DOMINION RESOURCES INC /VA/
Form 11-K
June 24, 2011
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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, 2010

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ______ to ______

Commission File number 333-149989

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

DOMINION PEOPLES GAS UNION 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 PEOPLES GAS UNION 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 Peoples Gas Union Savings Plan

Richmond, Virginia.

We have audited the accompanying statements of net assets available for benefits of the Dominion Peoples Gas Union Savings Plan (the Plan) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010. 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, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010, 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, 2010, and (2) reportable transactions for the year ended December 31, 2010, 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 2010 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, 2011

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DOMINION PEOPLES GAS UNION SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS:		
Investments at Fair Value:		
Participant-directed investments	**$ 36,704,342**	$ 52,051,151
Nonparticipant-directed investments	**18,453,551**	20,724,783
Total investments	**55,157,893**	72,775,934
Receivables:		
Notes receivable from participants		969,495
Participant contributions		62,691
Employer contributions		18,666
Accrued investment income	**4**	10
Receivable for securities sold		17,717
Total receivables	**4**	1,068,579
Cash		3
Total assets	**55,157,897**	73,844,516
LIABILITIES:		
Payables for securities purchased		69,674
Other liabilities	**57,350**	81,615
Total liabilities	**57,350**	151,289
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	**55,100,547**	73,693,227
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	**(432,652)**	(298,865)
NET ASSETS AVAILABLE FOR BENEFITS	**$ 54,667,895**	$ 73,394,362

See notes to financial statements.

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DOMINION PEOPLES GAS UNION SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31, 2010

ADDITIONS:	
Contributions:	
Participant contributions	**$ 166,830**
Employer contributions	**91,301**
Total contributions	**258,131**
Investment Income:	
Interest	**48**
Dividends	**1,296,109**
Net appreciation in fair value of investments	**3,252,553**
Income from Master Trust	**1,008,834**
Total investment income	**5,557,544**
Interest income on notes receivable from participants	**5,338**
Total additions	**5,821,013**
DEDUCTIONS:	
Benefits paid to participants	**24,521,170**
Administrative expenses	**26,310**
Total deductions	**24,547,480**
NET DECREASE IN NET ASSETS	**(18,726,467)**
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	**73,394,362**
End of year	**$ 54,667,895**

See notes to financial statements.

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DOMINION PEOPLES GAS UNION SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2010 AND 2009, AND FOR THE YEAR ENDED DECEMBER 31, 2010

1. DESCRIPTION OF PLAN

The following description of the Dominion Peoples Gas Union 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 union-eligible employees of The Peoples Natural Gas Company (the Employer or Peoples) represented by the United Gas Workers Union, Local No. 69 Division I, UWUA, AFL-CIO 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).

In February 2010, Dominion completed the sale of Peoples to PNG Companies LLC. Effective upon the closing date, Peoples employees were terminated and all participants became fully vested in their Savings Plan account balances and such account balances became nonforfeitable, regardless of the employee s years of service. Upon the termination of employment, Peoples participants were given an option to leave their Savings Plan account balances in the Plan if the account balance was $1,000 or more.

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. Employee contributions are subject to certain Internal Revenue Code (IRC) limitations. The Employer contributes a matching amount equivalent to 50% of each participant s contributions (up to a maximum of 6%), not to exceed 3% of the participant s eligible earnings. For participants who have 20 or more years of service with Dominion or its subsidiaries, the Employer s matching contribution is 66.7% of each participant s contributions (up to a maximum of 6%), not to exceed 4% of participant s eligible earnings.

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 Employer s 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*** Each employee is eligible to participate in the Plan on an entirely voluntary basis. Participation by an employee becomes effective immediately upon enrollment in the Plan.

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

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f. ***Forfeited Accounts*** At December 31, 2010, there were no forfeited nonvested accounts as Peoples participants who terminated employment with Dominion upon the closing date of the Peoples sale to PNG Companies LLC became fully vested in their Savings Plan account balances and such account balances became nonforfeitable, regardless of the employee s years of service. At December 31, 2009, forfeited nonvested accounts totaled $4. These accounts were used to reduce future Employer contributions.

g. ***Investment Options***

Participant Contributions Upon enrollment in the Plan, a participant may direct his or her contributions in any option 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. However, if the participant has not made investment directions at the time the contribution is made, the participant contributions will be automatically invested in the Target Retirement Fund corresponding with the participant s age (assuming retirement at age 65). 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)

International Equity Fund

Real Estate Fund

Common/Collective Trusts:

Intermediate Bond Fund

Large Cap Value Fund

S&P 500 Index Fund

Wilshire 4500 Index 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 Employer matching contributions are deposited in the Dominion Stock Fund and are 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.

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).

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.

Effective upon the closing date of the Peoples sale to PNG Companies LLC, outstanding loan balances became due and payable. Those participants with outstanding loans were given 90 days after their date of termination to repay the loan in full or the loan was treated as defaulted and deemed a taxable distribution to the participant.

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 also elect to receive installment payments. There were no amounts payable to participants at December 31, 2010 or 2009.

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 2010, the Plan approved the following changes to participant investment funds: As it resulted in an overall reduction in the annual investment manager fees, the structure of the International Equity Fund and the Real Estate Fund was transitioned from a mutual fund to a Master Trust (see Note 5). Similarly, as it resulted in an overall reduction in the annual investment manager fees, the structure of the Vanguard Target Retirement Funds was transitioned from mutual funds to common/collective trust funds.

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 and investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility.

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 (GICs) are then adjusted to contract value. See Note 5.

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e. ***Notes Receivable from Participants*** Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

f. ***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 common/collective trust fund holdings includes dividend income and realized and unrealized appreciation (depreciation).

Management fees and operating expenses charged to the Plan for investments in common/collective trust 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.

g. ***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.

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

i. ***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, 2010, there was no transfer of participants assets to or from other plans.

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

k. ***Accounting Change*** Effective December 31, 2010, Dominion adopted new accounting guidance regarding loans to participants by defined contribution plans. The guidance requires loans to participants to be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The Plan applied this amendment retrospectively to all prior periods presented.

3. INVESTMENTS

The Plan s investments that represented 5% or more of the Plan s net assets available for benefits as of December 31, 2010 and 2009 are as follows:

	2010	2009
Dominion Stock Fund:		
Participant-directed 219,871 and 339,094 units, respectively	**$ 9,392,885**	$ 13,197,541
Nonparticipant-directed 431,965 and 532,497 units, respectively	**18,453,551**	20,724,783
Interest in BNY Mellon Fund, 880,543 and 1,163,972 units, respectively	**19,962,159**	25,495,295

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During the year ended December 31, 2010, 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	**$ 2,665,579**
Common/Collective Trust Funds:	
Intermediate Bond Fund	**19,689**
Large Cap Value Fund	**30,785**
S&P 500 Index Fund	**224,845**
Wilshire 4500 Index Fund	**60,569**
Target Retirement Income Fund	**5,199**
Target Retirement 2005 Fund	**32,846**
Target Retirement 2010 Fund	**4,013**
Target Retirement 2015 Fund	**24,039**
Target Retirement 2020 Fund	**54,116**
Target Retirement 2025 Fund	**61,219**
Target Retirement 2030 Fund	**11,256**
Target Retirement 2035 Fund	**8,284**
Target Retirement 2040 Fund	**(126)**
Target Retirement 2045 Fund	**868**
Target Retirement 2050 Fund	**1,183**
	538,785
Mutual Funds:	
International Equity Fund*	**13,615**
Real Estate Fund*	**34,574**
	48,189
Net appreciation in fair value of investments	**$ 3,252,553**

* On July 1, 2010, the International Equity Fund and the Real Estate Fund were transitioned from mutual funds to the Master Trust. See Note 1.

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, 2010 and 2009 and for the year ended December 31, 2010, is as follows:

	December 31, 2010	December 31, 2009
Net assets Dominion Stock Fund	**$ 18,453,551**	$ 20,724,783

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	Year Ended December 31, 2010
Changes in net assets:	
Interest	$ 31
Dividends	912,346
Net appreciation in fair value of investments	1,871,005
Employer contributions	90,801
Benefits paid to participants	(3,630,829)
Administrative expenses	(17)
Participant transfers	779,865
Rollover distributions	(2,294,434)
Net change	(2,271,232)
Dominion Stock Fund Beginning of year	20,724,783
Dominion Stock Fund End of year	$ 18,453,551

5. PLAN INTEREST IN MASTER TRUST

The Plan s investments in the BNY Mellon Fund, the RCM Fund, the Lee Munder Fund, the Cadence Fund, the International Equity Fund and the Real Estate Fund are held in a Master Trust, a separate account 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, 2010 and 2009, the Plan s interest in the net assets of the BNY Mellon Fund was approximately 3% and 4%, respectively. 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 cash equivalents and two types of synthetic 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:

	2010	2009
Based on annualized earnings*	**2.47%**	2.89%
Based on interest rate credited to participants**	**1.86%**	2.33%

* 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:

	December 31, 2010	December 31, 2009
GICs	**$ 398,489,553**	$ 433,430,974
Cash equivalents	**209,969,446**	196,247,662
Common/collective trust	**5,563,746**	5,422,134
Interest receivable	**1,128,579**	1,357,842
Payables	**(122,301)**	
Receivables		140,932
Total at fair value	**615,029,023**	636,599,544
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	**(13,329,903)**	(7,462,448)
Total at contract value	**$ 601,699,120**	$ 629,137,096

At December 31, 2010 and 2009, the Plan s interest in the net assets at fair value of the BNY Mellon Fund was $19,962,159 and $25,495,295, respectively.

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Investment income for the BNY Mellon Fund was as follows:

	Year Ended December 31, 2010
Interest	**$ 15,689,266**
Net investment appreciation	**157,461**
Total	**$ 15,846,727**

The Plan s interest in the investment income of the BNY Mellon Fund was $561,780.

RCM Fund As of December 31, 2010 and 2009, the Plan s interest in the net assets of the RCM Fund was approximately 2% and 4%, respectively. The RCM Fund invests primarily in corporate stocks, which are stated at fair value based on the closing sales price reported on the New York Stock Exchange on the last business day of the Plan year. Investment income and expenses relating to the RCM Fund are allocated to the individual plans based upon average monthly and quarterly balances, respectively, invested by each plan.

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

	December 31, 2010	December 31, 2009
Corporate stocks	**$ 70,445,528**	$ 68,181,421
Cash equivalents	**1,798,150**	1,446,394
Payables	**(67,322)**	(630,087)
Receivables	**471**	112,539
Total	**$ 72,176,827**	$ 69,110,267

At December 31, 2010 and 2009, the Plan s interest in the net assets of the RCM Fund was $1,526,731 and $2,541,102, respectively.

Investment income for the RCM Fund was as follows:

	Year Ended December 31, 2010
Interest	**$ 3,724**
Dividends	**787,454**
Net investment appreciation	**7,297,377**
Total	**$ 8,088,555**

The Plan s interest in the investment income of the RCM Fund was $167,948.

Lee Munder Fund As of December 31, 2010 and 2009, the Plan s interest in the net assets of the Lee Munder Fund was approximately 1% and 2%, respectively. The Lee Munder Fund invests primarily in corporate stocks, which are stated at fair value based on the closing sales price reported on the New York Stock Exchange on the last business day of the Plan year. Investment income and expenses relating to the Lee Munder Fund are allocated to the individual plans based upon average monthly and quarterly balances, respectively, invested by each plan.

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

	December 31, 2010	December 31, 2009
Corporate stocks	**$ 68,133,538**	$ 57,892,705
Cash equivalents	**1,315,213**	171,837
Receivables	**60,483**	287,848
Total	**$ 69,509,234**	$ 58,352,390

At December 31, 2010 and 2009, the Plan s interest in the net assets of the Lee Munder Fund was $493,604 and $921,120, respectively.

Investment income for the Lee Munder Fund was as follows:

	Year Ended December 31, 2010
Interest	**$ 1,462**
Dividends	**877,373**
Net investment appreciation	**14,081,578**
Total	**$ 14,960,413**

The Plan s interest in the investment income of the Lee Munder Fund was $135,611.

Cadence Fund As of December 31, 2010 and 2009, the Plan s interest in the net assets of the Cadence Fund was less than 1%. The Cadence Fund invests primarily in corporate stocks, which are stated at fair value based on the closing sales price reported on the New York Stock Exchange on the last business day of the Plan year. Investment income and expenses relating to the Cadence Fund are allocated to the individual plans based upon average monthly and quarterly balances, respectively, invested by each plan.

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

	December 31, 2010	December 31, 2009
Corporate stocks	**$ 62,681,524**	$ 55,533,811
Cash equivalents	**3,348,999**	2,781,831
Payables	**(261,866)**	(188,690)
Receivables		44,588
Total	**$ 65,768,657**	$ 58,171,540

At December 31, 2010 and 2009, the Plan s interest in the net assets of the Cadence Fund was $102,072 and $177,775, respectively.

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Investment income for the Cadence Fund was as follows:

	Year Ended December 31, 2010
Interest	$ 2,907
Dividends	332,206
Net investment appreciation	11,926,376
Total	$ 12,261,489

The Plan s interest in the investment income of the Cadence Fund was $12,611.

International Equity Fund As of July 1, 2010, the International Equity Fund was transitioned from a mutual fund to a Master Trust. As of December 31, 2010, the Plan s interest in the net assets of the International Equity Fund was approximately 1%. The International Equity Fund invests primarily in corporate stocks based mainly in Europe and the Pacific Basin, which are stated at fair value based on the closing sales price reported on the New York Stock Exchange on the last business day of the Plan year. Investment income and expenses relating to the International Equity Fund are allocated to the individual plans based upon average monthly balances invested by each plan.

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

	December 31, 2010
Corporate stocks	$ 141,360,238
Payables	(42,542)
Receivables	155,335
Total	$ 141,473,031

The Plan s interest in the net assets of the International Equity Fund was $983,187.

Investment income for the International Equity Fund was as follows:

	Year Ended December 31, 2010
Dividends	$ 1,919,035
Net investment appreciation	6,442,673
Total	$ 8,361,708

The Plan s interest in the investment income of the International Equity Fund was $38,789.

Real Estate Fund As of July 1, 2010, the Real Estate Fund was transitioned from a mutual fund to a Master Trust. As of December 31, 2010, the Plan s interest in the net assets of the Real Estate Fund was approximately 1%. The Real Estate Fund invests primarily in equity securities of real estate business companies, which are stated at fair value based on the closing sales price reported on the New York Stock Exchange on the last business day of the Plan year. Investment income and expenses relating to the Real Estate Fund are allocated to the individual plans based upon average monthly balances invested by each plan.

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

	December 31, 2010
Corporate stocks	$ 54,340,946
Payables	(328)
Receivables	25,778
Total	$ 54,366,396

The Plan s interest in the net assets of the Real Estate Fund was $497,439.

Investment income for the Real Estate Fund was as follows:

	Year Ended December 31, 2010
Dividends	$ 424,823
Net investment appreciation	8,510,084
Total	$ 8,934,907

The Plan s interest in the investment income of the Real Estate Fund was $92,095.

6. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Fair values are based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). The Plan applies fair value measurements to the Plan s investments in accordance with the requirements described above.

The Plan maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring the fair value of its investments. Fair value is based on actively-quoted market prices, if available. In the absence of actively-quoted market prices, the Plan seeks price information from external sources, including broker quotes. When evaluating pricing information provided by brokers and other pricing services, the Plan considers whether the broker is willing and able to trade at the quoted price, if the broker quotes are based on an active market or an inactive market and the extent to which brokers are utilizing a particular model if pricing is not readily available. If pricing information from external sources is not available, or if the Plan believes that observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, the Plan must estimate prices based on available historical and near-term future price information and certain statistical methods, including regression analysis, that reflect market assumptions.

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The inputs and assumptions used in measuring fair value for investments include the following:

- Quoted securities prices
- Securities trading information including volume and restrictions
- Maturity
- Interest rates
- Credit quality

The Plan regularly evaluates and validates the inputs used to estimate fair value by a number of methods, including review and verification of models, as well as various market price verification procedures such as the use of pricing services and multiple broker quotes to support the market price of the various investments in which the Plan transacts.

The Plan utilizes the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

a. *Level 1* Quoted prices (unadjusted) in active markets for identical assets that the Plan has the ability to access at the measurement date.

b. *Level 2* Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset, including quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset, and inputs that are derived from observable market data by correlation or other means.

c. *Level 3* Unobservable inputs for the asset, including situations where there is little, if any, market activity for the asset.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset.

The BNY Mellon Fund, held in the Master Trust, is a Level 3 fair value measurement due to the use of significant unobservable inputs, including the models used to measure the fair value of the wrapper contracts on GICs held in this fund.

The Plan recognizes transfers among Level 1, Level 2 and Level 3 based on fair values primarily as of the first day of the month in which the transfer occurs. Transfers out of Level 3 represent assets that were previously classified as Level 3 for which the inputs became observable for classification in either Level 1 or Level 2.

Fair value measurements are separately disclosed by level within the fair value hierarchy with a separate reconciliation of fair value measurements categorized as Level 3.

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Plan Investments

The following table presents the Plan s investments that are measured at fair value for each hierarchy level as of December 31, 2010 and 2009:

	2010				2009			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Dominion Stock Fund	**$**	**$ 27,846,436**	**$**	**$ 27,846,436**	$	$ 33,922,324	$	$ 33,922,324
Common/Collective Trusts:								
EB Temporary Investment Fund[1]		**6,324**		**6,324**		58,394		58,394
Intermediate Bond Fund		**264,300**		**264,300**		442,273		442,273
Large Cap Value Fund		**204,488**		**204,488**		366,858		366,858
S&P 500 Index Fund		**1,509,943**		**1,509,943**		2,767,351		2,767,351
Wilshire 4500 Index Fund		**186,226**		**186,226**		317,599		317,599
Target Retirement Funds[2]		**1,574,984**		**1,574,984**				
Mutual Funds:								
International Equity Fund[3]					2,088,171			2,088,171
Real Estate Fund[3]					739,751			739,751
Target Retirement Funds[2]					2,937,921			2,937,921
	$	**$ 31,592,701**	**$**	**$ 31,592,701**	$ 5,765,843	$ 37,874,799	$	$ 43,640,642

(1) The EB Temporary Investment Fund is a money market account used for temporary investment and is not an investment option for participants.

(2) In 2010, the Target Retirement Funds were transitioned from mutual funds to common/collective trust funds. See Note 1.

(3) In 2010, the International Equity Fund and the Real Estate Fund were transitioned from mutual funds to the Master Trust. See Note 1.

Investments Held in Master Trust

The following table presents the investments held in the Master Trust for the Plan and other employee benefit plans of Dominion and its subsidiaries that are measured at fair value for each hierarchy level as of December 31, 2010 and 2009:

	2010				2009			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Master Trust[1]:			&n					