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March 17, 2006

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

Re: Standards and the Processes for Alternative Energy System Qualification and
Alternative Energy Credit Certification; Docket No. M-00051865; **COMMENTS
OF DOMINION RETAIL INC. TO TENTATIVE ORDER**

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and ten (10) copies of
Dominion Retail Inc.'s Comments in the above-captioned matter.

If you have any further questions, please feel free to contact me.

Very truly yours,



Todd S. Stewart
Counsel for Dominion Retail Inc.

TSS/smk/kml
Enclosures
cc: Gary Jeffries

BEFORE THE PENNSYLVANIA PUBLIC
UTILITY COMMISSION

Implementation of the Alternative :
Energy Portfolio Standards Act :
of 2004: Standards and the :
Processes for Alternative Energy : Docket No. M-00051865
System Qualification and Alternative :
Energy Credit Certification :

**COMMENTS OF DOMINION RETAIL INC.
TO TENTATIVE ORDER**

Dominion Retail, Inc. is pleased to provide its views for the Commission's consideration in its implementation of the Alternative Energy Portfolio Standards Act of 2004, 73P.S. §§1648.1-1648.8 (the "Act"). In particular, the Commission is in the process of developing the processes that will determine compliance with the standards set forth in the Act for individual alternative energy projects. To that end, the Commission issued a Tentative Order in this Docket on January 27, 2006. That Order proposed a structure that would: provide an adjudicatory role for the Department of Environmental Protection ("DEP") in any determination regarding compliance with standards; expresses the Commission's view on geographic compliance; but, which does not establish any specific qualifications related to fuel sources or other operational aspects of alternative energy projects. The Tentative Order seeks comments on which standards and processes will "best ensure the successful implantation of Act 213." (Tentative Order at 3).

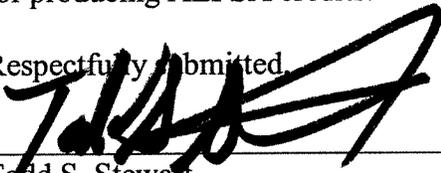
Dominion Retail Inc. is a licensed electric generation supplier ("EGS") in Pennsylvania, and is therefore interested in ensuring that the maximum amount of alternative energy credits are available at the most reasonable cost. Accordingly, Dominion Retail believes that at least one objective of any procedures or standards eventually employed by the Commission must be to maximize flexibility in the qualification standards for facilities and in the process used for determining the compliance of individual facilities. Such flexibility, both in fuel source and

other technical qualifications, will not only provide for the maximum number of facilities to obtain qualification, but also will allow for future innovation in developing technologies. Strictly applied or narrow standards will narrow the number of qualified facilities, discourage innovation due to the uncertainty of regulatory approval, will reduce the availability of credits and increase their cost in the marketplace.

Likewise, a regulatory scheme in which qualified facilities are required to submit to continual certification processes will increase the cost and increase the risk associated with these facilities. If compliance is reviewed no more frequently than an annual and forward-looking basis, far more certainty will exist in the credit market. Regulatory certainty and the ability of market participants to recover the cost of AEPSA compliance charges from customers is necessary if competitive markets are to develop. If facility compliance is subject to revocation or modification mid-year, or worse, retroactively, EDCs and EGSs with contracts, and an expectation of a certain level of credits, could have those well-founded expectations affected with little recourse. In the case of EDCs, there may be an opportunity to pass along any increased costs through reconciliation, but EGS contract rates are what they are, and after-the-fact price increases are not permitted.

In conclusion, Dominion Retail submits that any processes and standards must be flexible and predictable, and suggests that the Commission make a conscious policy choice to allow the broadest possible participation in the market for producing AEPSA credits.

Respectfully submitted,



Todd S. Stewart
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Dated: March 17, 2006