

July 8, 2009

Mr. Russell G. Golden
FASB Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
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Email: director@fasb.org

File Reference: Proposed FSP FAS 157-g

Dear Mr. Golden:

Thank you for the opportunity to comment on proposed FASB Staff Position (FSP) FAS 157-g.

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, 1.2 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 hold investments, including those without readily determinable fair values, in trusts to satisfy obligations under our pension and other postretirement benefit plans and future obligations to decommission our nuclear plants. As a result of this, we are directly affected by the changes proposed in this FSP and offer the following comments:

1. We believe that net asset value per share (NAV) is the most relevant estimate of fair value available without undue cost or effort for valuing investments without readily determinable fair values (nonreadily marketable investments). As a result we believe that the use of NAV for nonreadily marketable investments is common practice. **While we agree with the FASB's validation of the use of NAV; we have several concerns with the proposed FSP and question the need to burden preparers and auditors with yet another FSP on fair value.** It would be sufficient to have the FASB's Valuation Resource Group indicate that NAV is an acceptable method for valuing nonreadily marketable investments.
2. **While the introduction to the proposed FSP indicates that the FASB is permitting rather than requiring application of the FSP for entities within its scope, we believe this characterization is misleading and unfortunately will reduce the number of comments received by the FASB on this proposal.** As written, the FSP requires additional disclosures for all investments in entities (without readily determinable fair values) that meet the definition of an investment company in paragraph 1.06 of the investment companies Guide for which entity's net asset value per share has been calculated in accordance with that Guide. This is regardless of whether an entity utilizes NAV as a "practical expedient" to value its nonreadily marketable investments. Given that NAV is widely used for valuing nonreadily marketable investments since it is available without undue cost or effort, almost all companies holding these investments will be subject to the additional disclosures proposed in the FSP. **We believe the FASB should clarify the requirements of the FSP and then reissue it for comment in order to allow for appropriate due process or revise the FSP so that these disclosures are voluntary.**
3. The measurement guidance in the FSP notes that if NAV is not determinative of an investment's fair value, a reporting entity can still utilize NAV without further adjustment as a practical expedient. **The**

- FSP requires an entity for disclosure purposes to differentiate between nonreadily marketable investments where NAV is determinative of fair value and where NAV is a practical expedient, yet fails to provide any guidance or specifics on how to make this determination.** We are concerned that several companies with the same investment could reach different conclusions on whether NAV is determinative of fair value. It would be helpful if the FASB could provide additional guidance in this area in order to avoid diversity in practice. One recommendation might be to specify that an entity must be able to redeem an investment at NAV in order for NAV to be determinative of fair value; otherwise the use of NAV would be considered a practical expedient.
4. The measurement guidance in the FSP appears to restrict the use of the practical expedient to situations where NAV has been determined as of the reporting entity's measurement date. There is typically a lag between the NAV measurement date of our nonreadily marketable investments and when we receive this information for reporting purposes. **We recommend revising the FSP to indicate that if the latest NAV measurement date does not coincide with an investor's reporting date, the investor may still utilize NAV after considering appropriate adjustments.**
 5. **The FSP would require quarterly disclosures for nonreadily marketable investments held in pension and other postretirement benefit plans, however investments held in pension and other postretirement benefit plans are currently only subject to measurement and disclosure on an annual basis.** Thus the fair value of nonreadily marketable investments required to be disclosed by the FSP would not agree with the amount at which they are carried on the balance sheet. We note that the FASB has already instituted several additional disclosure requirements for pension and other postretirement benefit plans through the issuance of FSP FAS 132R that will be effective December 31, 2009. We question the usefulness of the additional disclosures that would be required by FSP FAS 157-g and believe nonreadily marketable investments held in pension and other postretirement benefit plans should be exempt from these requirements.
 6. **We do not feel that the disclosure requirements are operational upon issuance.** It would be time consuming and costly to provide certain of the required disclosures on an investment-by-investment basis (i.e. remaining life, unfunded commitments, terms and conditions of redemption) and the resulting disclosure would be so voluminous that it would be of little use to investors. Preparers also need adequate time to coordinate with investment custodians and managers to gather the information necessary to prepare the required disclosures. The example provided in the FSP was an issuance date of July 31, 2009, which would be especially difficult for publicly-traded calendar year companies finalizing their second quarter Form 10-Qs. These disclosure requirements would also complicate the preparation of 2008 financial statements for pension and other postretirement benefit plans that are required to be filed with the Department of Labor by October 15, 2009. Preparers are already struggling with the initial application of SFAS 157 disclosure requirements to these plans and this FSP would add an additional burden. If issued, the FSP should be revised to allow disclosures on an aggregated basis and not be effective prior to periods ending after December 15, 2009 in order to allow preparers and investment managers and custodians adequate time to prepare.

In summary, we agree with the FASB's validation of the use of NAV, but believe this could be accomplished through FASB's Valuation Resource Group rather than issuing an additional FSP on fair value. We believe the FASB's characterization of this FSP as optional is misleading and believe the FASB should clarify the requirements of the FSP and reissue it for comment in order to allow for appropriate due process. We feel that the FASB should provide additional guidance to assist preparers in concluding whether NAV is determinative of fair value. We recommend revising the FSP to indicate that if the latest NAV measurement date does not coincide with an investor's reporting date, the investor may still utilize NAV after considering appropriate adjustments. We believe that investments held by pension and other postretirement benefit plans should be exempt from the disclosure requirements of this FSP. We do not feel that the disclosure requirements are operational upon issuance and believe disclosures should be allowed on a more aggregated basis with an effective date no earlier than 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 Ed DuRocher at (804) 771-4512 with any questions or comments you may have.

Sincerely,

/s/ Ashwini Sawhney

Ashwini Sawhney
Vice President and Controller