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May 24, 2012

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission v. Petition of PPL Electric Utilities Corporation,
Docket No. R-2012-2290597

Dear Secretary Chiavetta:

On behalf of Granger Energy of Honey Brook LLC and Granger Energy of Morgantown LLC (“Granger Energy”) enclosed please find the original of its Prehearing Memorandum along with the electronic filing confirmation with regard to the above referenced matter. Copies have been served in accordance with the attached Certificate of Service.

Sincerely,



Carl R. Shultz

CRS/lww
Enclosure

cc: Hon. Susan D. Colwell, w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Granger Energy's Prehearing Memo upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa.

Code Section 1.54.

Via Email and/or First Class Mail

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Carl R. Shultz, Esq.

Dated: May 24, 2012

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2012-2290597
v.	:	
	:	
PPL Electric Utilities Corporation	:	

**PREHEARING MEMORANDUM OF
GRANGER ENERGY OF HONEY BROOK LLC AND
GRANGER ENERGY OF MORGANTOWN LLC**

Pursuant to 52 Pa. Code § 5.222 and the Prehearing Conference Order entered on May 17, 2012, and subject to the granting of the Petition to Intervene filed by Granger Energy of Honey Brook LLC and Granger Energy of Morgantown LLC (collectively, “Granger”) in the above captioned proceeding, Granger submits this Prehearing Memorandum.

I. REPRESENTATION

Granger’s attorneys in this matter are:

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II. PRESENTLY IDENTIFIED ISSUES

Among other things, Act 213 of 2004 provides that the opportunity for customer-generators¹ to interconnect and net meter small alternative energy systems.² *See* 73 P.S. § 1648.2 (definitions), 73 P.S. § 1648.5 (interconnection standards for customer-generator facilities).

On or about March 30, 2012, PPL filed a request for a distribution rate increase. The proposed Tariff Supplement filed with that request proposes changes to the net-metering provisions in PPL's Tariff. Specifically, as part of this proceeding, PPL has proposed to limit the availability of net metering "to installations where the customer-generator generates no more than 110% of the customer-generator's electric consumption." *See* Supplement No. 118 to Electric Pa. P.U.C. No. 201, Fourth Revised Page No. 19L.2.

Granger is a customer generator using, and intending to use, net metering in PPL's service territory. Granger Energy of Honey Brook LLC provides landfill gas to industrial

¹ The AEPS Act defines a customer-generator as: "a nonutility owner or operator of a net metered distributed generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service or not larger than 3,000 kilowatts at other customer service locations, except for customers whose systems are above three megawatts and up to five megawatts who make their systems available to operate in parallel with the electric utility during grid emergencies as defined by the regional transmission organization or where a microgrid is in place for the primary or secondary purpose of maintaining critical infrastructure, such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities, provided that technical rules for operating generators interconnected with facilities of an electric distribution company, electric cooperative or municipal electric system have been promulgated by the Institute of Electrical and Electronic Engineers and the Pennsylvania Public Utility Commission." 73 P. S. § 1648.2.

² The AEPS Act defines net metering as "[t]he means of measuring the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator when any portion of the electricity generated by the alternative energy generating system is used to offset part or all of the customer-generator's requirements for electricity." 73 P. S. § 1648.2.

customers³ and owns and operates generation facilities that use landfill gas to generate electricity (currently 3.2 MW) which is delivered to the PPL system under PPL's net metering tariff provisions. It has plans to expand these existing generation facilities (up to 5 MW as currently allowed) and to continue to deliver electricity to the PPL system under PPL's net metering tariff provisions. Granger Energy of Morgantown LLC provides landfill gas to industrial customers,⁴ and is in the process of planning and permitting generators, which it will own and operate, to generate electricity (up to 5MW as currently allowed) that will be delivered to the PPL system under PPL's net metering tariff provisions.

Granger opposes the net metering limitation as proposed by PPL. The revision as proposed is not consistent with the AEPS Act, the Commission's net metering regulations⁵ or the Commission policy statement.⁶

At this time, Granger continues to evaluate its position other proposed tariff revisions and will refine its position based on further study of the proposals, review of discovery and additional input from other parties. Granger reserves the right to address other issues identified through its continued review and analysis of the filing or raised by other parties.

³ *Petition of Granger Energy of Honey Brook, LLC for a Declaratory Order Concluding that the Provision of Landfill Gas by Granger Energy of Honey Brook, LLC to Four Industrial Customers Constitutes Neither the Provision of Public Utility Service under 66 Pa. C.S. § 102 nor Natural Gas Distribution Service or Natural Gas Supply Services under 66 Pa. C.S. § 2202*, PUC Docket No. P-00032043, Order entered September 8, 2004, 2004 Pa. PUC LEXIS 33.

⁴ *See Granger Energy of Morgantown, LLC*; PUC Docket No. M-00051865F0002 <http://www.pabulletin.com/secure/data/vol38/38-28/1309.html>

⁵ 52 Pa. Code §§ 75.11 to 75.15.

⁶ *Net Metering - Use of Third Party Operators.*" This policy was published in the *Pennsylvania Bulletin* on April 14, 2012, which is available at: <http://www.pabulletin.com/secure/data/vol42/42-15/711.html>

III. WITNESSES

At this time, Granger is still evaluating whether or not to present testimony in this matter. Granger reserves the right to present a witness as may be necessary depending on the course of the proceeding and will provide the Presiding Officer as well as the other parties in this matter reasonable notice if necessary. Granger also reserves its right to add additional witnesses or change the identity of its witnesses at any time upon appropriate notice to the Presiding Officer and the parties.

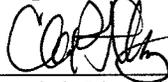
IV. LITIGATION SCHEDULE AND DISCOVERY RULES

Granger is amenable to working with the other parties in this matter to adopt a reasonable litigation schedule and/or necessary modifications to the Commission's discovery rules.

V. SETTLEMENT

Granger is willing to participate in settlement discussions with any party to narrow the issues in this matter.

Respectfully submitted,



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Date: May 24, 2012

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