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February 27, 2006

INDEPENDENT REGULATORY
RENEWAL COMMISSION
The Pennsylvania Public Utility Commission
Attn: Secretary
P.O.Box 3265
Harrisburg, PA 17105-3265

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Comments of
LAUREL VALLEY FARMS, INC.

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

Thank you for hearing us. Laurel Valley Farms is a producer of compost products for the mushroom and horticulture industries located in Avondale Pennsylvania. We commend the Commission and staff for positively addressing net metering, to allow for the benefits of renewable energy generated on the farm to flow to the operation. Clearly, the existing rules benefit the utility, not the farm, which was the original intent of the legislation.

Typically, farms like ours have multiple buildings located on separate sites. Each site has their own meter, some with residential rate schedules and some with commercial rate schedules. We believe all of our barns, buildings and structures that are a part of the farming operation should be included in net metering regardless of their rate class or geographic location in order for the full benefits to be applied.

The proposed regulations deal with the issue of multiple meters through physical and virtual "meter aggregation". This is defined as:

"the combination of readings and billing for all meters in a particular rate class on contiguous and adjacent properties owned and operated by a customer-generator"

We would recommend the language to be changed for both physical and virtual meter aggregation to read: "regardless of rate class on contiguous and non-contiguous properties owned and operated by a customer-generator." In this instance all the buildings and demand loads of the customer-generator are included regardless of their location. In order to deal with the multiple rate classes, we recommend that onsite generation is first applied to the meter through which the system feeds. Then all excess should be applied equally to other meters in the farm operation, allowing each meter to maintain its current rate class.

As it stands the regulations favor the utilities and make it uneconomic for farmers. Changes to the net metering regulations will provide economic incentives for farmers like ourselves to pursue on-farm renewable energy options. We appreciate your attention to our concerns.

Sincerely,

Glenn Cote
General Manager