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SECRETARY'S BUREAU

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Comments Of
Schrack Farms Partnership

Regarding
Docket No. L-00050174/M-00051865
Proposed Rulemaking Re Net Metering for Customer-generators pursuant to Section 5 of
the Alternative Energy Portfolio Standards Act, 73 P.S. § 1648.5

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INDEPENDENT REGULATORY
REVIEW COMMISSION

PA Public Utility Commission
Attn: Secretary McNulty
PO Box 3265
Harrisburg, PA 17105-3265

Dear Secretary McNulty,

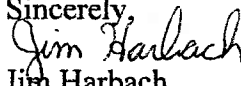
I am writing this response to give you my perspective as a dairy producer who has built a methane digester and is currently in the process of trying to get an electrical connection completed with the utility company. There will not be a lot of numbers in this response as they can be found in the work done by the Department of Ag, Native Energy or the Pennsylvania Farm Bureau Testimony.

Our project was moved ahead due to the support we saw for renewable energy from the Department of Ag, DEP, Native Energy, PFB, Penn Futures, Governor Rendell, and many others. However, we did encounter resistance from our primary lender, who refused to finance this project and told us that we were foolish to proceed without knowing if we could show a positive return on our investment. We continue to hope that they are not justified in their concerns.

We were very disappointed with the outcome of the proposed rule making order. In our situation (as it will be with nearly all farm methane digesters), the ability to aggregate meters will be completely taken away with the decision to only permit aggregation of meters within the same rate class. There are no financial incentives in the rule making process for our project or many others like it. We are very concerned that these rulings will stifle future projects. We don't feel that this is keeping with the goal of the act.

The treatment of stranded costs is one that we have a serious concern with. Expecting a farm to pay these stranded costs on electricity produced behind our meter is much like General Motors charging a loyal customer a fee for a new vehicle that they didn't buy just because it was expected that a purchase be made. We are troubled with the concept that utilities advocate energy efficiencies through cost shared programs, yet support the collection of stranded costs for a customer generator if electrical use is reduced by more than 10%. We also question if a customer generator should be responsible for transition or stranded cost on new accounts that started during the transition period.

We ask that you carefully assess the financial repercussion that the new rules will have on all renewable energy projects. It is a concern of ours that some utilities might feel that these special considerations to farm generation to be too costly for them, and result in erroneous and exaggerated charges for services that are not regulated. We would like to thank the commission for their work thus far and for trying to protect the interest of all.

Sincerely,

Jim Harbach
Schrack Farms Partnership