

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



March 31, 2009



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

LETTER OF COMMENT NO. 238

File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

Dear Mr. Golden:

Thank you for the opportunity to comment on the proposed FASB Staff Position (FSP) FAS 115-a, FAS 124-a, and EITF 99-20b.

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.

As an owner of eight nuclear power generating units, we are required by various regulatory authorities (e.g., the Nuclear Regulatory Commission, Federal Energy Regulatory Commission, and state regulators) to provide financial assurance that we will have the resources to properly decommission these units when our operating licenses expire. The most common method of providing this assurance is to periodically deposit funds into external trusts, which are typically invested in equity and debt securities that are restricted for the sole purpose of providing resources sufficient to satisfy the costs of future decommissioning activities. Among other things, requirements established by applicable regulators restrict the funds from any alternate use, establish trustee qualifications and prohibit us (as the plant owner) from acting as investment manager for the trusts. Generally, investment guidelines are established with the goal of achieving the long-term rate of return and capital preservation required to ensure adequate future resources for decommissioning activities. The investments held in nuclear decommissioning trusts are typically classified as available-for-sale under SFAS 115.

As we are prohibited from serving as an investment manager, we do not directly make the purchase and sale decisions for individual equity and debt securities. Therefore, under current accounting guidance (e.g., FSP 115-1 and SEC SAB Topic 5M), we cannot demonstrate the "ability" to hold investments with unrealized losses until an expected recovery occurs and are therefore required to recognize all unrealized losses on these investments as other-than-temporary impairments (OTTI) in our earnings each quarter, as applicable. As a result of this, we are directly affected by the changes proposed in this FSP and offer the following comments:

1. The FSP proposes that entities be required to separately measure and present credit losses for an OTTI on debt securities. From our reading of the proposed FSP, it is our understanding that this measure of credit losses is not required for equity securities. While we agree that this may provide decision-useful information for financial institutions (who we believe are the intended industry target of this FSP), we do not believe it provides meaningful information to the users of our financial statements, as these investments and earnings thereon do not reflect the majority of investments held in our trusts. Therefore, we do not believe the benefits this information may provide outweigh the significant increase in costs and burden associated with analyzing and measuring credit losses. We would recommend the

requirement to separate the OTTI into two components be eliminated, made optional or made an industry specific disclosure.

2. The FSP proposes that the credit component of the OTTI of a debt security should represent the best estimate of the reporting entity. While the estimation techniques described in SFAS 114 and EITF 99-20 may be operational for financial institutions, we do not believe that all companies would be equipped to prepare such estimates for each of the potentially large number of individual debt securities held and managed in external trusts. To the extent the trustee does not provide this type of analysis, these companies would be required to manually perform these measurements "in house". As noted in comment 1. above, we do not believe the benefits this information may provide outweigh the significant increase in costs and burden associated with analyzing and measuring credit losses.
3. Overall, we believe that the modification under this FSP to the "intent and ability" requirements under current guidance would be more operational for most companies. However, for entities whose investments are managed by third parties (e.g., nuclear decommissioning trusts), we believe a specific statement in the FSP permitting an entity to use its best judgment to make assertions as to the intent of the third party investment manager should be added to clarify and ensure consistent application of the provisions of this FSP. Furthermore, we believe that current guidance would continue to apply to SEC registrants until the SEC updates SAB Topic 5M to specifically remove the requirement that we have the "ability" to hold an investment until recovery before other factors can be assessed in determining if an OTTI exists (i.e., Step 2 under FSP 115-1). Additionally, we support the scope of the FSP including debt and equity securities.
4. We agree with the amortization of AOCI based on future estimated cash flows as proposed by this FSP.
5. The proposed effective date for interim and annual periods ending after March 15, 2009, does not provide adequate time for companies to successfully determine the amount of the total impairment that should be recorded for OTTI. First, measurement of credit losses (if ultimately required by the FSP) will require coordination with our investment custodians and managers to gather information that may not be readily available; additional time will be necessary for companies to review the information provided by the investment custodians and managers for accuracy and to prepare the related disclosures. Second, to the extent that companies like Dominion may now be able to evaluate an OTTI based on other factors such as severity and duration of the impairments, new procedures and sources of information will need to be developed. Given the time and effort necessary to comply with the FSP, the proposed effective date should be delayed by at least one calendar quarter to periods ending no sooner than June 15, 2009, with the option of early adoption permitted.

In summary, we generally agree with the proposed FSP and the FASB's effort to make the OTTI guidelines more operational but do not believe this FSP would be operational without a concurrent amendment by the SEC of SAB Topic 5M removing the "ability" requirement. We also believe clarification is required regarding application of the FSP by entities with investments managed by third parties. Lastly, we do not believe that identifying the credit component of an OTTI provides decision-useful information for all companies or industries and recommend the requirement to separate the impairment into two components be eliminated or made optional or industry specific.

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