DOMINION RESOURCES INC /VA/
Form 11-K
June 24, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One):

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number 333-163805

A. **Full title of the plan and the address of the plan, if different from that of the issuer named below:**

DOMINION SALARIED SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

DOMINION RESOURCES, INC.

120 Tredegar Street

Richmond, VA 23219

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DOMINION SALARIED SAVINGS PLAN

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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee and Compensation, Governance and Nominating

Committee of the Board of Directors of Dominion Resources, Inc. and

the Trustee and Participants of the Dominion Salaried Savings Plan

Richmond, Virginia

We have audited the accompanying statements of net assets available for benefits of the Dominion Salaried Savings Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of (1) assets (held at end of year) as of December 31, 2009, and (2) reportable transactions for the year ended December 31, 2009, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan s management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2009 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Richmond, Virginia

June 24, 2010

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DOMINION SALARIED SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS:		
Investments at Fair Value:		
Participant-directed investments	**$ 1,705,459,112**	$ 1,312,724,105
Nonparticipant-directed investments	**211,055,303**	254,124,997
Total investments	**1,916,514,415**	1,566,849,102
Receivables:		
Accrued investment income	**881**	4,023
Receivables for securities sold	**1,048,193**	779,487
Participant contributions	**437,295**	1,480,097
Employer contributions	**153,892**	517,624
Total receivables	**1,640,261**	2,781,231
Cash	**2,085,088**	
Total assets	**1,920,239,764**	1,569,630,333
LIABILITIES:		
Payables for securities purchased	**3,347,223**	933,773
Other liabilities	**1,840,931**	3,103,706
Total liabilities	**5,188,154**	4,037,479
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	**1,915,051,610**	1,565,592,854
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	**(5,340,018)**	24,631,354
NET ASSETS AVAILABLE FOR BENEFITS	**$ 1,909,711,592**	$ 1,590,224,208

See notes to financial statements.

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DOMINION SALARIED SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31, 2009

ADDITIONS:	
Contributions:	
Participant contributions	$ 90,193,465
Employer contributions	31,605,792
Total contributions	121,799,257
Investment Income:	
Interest	1,642,789
Dividends	35,022,569
Net appreciation in fair value of investments	192,989,184
Income from Master Trust	33,987,765
Net investment income	263,642,307
Total additions	385,441,564
DEDUCTIONS:	
Benefits paid to participants	68,235,950
Administrative expenses	1,515,317
Total deductions	69,751,267
NET INCREASE IN NET ASSETS BEFORE TRANSFERS	315,690,297
TRANSFER OF PARTICIPANTS ASSETS TO THE PLAN, NET	3,797,087
NET INCREASE IN NET ASSETS	319,487,384
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	1,590,224,208
End of year	$ 1,909,711,592

See notes to financial statements.

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DOMINION SALARIED SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

1. DESCRIPTION OF PLAN

The following description of the Dominion Salaried Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

a. ***General*** The Plan is a defined contribution plan covering all salaried employees and certain hourly employees of the Participating Companies (see Note 1.d.) who are 18 years of age or older, regular full-time or part-time employees and are scheduled to work at least 1,000 hours per year. Dominion Resources, Inc. (Dominion or the Company) is the designated Plan sponsor. The Plan administrator is Dominion Resources Services, Inc., a subsidiary of Dominion. The Bank of New York Mellon (BNY Mellon) serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

b. ***Contributions*** Participants may contribute not less than 2% and not more than 50% of their eligible earnings, all of which may be on a tax-deferred basis, or up to 20% on an after-tax basis. Highly compensated employees may contribute not less than 2% and not more than 35% of their eligible earnings, of which up to 15% may be on a tax-deferred basis and up to 20% on an after-tax basis. Employee contributions are subject to certain Internal Revenue Code (IRC) limitations. Depending on a participant s hire date, years of service, and the percentage of tax-deferred and after-tax contributions, Participating Companies contribute a matching amount from 1% up to 7% of the participant s eligible earnings depending upon plan entry date.

c. ***Participant Accounts*** Individual accounts are maintained for each Plan participant. Each participant s account includes the effect of the participant s contributions and withdrawals, as applicable, and allocations of the Participating Companies contributions, Plan earnings or losses, and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant s account.

d. ***Participants*** Any subsidiary of Dominion may adopt the Plan for the benefit of its qualified salaried and certain hourly employees subject to approval of the Dominion Board of Directors.

e. ***Vesting*** Participants become vested in their own contributions and the earnings on these amounts immediately. Participants generally become vested in the Participating Companies matching contributions and related earnings after three years of service.

f. ***Forfeited Accounts*** At December 31, 2009 and 2008, forfeited nonvested accounts totaled $131,674 and $138,324, respectively. These accounts are used to reduce future contributions from the Participating Companies.

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g. ***Investment Options***

Participant Contributions Upon enrollment in the Plan, a participant may direct his or her contributions in any option (except the loan fund) in 1% increments totaling to 100%. Changes in investment options may be made at any time and participant investment election changes become effective with the subsequent pay period. The Plan provides for employee contributions to be invested in the following:

Dominion Stock Fund

Interest in Master Trust:
Stable Value Fund (BNY Mellon Fund)

Large Cap Growth Fund (RCM Fund)

Small Cap Value Fund (Lee Munder Fund)

Small Cap Growth Fund (Cadence Fund)

Common/Collective Trusts:
Intermediate Bond Fund

Large Cap Value Fund

S&P 500 Index Fund

Wilshire 4500 Index Fund

Mutual Funds:
International Equity Fund

Real Estate Fund

Target Retirement Income Fund

Target Retirement 2005 Fund

Target Retirement 2010 Fund

Target Retirement 2015 Fund

Target Retirement 2020 Fund

Target Retirement 2025 Fund

Target Retirement 2030 Fund

Target Retirement 2035 Fund

Target Retirement 2040 Fund

Target Retirement 2045 Fund

Target Retirement 2050 Fund

Employer Contributions Effective January 1, 2008, Participating Companies matching contributions are deposited in accordance with the participant s investment directions at the time the contribution is made. However, if the participant has not made investment directions at the time the contribution is made, the Participating Companies matching contributions will be automatically invested in the Target Retirement Fund corresponding with the participant s age (assuming retirement at age 65). Prior to 2008, Participating Companies matching contributions were deposited in the Dominion Stock Fund and were designated as nonparticipant-directed investments. Participants may transfer 100% of the value of their nonparticipant-directed Dominion Stock Fund investments at any time. Upon transfer, such investments are considered participant-directed.

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h. ***Participant Loans*** Participants are eligible to secure loans against their plan account with a maximum repayment period of 5 years. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of:

50% of the vested account balance, or

$50,000 (reduced by the maximum outstanding loan balance during the prior 12 months)

Loan transactions are treated as a transfer between the respective investment fund and the loan fund. The loans are interest-bearing at the prime rate of interest plus 1%. The rate is determined at the beginning of each month if a change has occurred in the prime rate. However, the rate is fixed at the inception of the loan for the life of the loan.

Participants make principal and interest payments to the Plan through payroll deductions. Any defaults in loans result in a reclassification of the remaining loan balances as taxable distributions to the participants.

i. ***Payment of Benefits*** On termination of service, a participant may elect to receive either a lump sum amount equal to the value of the participant s vested interest in his or her account, or defer the payment to a future time no later than the year in which the participant attains age 70 $^1/2$. If the participant retires from the Company, he or she may elect to receive installment payments. There were no amounts payable to participants at December 31, 2009 or 2008.

j. ***Flexible Dividend Options*** Participants are given the choice of (1) receiving cash dividends paid on vested shares held in their Dominion Stock Fund or (2) reinvesting the dividends in the Dominion Stock Fund.

k. ***Plan Changes*** In November 2009, the Plan approved the following changes to participant investment funds: The Small Cap Value Fund and the Small Cap Growth Fund managed by Laudus Fund Group and Vanguard Group, respectively, as mutual funds, were replaced to be managed by Lee Munder Capital Group and Cadence Capital Management, respectively, in the Master Trust that was established for the investment of assets for the Plan and other employee benefit plans of Dominion and its subsidiaries.

l. ***Plan Merger*** On March 2, 2009, as a result of Dominion completing the acquisition of Cirro Energy, a Texas retail electric provider, trust assets of the former Cirro Energy Savings Plan of $1,083,298 were transferred into the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. ***Basis of Accounting*** The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

b. ***Use of Estimates*** The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits, and changes therein. Actual results could differ from those estimates.

c. ***Risks and Uncertainties*** The Plan utilizes various investment instruments, including the Dominion Stock Fund, common/collective trusts, mutual funds and investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility.

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d. ***Valuation of Investments*** All investments are carried at fair value. See Note 6 for further information on fair value measurements. The fair valued fully benefit-responsive guaranteed investment contracts are then adjusted to contract value. See Note 5.

e. ***Investment Income*** Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recognized on the ex-dividend date.

Realized gains and losses on the sale of investments are determined using the average cost method.

Net investment income from mutual fund holdings includes dividend income and realized and unrealized appreciation (depreciation).

Management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

f. ***Administrative Expenses*** As permitted by law, the reasonable administrative costs of the Plan are paid from the Plan s Trust. Dominion pays any administrative costs that are not charged to the Plan.

g. ***Payment of Benefits*** Distributions from the Plan are recorded when a participant s valid withdrawal request is processed by the recordkeeper.

h. ***Transfers*** In addition to the Plan, Dominion also sponsors several other savings plans for employees of Dominion and certain of its subsidiaries which do not participate in this Plan. If participants change employment among Dominion and its covered subsidiaries during the year, their account balances are transferred into the corresponding plan. For the year ended December 31, 2009, the Plan transferred $134,968 and $2,848,757 of participants assets to and from other plans, respectively.

i. ***Excess Contributions Payable*** The Plan is required to return contributions received during the Plan year in excess of the IRC limits to Plan participants.

3. INVESTMENTS

The Plan s investments that represented 5% or more of the Plan s net assets available for benefits as of December 31, 2009 and 2008 are as follows:

	2009	**2008**
Dominion Stock Fund:		
Participant-directed 10,240,771 and 8,767,287 units, respectively	**$ 398,570,798**	$ 314,219,554
Nonparticipant-directed 5,422,798 and 7,090,541 units, respectively	**211,055,303**	254,124,997
Interest in BNY Mellon Fund, 20,797,456 and 20,517,249 units, respectively	**455,541,232**	404,618,411
S&P 500 Index Fund, 15,050,351 and 14,206,469 units, respectively	**149,325,651**	111,399,829
International Equity Fund, 2,960,826 units in 2009; did not represent 5% or more of the Plan s assets in 2008	**113,518,061**	

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During the year ended December 31, 2009, the Plan s investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Investments at Fair Value:	
Dominion Stock Fund	**$ 50,372,543**
Common/Collective Trust Funds:	
Intermediate Bond Fund	**5,434,527**
Large Cap Value Fund	**8,079,550**
S&P 500 Index Daily Fund	**30,812,832**
Wilshire 4500 Index Fund	**14,094,931**
	58,421,840
Mutual Funds:	
International Equity Fund	**27,791,250**
Small Cap Value Fund	**5,649,656**
Small Cap Growth Fund	**10,151,246**
Real Estate Fund	**7,227,600**
Target Retirement Income Fund	**395,706**
Target Retirement 2005 Fund	**506,213**
Target Retirement 2010 Fund	**2,863,936**
Target Retirement 2015 Fund	**4,883,602**
Target Retirement 2020 Fund	**6,657,786**
Target Retirement 2025 Fund	**5,756,214**
Target Retirement 2030 Fund	**2,618,668**
Target Retirement 2035 Fund	**2,847,040**
Target Retirement 2040 Fund	**1,762,093**
Target Retirement 2045 Fund	**3,685,956**
Target Retirement 2050 Fund	**1,397,835**
	84,194,801
Net appreciation in fair value of investments	**$ 192,989,184**

4. NONPARTICIPANT-DIRECTED INVESTMENTS

Information about net assets and the significant components of changes in net assets relating to nonparticipant-directed investments as of December 31, 2009 and 2008, and for the year ended December 31, 2009, is as follows:

	December 31, 2009	**December 31, 2008**
Net assets Dominion Stock Fund	**$ 211,055,303**	$ 254,124,997

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	Year Ended December 31, 2009
Changes in Net Assets:	
Interest	$ 1,884
Dividends	15,225,426
Net appreciation in fair value of investments	26,483,165
Benefits paid to participants	(10,321,275)
Administrative expenses	(14,902)
Participant transfers, net	(73,223,594)
Rollover distributions	(1,220,398)
Net change	(43,069,694)
Dominion Stock Fund Beginning of year	254,124,997
Dominion Stock Fund End of year	$ 211,055,303

5. PLAN INTEREST IN MASTER TRUST

The Plan s investments in the BNY Mellon Fund, the RCM Fund, the Lee Munder Fund and the Cadence Fund are held in a Master Trust that was established for the investment of assets for the Plan and other employee benefit plans of Dominion and its subsidiaries. BNY Mellon holds the assets of the Master Trust.

BNY Mellon Fund As of December 31, 2009 and 2008, the Plan s interest in the net assets of the BNY Mellon Fund was approximately 71%. Investment income and administrative expenses relating to the BNY Mellon Fund are allocated to the individual plans based upon average monthly balances invested by each plan. The BNY Mellon Fund invests primarily in two types of benefit-responsive guaranteed investment contracts (GICs) described below, which are stated at fair value and then adjusted to contract value. The fair value of synthetic GICs is based on the fair value of the underlying investments as determined by the issuer of the synthetic GICs based on quoted market prices and a fair value estimate of the wrapper contract. Fair market value of the wrapper is estimated by BNY Mellon using an internal model. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals and administrative expenses.

(1) *Fixed Maturity Synthetic Guaranteed Investment Contracts* General fixed maturity synthetic GICs consist of an asset or collection of assets that are owned by the BNY Mellon Fund and a benefit responsive, book value wrap contract purchased for its portfolio. The wrap contract provides book value accounting for the asset, so that book value, benefit responsive payments will be made for participant directed withdrawals. The crediting rate of the contract is set at the start of the contract and typically resets every quarter. Generally, fixed maturity synthetic GICs are held to maturity. The crediting rate aims at converging the book value of the contract and the market value of the underlying portfolio over the duration of the contract and therefore will be affected by movements in interest rates and/or changes in the market value of the underlying portfolio. The initial crediting rate is established based on the market interest rates at the time the initial asset is purchased and the contract will have an interest crediting rate not less than 0%.

Variable synthetic GICs consist of an asset or collection of assets that are managed by a bank or insurance company and are held in a bankruptcy remote vehicle for the benefit of the BNY Mellon Fund. The contract is benefit responsive and provides next day liquidity at book value. The crediting rate on this product resets every quarter based on the then current market index rates and an investment spread. The investment spread is established at time of issuance and is guaranteed by the issuer for the life of the investment.

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(2) *Constant Duration Synthetic Guaranteed Investment Contracts* Constant duration synthetic GICs consist of a portfolio of securities owned by the BNY Mellon Fund and a benefit responsive, book value wrap contract purchased for its portfolio. The wrap contract amortizes gains and losses of the underlying securities over the portfolio duration, so that book value, benefit responsive payments will be made for participant directed withdrawals. The crediting rate on a constant duration synthetic GIC resets every quarter based on the book value of the contract, the market yield of the underlying assets, the market value of the underlying assets and the average duration of the underlying assets. The crediting rate aims at converging the book value of the contract and the market value of the underlying portfolio over the duration of the contract and therefore will be affected by movements in interest rates and/or changes in the market value of the underlying portfolio. The initial crediting rate is established based on the market interest rates at the time the underlying portfolio is first put together and the contract will have an interest crediting rate of not less than 0%.

Certain Plan-initiated events, such as plan termination, bankruptcy and mergers, may limit the ability of the Plan to transact at contract value. In general, issuers may terminate the contracts and settle at other than contract value if the qualification status of the Plan changes, there is a breach of material obligations under the contract and misrepresentation by the contract holder, or the underlying portfolio fails to conform to the pre-established investment guidelines. The Plan Sponsor does not believe that any events that may limit the ability of the Plan to transact at contract value are probable.

Average yields:

	2009	2008
Based on annualized earnings*	**2.89%**	4.56%
Based on interest rate credited to participants**	**2.33%**	4.02%

* Computed by dividing the annualized one-day actual earnings of the contract on the last day of the Plan year by the fair value of the investments on the same date.

** Computed by dividing the annualized one-day earnings credited to participants on the last day of the Plan year by the fair value of the investments on the same date.

The following tables present the value of the undivided investments and related investment income in the BNY Mellon Fund: