of a Tax Event or an Investment Company Event as described under Special Event Redemption.

Upon the maturity of the applicable series of Debt Securities the proceeds of their repayment will simultaneously be applied to redeem all the outstanding trust securities at the Redemption Price. Upon the redemption of the applicable series of Debt Securities, either at our option or as a result of a Tax Event or an Investment Company Event, the proceeds from the redemption will simultaneously be applied to redeem trust securities having a total liquidation amount equal to the total principal amount of the applicable series of Debt Securities so redeemed at the redemption price; provided, that holders of trust securities will be given not less than 20 nor more than 60 days notice of the redemption. If fewer than all of the outstanding trust securities are to be redeemed, the trust securities will be redeemed proportionately. *(Section 7.3 of the Amended Trust Agreement.)*

## **Special Event Redemption**

Both a Tax Event and an Investment Company Act Event constitute Special Events for purposes of the redemption provisions described in the preceding section.

## **Table of Contents**

A Tax Event means that the Administrative Trustees have received an opinion of independent tax counsel experienced in those matters to the effect that, as a result of any amendment to, change or announced proposed change in:

the laws or regulations of the United States or any of its political subdivisions or taxing authorities, or

any official administrative pronouncement, action or judicial decision interpreting or applying those laws or regulations,

which amendment or change becomes effective or proposed change, pronouncement, action or decision is announced on or after the date the Trust Preferred Securities are issued and sold, there is more than an insubstantial risk that:

the Trust is or within 90 days would be subject to U.S. federal income tax with respect to income accrued or received on the applicable series of Debt Securities,

interest payable to the Trust on the applicable series of Debt Securities is not or within 90 days would not be deductible, in whole or in part, by us for U.S. federal income tax purposes, or

the Trust is or within 90 days would be subject to a material amount of other taxes, duties or other governmental charges.

An Investment Company Event means that the Administrative Trustees have received an opinion of a nationally recognized independent counsel to the effect that, as a result of an amendment to or change in the Investment Company Act or regulations thereunder on or after the date the Trust Preferred Securities are issued and sold, there is more than an insubstantial risk that the Trust is or will be considered an investment company and be required to be registered under the Investment Company Act. (*Section 1.1 of the Amended Trust Agreement.*)

## **Redemption Procedures**

The Trust may not redeem fewer than all the outstanding trust securities unless all accrued and unpaid distributions have been paid on all trust securities for all distribution periods terminating on or before the date of redemption. If fewer than all of the outstanding trust securities are to be redeemed, the trust securities will be redeemed proportionately.

If the Trust gives a notice of redemption in respect of the trust securities (which notice will be irrevocable), and if we have paid to the Property Trustee a sufficient amount of cash in connection with the related redemption or maturity of

the applicable series of Debt Securities then, by 12:00 noon, New York City time, on the redemption date, the Property Trustee will irrevocably deposit with the depository funds sufficient to pay the applicable redemption price and will give the depository irrevocable instructions and authority to pay the redemption price to the holders of the Trust Preferred Securities, and the paying agent will pay the applicable redemption price to the holders of the trust common securities. If notice of redemption has been given and funds deposited as required, then, immediately prior to the close of business

## **Table of Contents**

on the date of the deposit, distributions will cease to accrue and all rights of holders of Trust Preferred Securities called for redemption will cease, except the right of the holders of the Trust Preferred Securities to receive the redemption price but without interest on the redemption price. In the event that any date fixed for redemption of Trust Preferred Securities is not a business day, then payment of the redemption price payable on that date will be made on the next succeeding day that is a business day, without any interest or other payment in respect of any such delay, except that, if that business day falls in the next calendar year, payment will be made on the immediately preceding business day. In the event that payment of the redemption price in respect of Trust Preferred Securities is improperly withheld or refused and not paid either directly by the Trust or under the Guarantee, distributions on the Trust Preferred Securities will continue to accrue at the then applicable rate from the original redemption date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price.

Subject to the foregoing and applicable law, including, without limitation, U.S. federal securities laws, we or our subsidiaries may at any time, and from time to time, purchase outstanding Trust Preferred Securities by tender, in the open market or by private agreement. (*Section 7.4 of the Amended Trust Agreement.*)

## **Conversion or Exchange Rights**

The terms on which the Trust Preferred Securities are convertible into or exchangeable for common stock or our other securities will be contained in the applicable prospectus supplement or other offering materials. Those terms will include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at our option, and may include provisions under which the number of shares of common stock or our other securities to be received by the holders of Trust Preferred Securities would be subject to adjustment.

## **Distribution of the Applicable Series of Debt Securities**

We will have the right at any time to dissolve the Trust and, after satisfaction of the liabilities of creditors of the Trust as provided by applicable law, to cause the applicable series of Debt Securities to be distributed to the holders of the Trust Preferred Securities in a total stated principal amount equal to the total stated liquidation amount of the Trust Preferred Securities then outstanding. Prior to any such dissolution, we will obtain any required regulatory approvals. The right to dissolve the trust and distribute the applicable series of Debt Securities will be conditioned on our receipt of an opinion rendered by an independent tax counsel that the distribution would not result in the recognition of gain or loss for federal income tax purposes by the holders. (*Section 8.1 of the Amended Trust Agreement.*)

## **Liquidation Distribution Upon Dissolution**

The amended trust agreement will state that the Trust will be dissolved:

upon our bankruptcy;

upon the filing of a certificate of dissolution or its equivalent with respect to us;



**Table of Contents**

after obtaining the consent of at least a majority in liquidation amount of the Trust Preferred Securities, voting together as a single class;

90 days after the revocation of our charter, but only if the charter is not reinstated during that 90-day period;

upon the distribution of the applicable series of Debt Securities directly to the holders of the trust securities;

upon the redemption of all of the trust securities; or

upon entry of a court order for the dissolution of us or the Trust. (*Section 8.1 of the Amended Trust Agreement.*)

In the event of a dissolution, after the Trust pays all amounts owed to creditors, the holders of the Trust Preferred Securities will be entitled to receive:

cash equal to the total liquidation amount of the Trust Preferred Securities specified in an accompanying prospectus supplement or other offering materials, plus accumulated and unpaid distributions to the date of payment, or

the applicable series of Debt Securities, in a total principal amount equal to the total liquidation amount of the Trust Preferred Securities.

If the Trust cannot pay the full amount due on its trust securities because insufficient assets are available for payment, then the amounts payable by the Trust on its trust securities will be paid proportionately. However, if an event of default under the related amended trust agreement occurs, the total amounts due on the Trust Preferred Securities will be paid before any distribution on the trust common securities. Under certain circumstances involving the dissolution of the Trust, subject to obtaining any required regulatory approval, the applicable series of Debt Securities held by the Trust will be distributed to the holders of the trust securities in liquidation of the Trust. (*Section 8.2 of the Amended Trust Agreement.*)

**Trust Enforcement Events**

An event of default under the applicable indenture relating to the applicable series of Debt Securities held by the Trust will be an event of default under the amended trust agreement (a Trust Enforcement Event). See DESCRIPTION OF DEBT SECURITIES Events of Default.

In addition, the voluntary or involuntary dissolution, winding up or termination of the Trust is also a Trust Enforcement Event, except in connection with:

the distribution of the applicable series of Debt Securities to holders of the trust securities of the Trust,  
the redemption of all of the trust securities of the Trust, and  
mergers, consolidations or amalgamations of the Trust permitted by the amended trust agreement.

## **Table of Contents**

Under the amended trust agreement, the holder of the trust common securities will be deemed to have waived any Trust Enforcement Event with respect to the trust common securities until all Trust Enforcement Events with respect to the Trust Preferred Securities have been cured, waived or otherwise eliminated. Until all Trust Enforcement Events with respect to the Trust Preferred Securities have been so cured, waived or otherwise eliminated, the Property Trustee will be deemed to be acting solely on behalf of the holders of the Trust Preferred Securities and only the holders of the Trust Preferred Securities will have the right to direct the Property Trustee with respect to certain matters under the amended trust agreement and the applicable indenture. If any Trust Enforcement Event with respect to the Trust Preferred Securities is waived by the holders of the Trust Preferred Securities as provided in the amended trust agreement, under the amended trust agreement the holders of trust common securities have agreed that the waiver also constitutes a waiver of the Trust Enforcement Event with respect to the trust common securities for all purposes under the amended trust agreement without any further act, vote or consent of the holders of trust common securities. *(Section 2.6 of the Amended Trust Agreement.)*

We and the Administrative Trustees must file annually with the Property Trustee a certificate evidencing compliance with all the applicable conditions and covenants under the amended trust agreement. *(Section 2.4 of the Amended Trust Agreement.)*

Upon the occurrence of a Trust Enforcement Event, the Property Trustee, as the sole holder of the applicable series of Debt Securities, will have the right under the applicable indenture to declare the principal of, interest and premium, if any, on the applicable series of Debt Securities to be immediately due and payable.

If a Property Trustee fails to enforce its rights under the amended trust agreement or the applicable indenture to the fullest extent permitted by law and subject to the terms of the amended trust agreement or the applicable indenture, any holder of Trust Preferred Securities may sue us, or seek other remedies, to enforce the Property Trustee's rights under the amended trust agreement or the applicable indenture, without first instituting a legal proceeding against the Property Trustee or any other person. If a Trust Enforcement Event occurs and is continuing as a result of our failure to pay principal of or interest or premium, if any, on the applicable series of Debt Securities when payable, then a holder of the Trust Preferred Securities may directly sue us or seek other remedies, to collect its proportionate share of payments owed. See RELATIONSHIP AMONG THE TRUST PREFERRED SECURITIES, THE GUARANTEE AND THE APPLICABLE SERIES OF DEBT SECURITIES HELD BY THE TRUST.

## **Removal and Replacement of Trustees**

Only the holders of trust common securities have the right to remove or replace the trustees of the Trust, except that while an event of default in respect of the applicable series of Debt Securities has occurred or is continuing, the holders of a majority of the Trust Preferred Securities will have this right. The resignation or removal of any trustee and the appointment



**Table of Contents**

of a successor trustee will be effective only on the acceptance of appointment by the successor trustee in accordance with the provisions of the amended trust agreement. (*Section 6.6 of the Amended Trust Agreement.*)

**Mergers, Consolidations or Amalgamations of the Trust**

The Trust may not consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity (each, a Merger Event), except as described below. The Trust may, with the consent of a majority of its Administrative Trustees and without the consent of the holders of its trust securities, consolidate, amalgamate, merge with or into, or be replaced by another trust, provided that:

the successor entity either

assumes all of the obligations of the Trust relating to its trust securities or

substitutes other securities for the trust securities that are substantially similar to the trust securities, so long as the successor securities rank the same as the trust securities for distributions and payments upon liquidation, redemption and otherwise;

we acknowledge a trustee of the successor entity who has the same powers and duties as the Property Trustee of the Trust, as the holder of the applicable series of Debt Securities;

if listed, the Trust Preferred Securities are listed, or any successor securities will be listed, upon notice of issuance, on the same securities exchange or other organization that the Trust Preferred Securities are then listed;

the Merger Event does not cause the Trust Preferred Securities or successor securities to be downgraded by any nationally recognized rating agency;

the Merger Event does not adversely affect the rights, preferences and privileges of the holders of the trust securities or successor securities in any material way, other than with respect to any dilution of the holders' interest in the new entity;

the successor entity has a purpose identical to that of the Trust;

prior to the Merger Event, we have received an opinion of counsel from a nationally recognized law firm stating that

the Merger Event does not adversely affect the rights of the holders of the Trust Preferred Securities or any successor securities in any material way, other than with respect to any dilution of the holders' interest in the new entity;

following the Merger Event, neither the Trust nor the successor entity will be required to register as an investment company under the Investment Company Act; and

following the Merger Event, the Trust or the successor entity will continue to be classified as a grantor trust for U.S. federal income tax purposes;

## **Table of Contents**

we or any permitted successor or assignee guarantee the obligations of the successor entity under the successor securities in the same manner as in the Guarantee; and

the successor entity expressly assumes all of the obligations of the Trust with respect to the Trustees.

In addition, unless all of the holders of the Trust Preferred Securities and trust common securities approve otherwise, the Trust will not consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if, in the opinion of a nationally recognized tax counsel experienced in such matters, the transaction would cause the Trust or the successor entity to be classified other than as a grantor trust for U.S. federal income tax purposes. (*Section 3.15 of the Amended Trust Agreement.*)

## **Voting Rights; Amendment of Trust Agreement**

The holders of Trust Preferred Securities have no voting rights except as discussed under Mergers, Consolidations or Amalgamations of the Trust and DESCRIPTION OF THE GUARANTEE Amendments, and as otherwise required by law and the amended trust agreement.

The amended trust agreement may be amended if approved by a majority of the Administrative Trustees of the Trust. However, if any proposed amendment provides for, or the Administrative Trustees otherwise propose to effect,

any action that would adversely affect the powers, preferences or special rights of the trust securities, whether by way of amendment to the amended trust agreement or otherwise or

the dissolution, winding-up or termination of the Trust other than under the terms of its amended trust agreement,

then the holders of the Trust Preferred Securities as a single class will be entitled to vote on the amendment or proposal. In that case, the amendment or proposal will only be effective if approved by at least a majority in liquidation amount of the Trust Preferred Securities affected by the amendment or proposal.

No amendment may be made to an amended trust agreement if that amendment would:

cause the Trust to be characterized as other than a grantor trust for U.S. federal income tax purposes;

reduce or otherwise adversely affect the powers of the Property Trustee; or

cause the Trust to be deemed to be an investment company which is required to be registered under the Investment Company Act. (*Section 11.1 of the Amended Trust Agreement.*)



**Table of Contents**

The holders of a majority of the total liquidation amount of the Trust Preferred Securities have the right to:

direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee; or

direct the exercise of any power conferred upon the Property Trustee under the amended trust agreement, including the right to direct the Property Trustee, as the holder of the applicable series of Debt Securities, to:

exercise the remedies available under the applicable indenture, with respect to the applicable series of Debt Securities; or

waive any event of default under the applicable indenture that is waivable; or

cancel an acceleration of the principal of the applicable series of Debt Securities.

The Property Trustee is generally not obligated to take the foregoing actions unless it obtains an opinion of counsel stating that, as a result of that action, the Trust will continue to be classified as a grantor trust for U.S. federal income tax purposes. (*Section 7.5 of the Amended Trust Agreement.*)

As described in the form of amended trust agreement, the Property Trustee may hold a meeting to have holders of Trust Preferred Securities vote on a change or have them approve a change by written consent.

If a vote by the holders of Trust Preferred Securities is taken or a consent is obtained, any Trust Preferred Securities owned by us or any of our affiliates will, for purposes of the vote or consent, be treated as if they were not outstanding, which will have the following consequences:

we and any of our affiliates will not be able to vote on or consent to matters requiring the vote or consent of holders of Trust Preferred Securities; and

any Trust Preferred Securities owned by us or any of our affiliates will not be counted in determining whether the required percentage of votes or consents has been obtained. (*Section 7.5 of the Amended Trust Agreement.*)

**Information Concerning the Property Trustee**

The Bank of New York Mellon, successor to JPMorgan Chase Bank, N.A., is the Property Trustee. It is also the Guarantee Trustee, the Subordinated Indenture Trustee, the Subordinated Indenture II Trustee and the Senior Indenture Trustee. An affiliate of The Bank of New York Mellon is also Delaware Trustee of the Trust. The Company and certain of its affiliates maintain deposit accounts and banking relationships with The Bank of New York Mellon. The Bank of New York Mellon also serves as trustee under other indentures pursuant to which our securities and securities of certain of our affiliates are outstanding.

For matters relating to compliance with the Trust Indenture Act, the Property Trustee will have all of the duties and responsibilities of an indenture trustee under the Trust Indenture Act.

## **Table of Contents**

The Property Trustee, other than during the occurrence and continuance of a Trust Enforcement Event, undertakes to perform only the duties that are specifically described in the amended trust agreement and, upon a Trust Enforcement Event, must use the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Property Trustee is under no obligation to exercise any of the powers given it by the applicable amended trust agreement at the request of any holder of Trust Preferred Securities unless it is offered reasonable security or indemnity against the costs, expenses and liabilities that it might incur. However, the holders of the Trust Preferred Securities will not be required to offer such an indemnity where the holders, by exercising their voting rights, direct the Property Trustee to take any action following a Trust Enforcement Event. *(Section 3.9 of the Amended Trust Agreement.)*

## **Information Concerning the Delaware Trustee**

BNY Mellon Trust of Delaware, will serve as trustee of the Trust in the State of Delaware for the purpose of complying with the provisions of the Delaware Statutory Trust Act. It is an affiliate of The Bank of New York Mellon which serves as Property Trustee and in the other capacities described above under Information Concerning the Property Trustee.

## **Information Concerning the Administrative Trustees**

The Administrative Trustees are authorized and directed to conduct the affairs of and to operate the Trust in a way that:

will not cause it to be deemed to be an investment company required to be registered under the Investment Company Act;

will cause it to be classified as a grantor trust for U.S. federal income tax purposes; and

will cause the Junior Subordinated Debentures or the Junior Subordinated Notes, as applicable, it holds to be treated as our indebtedness for U.S. federal income tax purposes.

We and the Administrative Trustees are authorized to take any action, so long as it is consistent with applicable law or the certificate of trust or amended trust agreement, that we and the Administrative Trustees determine to be necessary or desirable for those purposes. *(Section 3.6 of the Amended Trust Agreement.)*

## **DESCRIPTION OF THE GUARANTEE**

We will execute the Guarantee from time to time for the benefit of the holders of the Trust Preferred Securities.

The Bank of New York Mellon will act as Guarantee Trustee under the Guarantee. The Guarantee Trustee will hold the Guarantee for the benefit of the holders of the Trust Preferred Securities.

## **Table of Contents**

The following description of the Guarantee is only a summary. The form of Guarantee is an exhibit to the registration statement.

### **General**

We will irrevocably and unconditionally agree under the Guarantee to pay the Guarantee Payments that are defined below, to the extent specified in the Guarantee, to the holders of the Trust Preferred Securities, to the extent that the Guarantee Payments are not paid by or on behalf of the Trust. We are required to pay the Guarantee Payments to the extent specified in the Guarantee regardless of any defense, right of set-off or counterclaim that we may have or may assert against any person. (*Section 5.1 of the Guarantee.*)

The following payments and distributions on the Trust Preferred Securities of the Trust are Guarantee Payments:

any accrued and unpaid distributions required to be paid on the Trust Preferred Securities of the Trust, but only to the extent that the Trust has funds legally and immediately available for those distributions;

the redemption price for any Trust Preferred Securities that the Trust calls for redemption, including all accrued and unpaid distributions to the redemption date, but only to the extent that the Trust has funds legally and immediately available for the payment; and

upon a dissolution, winding-up or termination of the Trust, other than in connection with the distribution of the applicable series of Debt Securities to the holders of Trust Securities of the Trust or the redemption of all the Trust Preferred Securities of the Trust, the lesser of:

the sum of the liquidation amount and all accrued and unpaid distributions on the Trust Preferred Securities of the Trust to the payment date, to the extent that the Trust has funds legally and immediately available for the payment; and

the amount of assets of the Trust remaining available for distribution to holders of the Trust Preferred Securities of the Trust in liquidation of the Trust. (*Section 1.1 of the Guarantee.*)

We may satisfy our obligation to make a Guarantee Payment by making that payment directly to the holders of the related Trust Preferred Securities or by causing the Trust to make the payment to those holders. (*Section 5.1 of the Guarantee.*)

The Guarantee will be a full and unconditional guarantee, subject to certain subordination provisions, of the Guarantee Payments with respect to the Trust Preferred Securities from the time of issuance of the Trust Preferred Securities, except that the Guarantee will only apply to the payment of distributions and other payments on the Trust Preferred Securities when the Trust has sufficient funds legally and immediately available to make those distributions or other payments.

If we do not make the required payments on the applicable series of Debt Securities that the Property Trustee holds under the Trust, the Trust will not make the related payments on the Trust Preferred Securities.

## **Table of Contents**

### **Subordination**

Our obligations under the Guarantee will be unsecured obligations. Those obligations will rank:

subordinate and junior in right of payment to all of our other liabilities, other than obligations or liabilities that rank equal in priority or subordinate by their terms;

equal in priority with the outstanding applicable series of Debt Securities and similar outstanding guarantees; and

senior to our preferred and common stock. (*Section 6.2 of the Guarantee.*)

As of December 31, 2008, we had approximately \$268 million in aggregate principal amount of Junior Subordinated Debentures outstanding that would rank equal in priority with the Guarantee. As of December 31, 2008, we had approximately \$800 million in aggregate principal amount of outstanding Junior Subordinated Notes that would rank junior to the Guarantee. We have common stock outstanding that would rank junior to the Guarantee.

The Guarantee will be a guarantee of payment and not of collection. This means

that the guaranteed party may institute a legal proceeding directly against us, as guarantor, to enforce its rights under the Guarantee without first instituting a legal proceeding against any other person or entity. (*Sections 5.4 & 5.5 of the Guarantee.*)

The terms of the Trust Preferred Securities will provide that each holder of the Trust Preferred Securities, by accepting those Trust Preferred Securities, agrees to the subordination provisions and other terms of the Guarantee.

### **Amendments**

We may amend the Guarantee without the consent of any holder of the Trust Preferred Securities to which the Guarantee relates if the amendment does not materially and adversely affect the rights of those holders. We may otherwise amend the Guarantee with the approval of the holders of more than 50% of the outstanding Trust Preferred Securities to which the Guarantee relates. (*Section 9.2 of the Guarantee.*)

### **Termination**

The Guarantee will terminate and be of no further effect when:

the redemption price of the Trust Preferred Securities to which the Guarantee relates is fully paid;

we distribute the applicable series of Debt Securities to the holders of those Trust Preferred Securities; or

the amounts payable upon liquidation of the related Trust are fully paid. (*Section 7.1 of the Guarantee.*)



## **Table of Contents**

The Guarantee will remain in effect or will be reinstated if at any time any holder of the related Trust Preferred Securities must restore payment of any sums paid to that holder with respect to those Trust Preferred Securities or under the Guarantee.

## **Material Covenants**

We will covenant that, so long as any Trust Preferred Securities remain outstanding, if there is an event of default under the Guarantee or the amended trust agreement:

we will not make distributions related to our debt securities that rank equally with or junior to the applicable series of Debt Securities, including any payment of interest, principal or premium, or repayments, repurchases or redemptions; and

we will not make distributions related to our capital stock, including dividends, redemptions, repurchases, liquidation payments, or guarantee payments. We may, however, make the following types of distributions:

dividends paid in common stock;

dividends in connection with the implementation of a shareholder rights plan;

payments to a trust holding securities of the same series under a guarantee; and

repurchases, redemptions or other acquisitions of shares of our capital stock in connection with any benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants. (*Section 6.1 of the Guarantee.*)

Because we are a holding company that conducts all of our operations through our subsidiaries, our ability to meet our obligations under the Guarantee 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. The Trust, as holder of the Guarantee and the applicable series of Debt Securities 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.

## **Events of Default**

An event of default will occur under the Guarantee if we fail to perform any of our payment obligations under the Guarantee. The holders of a majority of the Trust Preferred Securities of any series may waive any such event of default and its consequences on behalf of all of the holders of the Trust Preferred Securities of that series. (*Section 2.6 of the Guarantee.*) The Guarantee Trustee is entitled to enforce the Guarantee for the benefit of the holders of the Trust Preferred Securities of a series if an event of default occurs under the related Guarantee. (*Section 3.1 of the Guarantee.*)

The holders of a majority of the Trust Preferred Securities to which the Guarantee relates have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee with respect to the Guarantee or to direct the

## **Table of Contents**

exercise of any trust or power that the Guarantee Trustee holds under the Guarantee. Any holder of the related Trust Preferred Securities may institute a legal proceeding directly against us to enforce that holder's rights under the Guarantee without first instituting a legal proceeding against the Guarantee Trustee or any other person or entity. *(Section 5.4 of the Guarantee.)*

## **Concerning the Guarantee Trustee**

The Bank of New York Mellon is the Guarantee Trustee. It is also the Property Trustee under the amended trust agreement. The Bank of New York Mellon also serves as Trustee for the Indentures and the Delaware Trustee of the Trust is an affiliate of The Bank of New York Mellon as well. We and certain of our affiliates maintain deposit accounts and banking relationships with The Bank of New York Mellon. The Bank of New York Mellon also serves as trustee for other indentures under which securities of ours and certain of our affiliates are outstanding.

The Guarantee Trustee will perform only those duties that are specifically set forth in each Guarantee unless an event of default under the Guarantee occurs and is continuing. In case an event of default occurs and is continuing, the Guarantee Trustee will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. *(Section 3.1 of the Guarantee.)* Subject to those provisions, the Guarantee Trustee is under no obligation to exercise any of its powers under any Guarantee at the request of any holder of the related Trust Preferred Securities unless that holder offers reasonable indemnity to the Guarantee Trustee against the costs, expenses and liabilities which it might incur as a result. *(Section 3.2 of the Guarantee.)*

## **AGREEMENT AS TO EXPENSES AND LIABILITIES**

We will enter into an Agreement as to Expenses and Liabilities as required under the Trust Agreement. The Agreement as to Expenses and Liabilities will provide that we will, with certain exceptions, irrevocably and unconditionally guarantee the full payment of any indebtedness, expenses or liabilities of the Trust to each person or entity to whom the Trust becomes indebted or liable. The exceptions are the obligations of the Trust to pay amounts due to the holders of the Trust Preferred Securities and the trust common securities.

## **RELATIONSHIP AMONG THE TRUST PREFERRED SECURITIES, THE GUARANTEE AND THE APPLICABLE SERIES OF DEBT SECURITIES HELD BY THE TRUST**

We will guarantee payments of distributions and redemption and liquidation payments due on the Trust Preferred Securities, to the extent the Trust has funds available for the payments, to the extent described under DESCRIPTION OF THE GUARANTEE. No single document executed by us in connection with the issuance of the Trust Preferred Securities will provide for our full, irrevocable and unconditional guarantee of the Trust Preferred Securities. It is only

the combined operation of our obligations under the Guarantee, the amended trust agreement and the applicable Indentures that has the effect of providing a full, irrevocable and unconditional guarantee of the Trust's obligations under the Trust Preferred Securities.

## **Table of Contents**

As long as we make payments of interest and other payments when due on the applicable series of Debt Securities held by the Trust, those payments will be sufficient to cover the payment of distributions and redemption and liquidation payments due on the Trust Preferred Securities issued by the Trust, primarily because:

the total principal amount of the applicable series of Debt Securities will be equal to the sum of the total liquidation amount of the trust securities;

the interest rate and interest and other payment dates on the applicable series of Debt Securities will match the distribution rate and distribution and other payment dates for the Trust Preferred Securities;

we will pay for any and all costs, expenses and liabilities of the Trust except its obligations under its Trust Preferred Securities; and

the amended trust agreement will provide that the Trust will not engage in any activity that is not consistent with the limited purposes of the Trust.

If and to the extent that we do not make payments on the applicable series of Debt Securities the Trust will not have funds available to make payments of distributions or other amounts due on its Trust Preferred Securities. In those circumstances, you will not be able to rely upon the Guarantee for payment of these amounts. Instead, you may directly sue us or seek other remedies to collect your proportionate share of payments owed. If you sue us to collect payment, then we will assume your rights as a holder of Trust Preferred Securities under the amended trust agreement to the extent we make a payment to you in any such legal action.

## **DESCRIPTION OF CAPITAL STOCK**

As of September 30, 2008, our authorized capital stock was one billion shares. Those shares consisted of 20 million shares of preferred stock and 980 million shares of common stock. As of September 30, 2008, approximately 581 million shares of common stock were issued and outstanding. No holder of shares of common stock or preferred stock has any preemptive rights.

### **Common Stock**

#### *Listing*

Our outstanding shares of common stock are listed on the New York Stock Exchange under the symbol **D**. Any additional common stock we issue will also be listed on the New York Stock Exchange.

*Dividends*

Common shareholders may receive dividends when declared by the Board of Directors. Dividends may be paid in cash, stock or other form. In certain cases, common shareholders may not receive dividends until we have satisfied our obligations to any preferred

## **Table of Contents**

shareholders. Under certain circumstances, if specified in the applicable supplemental indenture, the Indentures may restrict our ability to pay cash dividends.

### *Fully Paid*

All outstanding shares of common stock are fully paid and non-assessable. Any additional common stock we issue will also be fully paid and non-assessable.

### *Voting Rights*

Each share of common stock is entitled to one vote in the election of directors and other matters. Common shareholders are not entitled to cumulative voting rights.

### *Other Rights*

We will notify common shareholders of any shareholders' meetings according to applicable law. If we liquidate, dissolve or wind up our business, either voluntarily or not, common shareholders will share equally in the assets remaining after we pay our creditors and preferred shareholders.

### *Transfer Agents and Registrars*

We, along with Continental Stock Transfer & Trust Company, are transfer agent and registrar for our common stock. You may contact us at the address listed on page 2 or at Continental located at 17 Battery Place, New York, New York 10004.

## **Preferred Stock**

The following description of the terms of the preferred stock sets forth certain general terms and provisions of our authorized preferred stock. If we issue preferred stock, the specific designations and rights will be described in the prospectus supplement or other offering materials and a description will be filed with the SEC.

Our Board of Directors can, without approval of shareholders, issue one or more series of preferred stock. The Board of Directors can also determine the number of shares of each series and the rights, preferences and limitations of each series including the dividend rights, voting rights, conversion rights, redemption rights and any liquidation preferences, the number of shares constituting each series and the terms and conditions of issue. In some cases, the issuance of preferred stock could delay a change in control of the Company and make it harder to remove present management. Under certain circumstances, preferred stock could also restrict dividend payments to holders of our common stock.

The preferred stock will, when issued, be fully paid and non-assessable. Unless otherwise specified in the applicable prospectus supplement or other offering materials, the preferred stock will rank on a parity in all respects with any outstanding preferred stock we may have and will have priority over our common stock as to dividends and distributions of assets.



## **Table of Contents**

Therefore, the rights of any preferred stock that may subsequently be issued may limit the rights of the holders of our common stock and preferred stock.

The transfer agent, registrar, and dividend disbursement agent for a series of preferred stock will be named in a prospectus supplement or other offering materials. The registrar for shares of preferred stock will send notices to shareholders of any meetings at which holders of the preferred stock have the right to elect directors or to vote on any other matter.

## **VIRGINIA STOCK CORPORATION ACT AND THE ARTICLES AND THE BYLAWS**

### **General**

We are a Virginia corporation subject to the Virginia Stock Corporation Act (the Virginia Act). Provisions of the Virginia Act, in addition to provisions of our Articles of Incorporation (Articles) and Bylaws, address corporate governance issues, including the rights of shareholders. Some of these provisions could hinder management changes while others could have an anti- takeover effect. This anti-takeover effect may, in some circumstances, reduce the control premium that might otherwise be reflected in the value of our common stock. If you are buying this stock as part of a short-term investment strategy, this might be especially important to you.

We have summarized the key provisions below. You should read the actual provisions of our Articles and Bylaws and the Virginia Act that relate to your individual investment strategy.

### *Business Combinations*

Our Articles require that any merger, share exchange or sale of substantially all of the assets of the Company be approved by a plurality of the shares represented at a meeting where a quorum is present. Abstentions and broker non-votes will have no effect on the outcome.

Article 14 of the Virginia Act contains several provisions relating to transactions with interested shareholders. Interested shareholders are holders of more than 10% of any class of a corporation's outstanding voting shares. Transactions between a corporation and an interested shareholder are referred to as affiliated transactions. The Virginia Act requires that material affiliated transactions must be approved by at least two-thirds of the shareholders not including the interested shareholder. Affiliated transactions requiring this two-thirds approval include mergers, share exchanges, material dispositions of corporate assets, dissolution or any reclassification of securities or merger of

the corporation with any of its subsidiaries which increases the percentage of voting shares owned by an interested shareholder by more than five percent.

For three years following the time that a shareholder becomes an interested shareholder, a Virginia corporation cannot engage in an affiliated transaction with the interested shareholder without approval of two-thirds of the disinterested voting shares, and majority approval of disinterested directors. A disinterested director is a director who was a director on the date on which an interested shareholder became an interested shareholder or was recommended for

## **Table of Contents**

election or elected by a majority of the disinterested directors then on the board. After three years, an affiliated transaction must be approved by either two-thirds of disinterested voting shares or a majority of disinterested directors.

The provisions of the Virginia Act relating to affiliated transactions do not apply if a majority of disinterested directors approve the acquisition of shares making a person an interested shareholder.

The Virginia Act permits corporations to opt out of the affiliated transactions provisions. We have not opted out.

The Virginia Act also contains provisions regulating certain control share acquisitions, which are transactions causing the voting strength of any person acquiring beneficial ownership of shares of a public corporation in Virginia to meet or exceed certain threshold voting percentages (20%, 33 1/3%, or 50%). Shares acquired in a control share acquisition have no voting rights unless the voting rights are granted by a majority vote of all outstanding shares other than those held by the acquiring person or any officer or employee-director of the corporation. The acquiring person may require that a special meeting of the shareholders be held to consider the grant of voting rights to the shares acquired in the control share acquisition.

Our Bylaws give us the right to redeem the shares purchased by an acquiring person in a control share acquisition. We can do this if the acquiring person fails to deliver a statement to us listing information required by the Virginia Act or if our shareholders vote not to grant voting rights to the acquiring person.

The Virginia Act permits corporations to opt out of the control share acquisition provisions. We have not opted out.

## **Directors Duties**

The standards of conduct for directors of Virginia corporations are listed in Section 13.1-690 of the Virginia Act. Directors must discharge their duties in accordance with their good faith business judgment of the best interests of the corporation. Directors may rely on the advice or acts of others, including officers, employees, attorneys, accountants and board committees if they have a good faith belief in their competence. Directors' actions are not subject to a reasonableness or prudent person standard. Virginia's federal and state courts have focused on the process involved with directors' decision-making and are generally supportive of directors if they have based their decision on an informed process. These elements of Virginia law could make it more difficult to take over a Virginia corporation than corporations in other states.

**Board of Directors**

Members of our Board of Directors serve one-year terms and are elected annually. Except when the number of nominees exceeds the number of directors to be elected (a contested election), directors are elected by majority vote. In the case of a contested election,

## **Table of Contents**

directors are elected by a plurality vote. Directors may be removed from office for cause by the vote of two-thirds of the outstanding shares entitled to vote.

## **Shareholder Proposals and Director Nominations**

Our shareholders can submit shareholder proposals and nominate candidates for the Board of Directors if the shareholders follow advance notice procedures described in our Bylaws.

To nominate directors, shareholders must submit a written notice to our corporate secretary at least 60 days before a scheduled meeting. The notice must include the name and address of the shareholder and of the nominee, a description of any arrangements between the shareholder and the nominee, information about the nominee required by the SEC, the written consent of the nominee to serve as a director and other information.

Shareholder proposals must be submitted to our corporate secretary at least 90 days before the first anniversary of the date of our last annual meeting. The notice must include a description of the proposal, the reasons for presenting the proposal at the annual meeting, the text of any resolutions to be presented, the shareholder's name and address and number of shares held and any material interest of the shareholder in the proposal.

Director nominations and shareholder proposals that are late or that do not include all required information may be rejected. This could prevent shareholders from bringing certain matters before an annual or special meeting, including making nominations for directors.

## **Meetings of Shareholders**

Under our Bylaws, meetings of the shareholders may be called only by the chairman of the board, the vice chairman, the president or a majority of the Board of Directors. This provision could have the effect of delaying until the next annual shareholders' meeting shareholder actions which are favored by the holders of a majority of our outstanding voting securities, because such holders would be able to take action as shareholders, such as electing new directors or approving a merger, only at a duly called shareholders' meeting.

## **Amendment of Articles**

Generally, our Articles may be amended by a plurality of the shares represented at a meeting where a quorum is present. Some provisions of the Articles, however, may only be amended or repealed by a vote of at least two-thirds of the outstanding shares entitled to vote.

### **Indemnification**

We indemnify our officers and directors to the fullest extent permitted under Virginia law against all liabilities incurred in connection with their service to us.

**Table of Contents**

**Limitation of Liability**

Our Articles provide that our directors and officers will not be personally liable for monetary damages to us for breaches of their fiduciary duty as directors or officers, unless they violated their duty of loyalty to us or our shareholders, acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper personal benefit from their action as directors or officers. This provision applies only to claims against directors or officers arising out of their role as directors or officers and not in any other capacity. Directors and officers remain liable for violations of the federal securities laws and we retain the right to pursue legal remedies other than monetary damages, such as an injunction or rescission for breach of the officer's or director's duty of care.

**DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS**

We may issue stock purchase contracts, including contracts obligating holders to purchase from us, and us to sell to the holders, a specified number of shares of common stock at a future date or dates, which we refer to in this prospectus as stock purchase contracts. The price per share of common stock and the number of shares of common stock may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts. The stock purchase contracts may be issued separately or as part of units consisting of a stock purchase contract and beneficial interests in debt securities, trust preferred securities, preferred stock or debt obligations of third parties, including U.S. treasury securities or obligations of our subsidiaries, securing the holders' obligations to purchase the common stock under the stock purchase contracts, which we refer to in this prospectus as stock purchase units. The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase units or vice versa, and these payments may be unsecured or refunded on some basis. The stock purchase contracts may require holders to secure their obligations under those contracts in a specified manner.

The applicable prospectus supplement or other offering materials will describe the terms of the stock purchase contracts or stock purchase units, including, if applicable, collateral or depositary arrangements, relating to the stock purchase contracts or stock purchase units.

**PLAN OF DISTRIBUTION**

We may sell the securities being offered hereby in any one or more of the following ways:

directly to purchasers;

through agents;

to or through underwriters; or

through dealers.



**Table of Contents**

We may distribute the securities from time to time in one or more transactions at:

a fixed price or prices, which may be changed;

market prices prevailing at the time of sale;

prices related to prevailing market prices; or

negotiated prices.

We may directly solicit offers to purchase securities, or we may designate agents to solicit such offers. We will, in the prospectus supplement or other offering materials relating to such offering, name any agent that could be viewed as an underwriter under the Securities Act of 1933 and describe any commissions we must pay. Any such agent will be acting on a best efforts basis for the period of its appointment or, if indicated in the applicable prospectus supplement or other offering materials, on a firm commitment basis. Agents, dealers and underwriters may be customers of, engage in transactions with, or perform services for us in the ordinary course of business.

If any underwriters or agents are utilized in the sale of the securities in respect of which this prospectus is delivered, we will enter into an underwriting agreement or other agreement with them at the time of sale to them, and we will set forth in the prospectus supplement or other offering materials relating to such offering their names and the terms of our agreement with them.

If a dealer is utilized in the sale of the securities in respect of which this prospectus is delivered, we will sell such securities to the dealer, as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale.

We may engage in at-the-market offerings to or through a market maker or into an existing trading market, on an exchange or otherwise, in accordance with Rule 415(a)(4). An at-the-market offering may be through an underwriter or underwriters acting as principal or agent for us.

The securities may also be offered and sold, if so indicated in the applicable prospectus supplement or other offering materials, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more remarketing firms, acting as principals for their own accounts or as agents for us. Any remarketing firm will be identified and the terms of its agreement, if any, with us and its compensation will be described in the applicable prospectus supplement or other offering materials.

Remarketing firms, agents, underwriters and dealers may be entitled under agreements which they may enter into with us to indemnification by us against certain civil liabilities, including liabilities under the Securities Act, and may be customers of, engage in transactions with or perform services for us in the ordinary course of business.

## **Table of Contents**

In order to facilitate the offering of the securities, any underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the securities or any other securities the prices of which may be used to determine payments on such securities. Specifically, any underwriters may over-allot in connection with the offering, creating a short position for their own accounts. In addition, to cover over-allotments or to stabilize the price of the securities or of any such other securities, the underwriters may bid for, and purchase, the securities or any such other securities in the open market. Finally, in any offering of the securities through a syndicate of underwriters, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the securities in the offering if the syndicate repurchases previously distributed securities in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the securities above independent market levels. Any such underwriters are not required to engage in these activities and may end any of these activities at any time.

We may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement or other offering materials indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement or other offering materials, including in short sale transactions. If so, the third parties may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third parties in such sale transactions will be underwriters and, if not identified in this prospectus, will be identified in the applicable prospectus supplement or other offering materials (or a post-effective amendment).

We or one of our affiliates may loan or pledge securities to a financial institution or other third party that in turn may sell the securities using this prospectus. Such financial institution or third party may transfer its short position to investors in our securities or in connection with a simultaneous offering of other securities offered by this prospectus or otherwise.

Any underwriter, agent or dealer utilized in the initial offering of securities will not confirm sales to accounts over which it exercises discretionary authority without the prior specific written approval of its customer.

## **LEGAL OPINIONS**

McGuireWoods LLP, counsel to the Company, will issue an opinion about the legality of the offered securities for us. As of December 31, 2008, partners of McGuireWoods LLP owned less than one-half of one percent of our common stock. Certain matters relating to the formation of the Trust and the issuance of the Trust Preferred Securities under Delaware law and the Trust Agreements will be passed upon by Richards, Layton & Finger P.A., special Delaware counsel to the Trust and the Company. Any underwriters will be advised about other issues relating to any offering by their own legal counsel.



**Table of Contents**

**EXPERTS**

The financial statements incorporated in this Prospectus by reference from the Company's Annual Report on Form 10-K and the effectiveness of the Dominion Resources Inc.'s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.