

Retail apologizes for any inconvenience that the delay in filing this report has caused, and respectfully requests that it be granted leave to file this report out of time.

II. APPLICABLE BENCHMARKS

Under the benchmarks for 2009 established by Section 4928.64(B)(2), Revised Code, and Rule 4901:1-40-03(A), OAC, electric utilities and electric services companies were to supply 0.25% of the electricity delivered to their Ohio customers from renewable energy resources, with 0.004% of the 0.25% total requirement to be delivered from solar energy resources. In addition, at least one-half of these renewable energy resources and solar energy resources requirements were to be generated by facilities located in Ohio, while the remainder of these requirements were to be met through resources that can be shown to be deliverable into Ohio. *See* Section 4928.64(B)(3), Revised Code and Rule 4901:1-40-03(A)(2)(a), OAC. Thus, the 2009 statutory benchmarks are calculated by carving out the solar component ($0.25\% - 0.004\% = 0.246\%$), then dividing the resulting non-solar component and the solar component by two to allocate the requirement for both components between Ohio and non-Ohio resources ($0.246\% \div 2 = 0.123\%$, $0.004\% \div 2 = 0.002\%$). Accordingly, the 2009 benchmarks are as follows:

Ohio Renewable (less Solar)	0.123%
Non-Ohio Renewable (less Solar)	0.123%
Ohio Solar	0.002%
Non-Ohio Solar	<u>0.002%</u>
Total	0.25%

To determine compliance with the above benchmarks, a baseline for the reporting year must be established. Rule 4901:1-40-03(B)(2), OAC, provides that, subject to certain exceptions not relevant here, the baseline for an electric services company shall be the average for the preceding three years of the total annual kilowatt-hours of electricity sold by the company to retail electric consumers in the state, based upon the kilowatt-hour sales in the company's most

recent quarterly market-monitoring reports or reporting forms. As previously reported to the Commission, Dominion Retail's total annual sales to retail consumers in Ohio for 2006, 2007, and 2008 were 177,645,000 kWh, 145,109,000 kWh, and 117,558,00 kWh, respectively, which, when averaged, produces a baseline of 146,770,667 kWh, or 146,771 MWh. Utilizing this baseline, the MWh benchmarks applicable to Dominion Retail are as shown of the following table.

<u>Resource Category</u>	<u>MWh Baseline</u>	<u>Benchmark %</u>	<u>MWh Benchmark</u>
Ohio Renewable	146,771	0.123%	180.528
Non-Ohio Renewable	146,771	0.123%	180.528
Ohio Solar	146,771	0.002%	2.9354
Non-Ohio Solar	146,771	0.002%	2.9354

III. 2009 BENCHMARK COMPLIANCE STATUS

Dominion Retail provides competitive retail electric service in states other than Ohio, several of which – namely, Pennsylvania and certain New England states – have alternative energy portfolio requirements that were in place prior to 2009. As evidenced by the fact that Dominion Retail has continuously fully complied with the alternative energy portfolio requirements in these other jurisdictions, Dominion Retail takes these obligations very seriously. However, in view of the nominal nature of the applicable Ohio 2009 alternative energy benchmarks and the mid-year effective date of the statute that established them, Dominion Retail made the business decision to make the compliance payments required by Section 49028.64(C), Revised Code, rather than alter its existing resource plan for supplying its Ohio customers in 2009. In so stating, Dominion Retail recognizes that Section 4928.65, Revised Code, and Rule

4901:1-40-04(D), OAC, permit electric services companies to meet the benchmarks through the purchase of renewable energy credits ("RECs"). Although Dominion Retail has routinely purchased RECs to comply with alternative energy supply portfolio requirements in other jurisdictions – and has, in fact, ordered RECs in 2010 that will be applied toward its 2010 benchmark obligations here – it has been well-documented in the status reports filed by other electric services companies that Ohio-sourced RECs, and particularly solar RECs, were largely unavailable in 2009 (*see, e.g.*, April 15, 2010 Alternative Energy Status Report of FirstEnergy Solutions, Corp., Case No. 10-467-EL-ACP). The limited availability of Ohio RECs, coupled with the same factors that led Dominion Retail to adhere to its existing supply plan, produced a decision not to attempt to purchase RECs to meet its 2009 benchmark obligation.

Consistent with the foregoing discussion, Dominion Retail hereby reports that it has under-complied by the entire amount of the 2009 benchmarks set forth in the above table. This should not be construed as evidence that Dominion Retail does not take the alternative energy benchmark obligations seriously, nor as evidence that Dominion Retail intends to continue to pursue a strategy of making compliance payments rather than meeting its benchmark obligations in the future. Indeed, as noted above, Dominion Retail has placed orders for RECs in 2010 that will be applied to its 2010 benchmark obligations. As further evidence of its good faith, Dominion Retail will forego requesting relief from the 2009 Ohio solar benchmark on the force majeure grounds asserted by other electric services companies in connection with their 2009 status reports, notwithstanding the obvious merit of those claims.

Pursuant to the Commission's April 28, 2010 Finding and Order in Case No. 10-469-EL-ACP, the compliance payments applicable for under-compliance with the 2009 Ohio renewable and non-Ohio renewable benchmarks are \$45 per MWh, with the amount of under-compliance to

be rounded up to the next MWh. Accordingly, Dominion Retail's compliance payment obligation for each of these non-solar renewable resource categories is \$8,145 (181 MWh x \$45.00 = \$8,145), for a total for non-solar of \$16,290. Pursuant to Rule 4901:1-40-08(A)(1), OAC, the compliance payments applicable for under-compliance with the 2009 Ohio solar and non-Ohio solar benchmarks are \$450 per MWh, with the amount of under-compliance to be rounded up to the next MWh. Thus, Dominion Retail's compliance payment obligation for each of these solar resource categories is \$1,350 (3 MWh x \$450 = \$1,350), for a total for solar of \$2,700. Summing the results of these calculations produces a total indicated 2009 compliance payment obligation of \$18,990. Upon confirmation of the accuracy of Dominion Retail's calculation of the amount of its 2009 compliance payment by the by the Commission staff, Dominion Retail will forthwith remit such payment to the Commission for deposit to the credit advanced energy credit fund pursuant to Section 4928.64(C)(2)(c), Revised Code.

Respectfully submitted,



Barth E. Royer
BELL &, ROYER CO., LPA
33 South Grant Avenue
Columbus, Ohio 43215-3927
(614) 228-0704 – Phone
BarthRoyer@aol.com – Email

Gary A. Jeffries
Assistant General Counsel
Dominion Resources Services, Inc.
501 Martindale Street, Suite 400
Pittsburgh, PA 15212-5817
(412) 237-4729 – Phone
Gary.A.Jeffries@dom.com – Email

Attorneys for Dominion Retail, Inc.