VIRGINIA ELECTRIC & POWER CO
Form 10-Q
July 31, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2009

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number 001-02255

VIRGINIA ELECTRIC AND POWER COMPANY

(Exact name of registrant as specified in its charter)

VIRGINIA	**54-0418825**
(State or other jurisdiction of	***(I.R.S. Employer***
incorporation or organization)	***Identification No.)***

120 TREDEGAR STREET

RICHMOND, VIRGINIA **23219**

(Address of principal executive offices) ***(Zip Code)***

(804) 819-2000

(Registrant s telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ¨ No x

At June 30, 2009, the latest practicable date for determination, 209,833 shares of common stock, without par value, of the registrant were outstanding.

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GLOSSARY OF TERMS

The following abbreviations or acronyms used in this Form 10-Q are defined below:

Abbreviation or Acronym	Definition
affiliates	Other Dominion subsidiaries
AOCI	Accumulated other comprehensive income (loss)
AROs	Asset retirement obligations
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DOE	Department of Energy
Dominion	Dominion Resources, Inc.
DRS	Dominion Resources Services, Inc., a subsidiary of Dominion
DVP	Dominion Virginia Power operating segment
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FIN	FASB Interpretation No.
FSP	FASB Staff Position
FTRs	Financial transmission rights
GAAP	U.S. generally accepted accounting principles
kWh	Kilowatt-hour
MD&A	Management s Discussion and Analysis of Financial Condition and Results of Operations
Moody s	Moody s Investors Service
MW	Megawatt
MWh	Megawatt-hour
North Anna	North Anna power station
NRC	Nuclear Regulatory Commission
PJM	PJM Interconnection, LLC
ROE	Return on equity
RTO	Regional transmission organization
SEC	Securities and Exchange Commission
SFAS	Statement of Financial Accounting Standards
Standard & Poor s	Standard & Poor s Ratings Services, a division of the McGraw-Hill Companies, Inc.
U.S.	United States of America
VIEs	Variable interest entities
Virginia Commission	Virginia State Corporation Commission

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VIRGINIA ELECTRIC AND POWER COMPANY

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(millions)	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Operating Revenue	**$ 1,675**	$ 1,546	**$ 3,534**	$ 3,070
Operating Expenses				
Electric fuel and other energy-related purchases	**685**	500	**1,479**	997
Purchased electric capacity	**104**	97	**212**	203
Other operations and maintenance:				
Affiliated suppliers	**100**	90	**201**	176
Other	**281**	274	**527**	493
Depreciation and amortization	**160**	150	**317**	299
Other taxes	**46**	45	**97**	94
Total operating expenses	**1,376**	1,156	**2,833**	2,262
Income from operations	**299**	390	**701**	808
Other income	**23**	9	**32**	18
Interest and related charges(1)	**87**	78	**174**	157
Income before income tax expense	**235**	321	**559**	669
Income tax expense	**86**	121	**206**	247
Net Income	**149**	200	**353**	422
Preferred dividends	**4**	4	**8**	8
Balance available for common stock	**$ 145**	$ 196	**$ 345**	$ 414

(1) Includes $4 million and $12 million incurred with an affiliated trust for the three and six months ended June 30, 2008, respectively.
The accompanying notes are an integral part of the Consolidated Financial Statements.

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VIRGINIA ELECTRIC AND POWER COMPANY

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(millions)	June 30, 2009	December 31, 2008[1]
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 29**	$ 27
Customer accounts receivable (less allowance for doubtful accounts of $11 and $8)	**954**	940
Other receivables (less allowance for doubtful accounts of $6 and $7)	**43**	82
Inventories (average cost method)	**591**	547
Prepayments	**89**	28
Regulatory assets	**525**	212
Other	**62**	75
Total current assets	**2,293**	1,911
Investments		
Nuclear decommissioning trust funds	**1,074**	1,053
Other	**3**	3
Total investments	**1,077**	1,056
Property, Plant and Equipment		
Property, plant and equipment	**24,457**	23,476
Accumulated depreciation and amortization	**(9,153)**	(8,915)
Total property, plant and equipment, net	**15,304**	14,561
Deferred Charges and Other Assets		
Regulatory assets	**258**	921
Other	**348**	353
Total deferred charges and other assets	**606**	1,274
Total assets	**$ 19,280**	$ 18,802

(1) Our Consolidated Balance Sheet at December 31, 2008 has been derived from the audited Consolidated Financial Statements at that date.
The accompanying notes are an integral part of the Consolidated Financial Statements.

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VIRGINIA ELECTRIC AND POWER COMPANY

CONSOLIDATED BALANCE SHEETS (Continued)

(Unaudited)

(millions)	June 30, 2009	December 31, 2008[1]
LIABILITIES AND SHAREHOLDER S EQUITY		
Current Liabilities		
Securities due within one year	**$ 15**	$ 125
Short-term debt	**379**	297
Accounts payable	**390**	436
Payables to affiliates	**54**	132
Affiliated current borrowings	**522**	417
Accrued interest, payroll and taxes	**219**	236
Other	**450**	386
Total current liabilities	**2,029**	2,029
Long-Term Debt	**6,450**	6,000
Deferred Credits and Other Liabilities		
Deferred income taxes and investment tax credits	**2,244**	2,485
Asset retirement obligations	**614**	715
Regulatory liabilities	**867**	760
Other	**361**	282
Total deferred credits and other liabilities	**4,086**	4,242
Total liabilities	**12,565**	12,271
Commitments and Contingencies (see Note 12)		
Preferred Stock Not Subject to Mandatory Redemption	**257**	257
Common Shareholder s Equity		
Common stock no par, 300,000 shares authorized; 209,833 shares outstanding	**3,738**	3,738
Other paid-in capital	**1,110**	1,110
Retained earnings	**1,592**	1,421
Accumulated other comprehensive income	**18**	5
Total common shareholder s equity	**6,458**	6,274
Total liabilities and shareholder s equity	**$ 19,280**	$ 18,802

(1) Our Consolidated Balance Sheet at December 31, 2008 has been derived from the audited Consolidated Financial Statements at that date.
The accompanying notes are an integral part of the Consolidated Financial Statements.

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VIRGINIA ELECTRIC AND POWER COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(millions)	Six Months Ended June 30, 2009	2008
Operating Activities		
Net income	$ 353	$ 422
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	367	346
Deferred income taxes and investment tax credits	(103)	223
Other adjustments	(14)	(35)
Changes in:		
Accounts receivable	18	(7)
Affiliated accounts receivable and payable	(24)	91
Inventories	(44)	8
Deferred fuel expenses	331	(382)
Accounts payable	(27)	(24)
Accrued interest, payroll and taxes	(18)	(10)
Prepayments	(61)	10
Other operating assets and liabilities	133	(55)
Net cash provided by operating activities	911	587
Investing Activities		
Plant construction and other property additions	(1,125)	(848)
Purchases of nuclear fuel	(69)	(66)
Purchases of securities	(346)	(243)
Proceeds from sales of securities	330	209
Other	(47)	67
Net cash used in investing activities	(1,257)	(881)
Financing Activities		
Issuance of short-term debt, net	83	433
Issuance (repayment) of affiliated current borrowings, net	105	(114)
Repayment of affiliated notes payable		(412)
Issuance of long-term debt	460	630
Repayment of long-term debt	(119)	(39)
Common dividend payments	(176)	(198)
Preferred dividend payments	(8)	(8)
Other	3	3
Net cash provided by financing activities	348	295
Increase in cash and cash equivalents	2	1
Cash and cash equivalents at beginning of period	27	49
Cash and cash equivalents at end of period	$ 29	$ 50

Supplemental Cash Flow Information		
Significant noncash investing activities:		
Accrued capital expenditures	**$ 103**	$ 10

The accompanying notes are an integral part of the Consolidated Financial Statements.

VIRGINIA ELECTRIC AND POWER COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1. Nature of Operations

Virginia Electric and Power Company (Virginia Power) is a regulated public utility that generates, transmits and distributes electricity for sale in Virginia and northeastern North Carolina. We are a member of PJM, a regional transmission organization (RTO), and our electric transmission facilities are integrated into the PJM wholesale electricity markets. All of our common stock is owned by our parent company, Dominion Resources, Inc. (Dominion).

We manage our daily operations through two primary operating segments: Dominion Virginia Power (DVP) and Generation. In addition, we also report a Corporate and Other segment that primarily includes specific items attributable to our operating segments that are not included in profit measures evaluated by executive management in assessing the segments performance or allocating resources among the segments. See Note 15 for further discussion of our operating segments.

The terms Company, we, our and us are used throughout this report and, depending on the context of their use, may represent any of the following: the legal entity, Virginia Power, one or more of its consolidated subsidiaries or operating segments or the entirety of Virginia Power, including our Virginia and North Carolina operations and our consolidated subsidiaries.

Note 2. Significant Accounting Policies

As permitted by the rules and regulations of the SEC, our accompanying unaudited Consolidated Financial Statements contain certain condensed financial information and exclude certain footnote disclosures normally included in annual audited consolidated financial statements prepared in accordance with GAAP. These unaudited Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes in our Annual Report on Form 10-K for the year ended December 31, 2008 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.

In our opinion, the accompanying unaudited Consolidated Financial Statements contain all adjustments necessary to present fairly our financial position as of June 30, 2009 and our results of operations for the three and six months ended June 30, 2009 and 2008, and our cash flows for the six months ended June 30, 2009 and 2008. Such adjustments are normal and recurring in nature unless otherwise noted.

We make certain estimates and assumptions in preparing our Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the periods presented. Actual results may differ from those estimates.

Our accompanying unaudited Consolidated Financial Statements include, after eliminating intercompany transactions and balances, our accounts and those of our majority-owned subsidiaries.

In accordance with GAAP, we report certain contracts and instruments at fair value. See Note 5 for further information on fair value measurements in accordance with SFAS No. 157, *Fair Value Measurements*.

The results of operations for interim periods are not necessarily indicative of the results expected for the full year. Information for quarterly periods is affected by seasonal variations in sales, electric fuel and other energy-related purchases and other factors.

We have evaluated subsequent events through July 31, 2009, the date our Consolidated Financial Statements were issued.

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Note 3. Newly Adopted Accounting Standards

FSP FAS 115-2 and FAS 124-2

We adopted the provisions of FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments* (FSP FAS 115-2) effective April 1, 2009. This FSP amends the guidance for the recognition and presentation of other-than-temporary impairments and requires additional disclosures. The recognition provisions of FSP FAS 115-2 apply only to debt securities classified as available for sale or held to maturity, while the presentation and disclosure requirements apply to both debt and equity securities. Prior to the adoption of FSP FAS 115-2, as described in Note 2 in our Annual Report on Form 10-K for the year ended December 31, 2008, we considered all debt securities held by our nuclear decommissioning trusts with market values below their cost bases to be other-than-temporarily impaired as we did not have the ability to hold the investments through the anticipated recovery period.

Effective with the adoption of FSP FAS 115-2, using information obtained from our nuclear decommissioning trust fixed-income investment managers, we record in earnings any unrealized loss for a debt security when the manager intends to sell the debt security or it is more likely than not that the manager will have to sell the debt security before recovery of its fair value up to its cost basis. Additionally, for any debt security that is deemed to have experienced a credit loss, we record the credit loss in earnings and any remaining portion of the unrealized loss in other comprehensive income. We evaluate credit losses primarily by considering the credit ratings of the issuer, prior instances of non-performance by the issuer and other factors. For certain jurisdictions subject to cost-based regulation, all net realized and unrealized gains and losses on debt securities (including any other-than-temporary impairments) continue to be recorded to a regulatory liability.

Upon the adoption of FSP FAS 115-2 for debt investments held at April 1, 2009, we recorded a $3 million ($2 million after-tax) cumulative effect of a change in accounting principle to reclassify the non-credit related portion of previously recognized other-than-temporary impairments from retained earnings to AOCI, reflecting the fixed-income investment managers intent and ability to hold the debt securities until the amortized cost bases are recovered.

Note 4. Comprehensive Income

The following table presents total comprehensive income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	**2008**	**2009**	**2008**
(millions)				
Net income	**$ 149**	$ 200	**$ 353**	$ 422
Other comprehensive income (loss):				
Net other comprehensive income associated with effective portion of changes in fair value of derivatives designated as cash flow hedges, net of taxes and amounts reclassified to earnings	**8**		**8**	1
Other, net of tax	**4**	(3)	**7**	(8)
Other comprehensive income (loss)	**12**	(3)	**15**	(7)
Total comprehensive income	**$ 161**	$ 197	**$ 368**	$ 415

Other comprehensive income for the three and six months ended June 30, 2009 excludes a $3 million ($2 million after-tax) adjustment representing the cumulative effect of the change in accounting principle related to the adoption of FSP FAS 115-2.

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Note 5. Fair Value Measurements

Our fair value measurements are made in accordance with the policies discussed in Note 6 to our Annual Report on Form 10-K for the year ended December 31, 2008. In addition, see Note 6 in this report for further information about our derivatives and hedge accounting activities.

The following table presents our assets and liabilities that are measured at fair value on a recurring basis for each hierarchy level, including both current and noncurrent portions:

(millions)	Level 1	Level 2	Level 3	Total
As of June 30, 2009				
Assets				
Derivatives	**$**	**$ 109**	**$ 8**	**$ 117**
Investments	**295**	**679**		**974**
Total assets	**$ 295**	**$ 788**	**$ 8**	**$ 1,091**
Liabilities				
Derivatives	**$**	**$ 9**	**$ 16**	**$ 25**
As of December 31, 2008				
Assets				
Derivatives	$	$ 60	$ 7	$ 67
Investments	225	714		939
Total assets	$ 225	$ 774	$ 7	$ 1,006
Liabilities				
Derivatives	$	$ 23	$ 76	$ 99

The following table presents the net changes in the assets and liabilities measured at fair value on a recurring basis and included in the Level 3 fair value category:

(millions)	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Beginning balance	**$ (41)**	$ 35	**$ (69)**	$ (4)
Total realized and unrealized gains or (losses):				
Included in earnings	**(87)**	70	**(138)**	89
Included in other comprehensive income (loss)		(3)		
Included in regulatory assets/liabilities	**32**	167	**55**	200
Purchases, issuances and settlements	**88**	(59)	**142**	(75)
Transfers out of Level 3			**2**	
Ending balance	**$ (8)**	$ 210	**$ (8)**	$ 210
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains/losses relating to assets still held at the reporting date	**$**	$ 15	**$**	$ 15

The gains and losses included in earnings in the Level 3 fair value category, including those attributable to the change in unrealized gains and losses relating to assets still held at the reporting date, were classified in electric fuel and other energy-related purchases expense in our Consolidated Statements of Income for the three and six months ended June 30, 2009 and 2008.

As of June 30, 2009, our net balance of commodity derivatives categorized as Level 3 fair value measurements was a net liability of $8 million. A hypothetical 10% increase in commodity prices would increase the net liability by $2 million, while a hypothetical 10% decrease in commodity prices would decrease the net liability by $2 million.

There were no significant non-financial assets or liabilities that were measured at fair value on a nonrecurring basis during the six months ended June 30, 2009.

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Fair Value of Financial Instruments

Substantially all of our financial instruments are recorded at fair value, with the exception of the instruments described below that are reported at historical cost. Estimated fair values have been determined using available market information and valuation methodologies considered appropriate by management. At June 30, 2009 and December 31, 2008, the carrying amount of our cash and cash equivalents, customer and other receivables, short-term debt and accounts payable are representative of fair value due to the short-term nature of these instruments. The financial instruments carrying amounts and fair values are as follows:

	June 30, 2009		December 31, 2008	
		Estimated		Estimated
	Carrying Amount	Fair Value(1)	Carrying Amount	Fair Value(1)
(millions)				
Long-term debt(2)	**$ 6,465**	**$ 6,885**	$ 6,125	$ 6,231
Preferred stock(3)	**257**	**231**	257	231

(1) Fair value is estimated using market prices, where available, and interest rates currently available for issuance of debt with similar terms and remaining maturities. The carrying amount of debt issues with short-term maturities and variable rates refinanced at current market rates is a reasonable estimate of their fair value.
(2) Includes securities due within one year and amounts which represent the unamortized discount and premium. Also includes the valuation of certain fair value hedges associated with our fixed rate debt of $1 million at June 30, 2009 and December 31, 2008.
(3) Includes issuance expenses of $2 million at June 30, 2009 and December 31, 2008.

Note 6. Derivatives and Hedge Accounting Activities

Our accounting policies and objectives and strategies for using derivative instruments are discussed in Note 2 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2008.

The following table presents the volume of our derivative activity as of June 30, 2009. These volumes are based on open derivative positions and represent the combined absolute value of our long and short positions, except in the case of offsetting deals, for which we present the absolute value of the net volume of our long and short positions.

	Current	Noncurrent
Natural Gas (bcf):		
Fixed price	15.2	
Basis	7.6	
Electricity (MWh):		
Fixed price(1)	241,491	
FTRs	97,202,239	
Capacity (MW)	492,270	585,000
Interest rate	$ 370,000,000	$ 625,000,000
Foreign currency (euros)	9,847,638	4,000,000

(1) Includes options.

For the three and six months ended June 30, 2009 and 2008, gains or losses on hedging instruments determined to be ineffective were not material. Amounts excluded from the assessment of effectiveness include gains or losses attributable to changes in the time value of options and changes in the differences between spot prices and forward prices and were not material for the three and six months ended June 30, 2009 and 2008.

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The following table presents selected information related to gains on cash flow hedges included in AOCI in our Consolidated Balance Sheet at June 30, 2009:

(millions)	AOCI After-Tax	Portion Expected to be Reclassified to Earnings During the Next 12 Months After-Tax	Maximum Term
Interest rate	$ 8	$	374 months
Other	4	2	65 months
Total	$ 12	$ 2	

The amounts that will be reclassified from AOCI to earnings will generally be offset by the recognition of the hedged transactions (e.g., anticipated purchases) in earnings, thereby achieving the realization of prices contemplated by the underlying risk management strategies and will vary from the expected amounts presented above as a result of changes in market prices, interest rates and foreign exchange rates.

Fair Value and Gains and Losses on Derivative Instruments

The following table presents the fair values of our derivatives as of June 30, 2009 and where they are presented on our Consolidated Balance Sheet:

(millions)	Fair Value Derivatives under Hedge Accounting	Fair Value Derivatives not under Hedge Accounting	Total Fair Value
ASSETS			
Current Assets			
Commodity	$ 16	$ 8	$ 24
Interest rate	23		23
Foreign currency	1		1
Total current derivative assets[1]	40	8	48
Noncurrent Assets			
Commodity	19		19
Interest rate	49		49
Foreign currency	1		1
Total noncurrent derivative assets[2]	69		69
Total derivative assets	$ 109	$ 8	$ 117
LIABILITIES			
Current Liabilities			
Commodity	$ 7	$ 16	$ 23

Total current derivative liabilities[3]		7		16		23
Noncurrent Liabilities						
Commodity		2				2
Total noncurrent derivative liabilities[4]		2				2
Total derivative liabilities	$	9	$	16	$	25

(1) Current derivative assets are recorded in other current assets on our Consolidated Balance Sheet.
(2) Noncurrent derivative assets are recorded in other deferred charges and other assets on our Consolidated Balance Sheet.
(3) Current derivative liabilities are recorded in other current liabilities on our Consolidated Balance Sheet.
(4) Noncurrent derivative liabilities are recorded in other deferred credits and other liabilities on our Consolidated Balance Sheet.

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The following tables present the gains and losses on our derivatives, as well as where the associated activity is presented on our Consolidated Balance Sheet and Consolidated Statements of Income:

Derivatives in SFAS No. 133 Cash Flow Hedging Relationships (millions)	**Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)[1]**	**Amount of Gain (Loss) Reclassified from AOCI to Income**	**Increase (Decrease) in Derivatives Subject to Regulatory Treatment[2]**
Three months ended June 30, 2009			
Derivative Type and Location of Gains (Losses)			
Commodity:			
Electric fuel and other energy-related purchases		$ (1)	
Purchased electric capacity		2	
Total commodity	$ (1)	$	$ 105,226

(a) Certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

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6. NOTES RECEIVABLE FROM PARTICIPANTS AND HARDSHIP WITHDRAWALS

A participant may borrow from his/her Plan account subject to the approval of the Plan Sponsor in accordance with applicable regulations issued by the IRS and the Department of Labor (DOL). In general, a participant may borrow a minimum of $500 up to a maximum of the lesser of $50,000 or 50% of the participant s non-forfeitable accrued benefit on the valuation date (as defined by the Plan) last preceding the date on which the loan request is processed by the Plan Sponsor. The maximum term of a loan made pursuant to the Plan is five years (loans with terms of greater than five years are permissible for the purchase of a primary residence or may exist under the Plan as a result of rollovers from merged plans).

Interest accrues at the rate of prime plus 1% as of the month the loan application is approved. Principal and interest are paid through payroll deductions or participant initiated payments. Interest rates ranged from 4.25% to 9.75% as of December 31, 2015. Maturities on outstanding loans ranged from 2016 to 2044 as of December 31, 2015. Loan transactions are treated as a transfer between the investment fund and notes receivable from participants.

Effective after a calendar quarter of non-repayment, a loan is considered to be in default. Defaulted loans are treated as distributions for tax purposes and become taxable income to the participant in the year in which the default occurs.

A participant may withdraw all or a portion of his/her benefits derived from salary reduction on account of hardship, as defined by the Plan and applicable IRS regulations. Under these rules, the participant must exhaust the possibilities of all other distributions, loans, etc. available under the Plan and meet certain other requirements. Upon receiving a hardship withdrawal, the participant s elective contributions are suspended for six calendar months.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

A reconciliation of net assets available for benefits per the financial statements to the total net assets per the Form 5500 as of December 31, 2015 and 2014 and the increase in net assets available for benefits per the financial statements to the net income per the Form 5500 for the year ended December 31, 2015 is as follows (in thousands):

		December 31, 2015
Net assets available for benefits per the financial statements	$	111,993
Adjustment from contract value to fair value for fully benefit-responsive investment contracts		85
Accrued interest on notes receivable from participants		(4)
Total net assets per the Form 5500	$	112,074

		December 31, 2014
Net assets available for benefits per the financial statements	$	107,531
Accrued interest on notes receivable from participants		(4)

Total net assets per the Form 5500	$	107,527

		Year Ended December 31, 2015
Increase in net assets available for benefits per the financial statements	$	4,462
Adjustment from contract value to fair value for fully benefit-responsive investment contracts December 31, 2015		85
Prior year accrued interest on notes receivable from participants		4
Current year accrued interest on notes receivable from participants		(4)
Net income per Form 5500	$	4,547

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8. ADMINISTRATION OF THE PLAN

The Comcast Investment Committee, as Plan Administrator, has the authority to control and manage the operation and administration of the Plan and may delegate all or a portion of these responsibilities to one or more persons.

9. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan, including the Company. Certain Plan investments are shares of various mutual funds that are owned and managed by the Trustee, who has been designated investment manager. The Plan invests in Comcast common stock and issues loans to participants, which are secured by the vested balances in the participants accounts.

10. PLAN TERMINATION

Although no participating employer has expressed any intent to do so, each participating employer has the right under the Plan to discontinue its contributions and to terminate the Plan, with respect to its eligible employees, subject to the provisions of ERISA. Additionally, Comcast-Spectacor, L.P. has the right to terminate the Plan. In the event of Plan termination, participants will become 100% vested in their accounts.

11. FEDERAL TAX CONSIDERATIONS

a. ***Income Tax Status of the Plan*** The IRS made a favorable determination on the Plan through a letter dated July 8, 2013 stating that the Plan is qualified under Section 401(a) of the Code subject to the adoption of an amendment which was adopted on July 18, 2013 and was effective on various dates, the earliest being January 1, 2002. As a result, the Plan remains exempt from taxation. The Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan Sponsor believes the Plan is being operated in compliance with the applicable requirements of the Code and no provision for income taxes has been included in the Plan s financial statements.

b. ***Impact on Plan Participants*** Employer contributions and salary reduction contributions, as well as earnings on Plan assets, are generally not subject to federal income tax until distributed from a qualified plan that meets the requirements of Sections 401(a), 401(k) and 401(m) of the Code.

c. ***Evaluation of Tax Positions*** The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Sponsor believes it is no longer subject to income tax examinations for years prior to 2012.

12. NON EXEMPT PARTY-IN-INTEREST TRANSACTIONS

For the Plan years 2015, 2014, 2013, 2012 and 2011 the Company has not remitted certain participant contributions and loan repayments to the Trustee in a timely manner based on when the participant contributions and loan repayments were withheld from participant paychecks as required under DOL Regulation §2510.3-102.

On January 8, 2016, the Company filed IRS Form 5330 to report and pay an excise tax with respect to the plan years 2015, 2014, 2013, 2012, and 2011 late remittances as required pursuant to Section 4975 of the Code. In addition, the Company submitted an application under the Voluntary Fiduciary Correction Program with the DOL and participant accounts were credited with the amount of investment income that would have been earned had the participant contributions been remitted on a timely basis. Such amounts are not material to the Plan s financial statements.

13. SUBSEQUENT EVENTS

On April 1, 2016, the Ovations Food Services, LP 401k Plan and the Ovations Fanfare 401k Plan became participating companies in the Plan and the related assets were transferred into the Plan.

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COMCAST-SPECTACOR 401(k) PLAN

FORM 5500, SCHEDULE H PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2015

FEIN #23-2303756

PLAN #004

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value ($ in thousands)
*	Interest in Comcast Corporation Employee Savings Plans Master Trust		$ 109,640
*	Notes receivable from participants (principal balance plus accrued but unpaid interest)	Interest rates from 4.25% - 9.75%; maturities from 2016 to 2044	2,353
			$ 111,993

*Represents a party-in-interest to the Plan.

Column (d) omitted as all investments are participant directed.

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COMCAST-SPECTACOR 401(k) PLAN

FORM 5500, SCHEDULE H PART IV LINE 4a SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS FOR THE YEARS ENDED DECEMBER 31, 2015, 2014, 2013, 2012 and 2011

(in thousands):

FEIN #23-2303756

PLAN #004

		Total that Constitute Nonexempt Prohibited Transactions		
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51*
Participant Contributions Transferred Late to Plan for year ended December 31, 2015	$	$	$ 239	$
Participant Contributions Transferred Late to Plan for year ended December 31, 2014	$	$	$ 954	$
Participant Contributions Transferred Late to Plan for year ended December 31, 2013	$	$	$ 783	$
Participant Contributions Transferred Late to Plan for year ended December 31, 2012	$	$	$ 160	$
Participant Contributions Transferred Late to Plan for year ended December 31, 2011	$	$	$ 257	$

* Prohibited Transaction Exemption

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-101295 of Comcast Corporation on Form S-8 of our report dated June 16, 2016, relating to the financial statements and supplemental schedules of the Comcast-Spectacor 401(k) Plan, appearing in this Annual Report on Form 11-K of the Comcast-Spectacor 401(k) Plan for the year ended December 31, 2015.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania

June 16, 2016

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

	COMCAST-SPECTACOR 401(k) PLAN	
June 16, 2016	By:	Comcast Corporation
	By:	/s/ Lawrence J. Salva Lawrence J. Salva Executive Vice President and Chief Accounting Officer