

Ash Sawhney Vice President and Controller

Dominion Resources Services, Inc. 701 East Cary St., Richmond, VA 23219 Phone: 804-771-3962, Fax: 804-771-6519

Mailing Address: P.O. Box 26666

Richmond, VA 23261



LETTER OF COMMENT NO.



January 14, 2009

Mr. Russell G. Golden **Technical Director** Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, Connecticut 06856-5116

Email: director@fasb.org

File Reference: Proposed FSP FAS 107-a

Dear Mr. Golden:

Thank you for the opportunity to comment on the proposed FASB Staff Position (FSP) Financial Accounting Standard (FAS) 107-a, Disclosures about Certain Financial Assets: An Amendment of FASB Statement No. 107.

Dominion Resources, Inc. (Dominion) is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 27,000 megawatts of generation, 1.1 trillion cubic feet equivalent of proved natural gas and oil reserves, 14,000 miles of natural gas transmission, gathering and storage pipeline and 6,000 miles of electric transmission lines. Dominion operates the nation's largest natural gas storage facility with 975 billion cubic feet of storage capacity and serves retail energy customers in 12 states.

We understand that the proposed FSP would require additional disclosure for debt securities classified as held to maturity or available for sale, and loans and long-term receivables except those measured at fair value with changes in fair value recognized through earnings. Disclosures would include the value of these financial assets as reported in the statement of financial position, at fair value and at the incurred loss amount. Disclosure would also be required of the amount of income from continuing operations from these financial assets as well as pro forma income from continuing operations as if these financial assets were carried at fair value with changes in fair value recognized through earnings and at the incurred loss amount with changes recognized in earnings. We have concerns about the need for the proposed FSP, its scope and the limited amount of time allowed for implementation.

The objective of the FSP is to increase the comparability of information about financial assets that have related economic characteristics, but have different reporting measurement attributes. However, we note that disclosure of the fair value of financial assets covered by this FSP is already required by Statement of Financial Accounting Standards (SFAS) No. 107, Disclosures about Fair Value of Financial Instruments, and SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities, thus providing comparability. Therefore we believe the proposed FSP is unnecessary and needlessly increases complexity by introducing yet another measurement attribute (incurred loss amount).

While the objective of the FSP is to increase the comparability of information about financial assets with different reporting measurement attributes, the FSP applies generally to debt securities classified as held-to-maturity or available-for-sale, and loans and long-term receivables except those measured at

fair value with changes in fair value recognized through earnings. We feel there should be an exclusion for situations where a company's financial assets are all reported using the same measurement attribute. Therefore we believe that the scope of the proposed FSP should be limited to entities with financial assets that have different reporting measurement attributes. This would avoid placing an unnecessary burden on companies that don't have financial assets with different reporting measurement attributes. If the FASB decides not to revise the scope of the proposed FSP, it should be made voluntary so that only those entities (i.e. financial institutions) that would like to present an alternative to fair value, such as the incurred loss amount, are subject to the FSP's requirements.

The proposed effective date for interim and annual periods ending after December 15, 2008, does not provide adequate time for companies to successfully implement the FSP. The disclosures mandated by the FSP will require coordination with our investment custodians and managers to gather information that may not be readily available. Our investment custodians and managers may need to make computer system changes and enhancements to provide the necessary information and ensuring that their computer systems are reprogrammed and thoroughly tested in such a short time frame would be extremely difficult. Additionally, it seems that these systems would have needed to be in place at the beginning of 2008 in order to provide the information required for the pro forma income from continuing operations disclosures. Furthermore, additional time will be necessary for companies to review the information provided by the investment custodians and managers for accuracy and prepare the related disclosures. In fact, we believe that this process could possibly take longer than the required filing date of our Form 10-K. Given the time and effort necessary to comply with the FSP, the proposed effective date should be delayed by one year to periods ending after December 15, 2009.

In summary, we believe that the FSP is unnecessary given existing fair value disclosure requirements, however should the FASB decide to proceed with this project, the scope of the FSP should be revised so that it only applies to entities with financial assets that have different reporting measurement attributes or the proposed FSP should be made voluntary so that only those entities (i.e. financial institutions) that would like to present an alternative to fair value, such as the incurred loss amount, are subject to the FSP's requirements. We also feel that the proposed effective date does not provide adequate time for companies to successfully implement the FSP and should be delayed by one year to periods ending after December 15, 2009. Thank you for this opportunity to comment and please feel free to call me at (804) 771-3962 or George Fearnow at (804) 771-6472 with any questions or comments you may have.

Respectfully yours,

Ash Sawhney
Vice President and Controller