

Md. agriculture to oppose power firm rate clause

ANNAPOLIS, Md. — The Maryland Department of Agriculture and a band of agricultural interests will make its stand against Delmarva Power & Light Company's proposed "ratchet clause" rate revolution before the Public Service Commission later this month.

A simple explanation of the proposed ratchet clause in DP & L's rate request filing is as follows. In the "demand charge" portion of the company's proposed rate structure, the highest one-hour power consumption rate in any summer (June-September) month would be used as the demand rate for the following eight "winter months" regardless of how much less demand the customer placed upon the system.

Agriculture's alarm can be seen from this hypothetical example. A sweet corn vegetable processing plant only works during July and August; at some point in time at peak volume it triples its demand for electricity, that triple demand factor is billed against the plant each month until the next summer season despite the fact that the plant could be closed down for 10 months.

This alarm is shared by Agriculture Secretary, Wayne A. Cawley, Jr. who has ordered his department to take an active role on behalf of agriculture.

MDA, which has for months been teaming up with food processors, poultrymen and grain handlers, says the proposal could "seriously endanger the future of the vegetable processing industry on the Eastern Shore at a time

when retention of this industry is vital to the welfare of consumers and farmers."

DP & L has proposed a revolutionary change in the way it makes its rates for energy, saying it is attempting to devise a system that will force energy conservation through price penalties.

Agriculture's response to this proposal is that the food processing industry, and to a lesser extent other agricultural operations, cannot shift heavy power demands to less peak electricity usage times.

"When the tomatoes or sweet corn are ready to be processed, you can't wait," say food processors. "The vegetable processing industry must clean, cut, cook and can while the vegetables are fresh from the field. You can't have a truck of tomatoes sitting out in the hot sun waiting until the discount electricity times in the dead of night. Food processing is a business timed to the minute for the sake of flavor and even safety."

For many months now, Cawley and Ernest Shea, Executive Secretary of the Maryland Agricultural Commission, have met with lawyers, farmers and, on some occasions, representatives of DP & L in an attempt to work out a fair solution to the problems posed by the "ratchet clause" concept embodied in the rate case now pending before the PSC.

"We have not been able to get DP & L to recognize the unique nature of seasonal agricultural industries, and their inability to shift time of use patterns and,

therefore, will present our case before the PSC at its hearings March 12 and 13 in Salisbury. We have filed testimony in written form with the PSC earlier and had hoped, until the past several days, that some concession would be offered by the utility, but to no avail," said Shea.

Last Friday, Shea appeared before the Eastern Shore delegation to the Maryland General Assembly to brief them on the problem and the history of agriculture's attempt to work out a fair compromise.

DP & L has been successful in neighboring Delaware in getting approval of its new rate designs which incorporate the ratchet clause. However, in Delaware the utility did agree, after considerable public outcry, to a discount percentage on the ratchet rate to be applied.

Electricity rates, as outlined in the utility's proposal, are made as a combination of two major factors. The first is the actual amount of electricity and the time of its use in a given period. The second consideration, and where the ratchet clause comes into play, is in the so-called "demand charge" factor of the rate formula.

The "demand charge" covers the costs the utility says it incurs in gearing up to supply peak power demands. More simply put, it covers costs of the complex electricity generating and

distribution, system to provide capacity to meet any projected customer demand.

A simple way of envisioning this is the gasoline tank in your car. "Use" charges would cover the amount of gasoline you put into the tank in gallons and the rate at which you use it. The "demand" charge would cover the cost of the tank, installing it in the car, the fuel line, the fuel pump, the carburetor, ignition system and spark plugs.

In the case of electrical rate-making, the utility says it is necessary to pay for some of the tank and distribution system every time you get a fill up.

According to Secretary Cawley, the threat contained in the ratchet clause concept to seasonal food processor could not have come at a worse time.

"Here we are trying to preserve agricultural land in Maryland and telling people that one of the great advantages of doing so is in the fact that we can grow and process much of our food close at home

and, thus, save consumers money on transportation charges. We tell them that we could produce and process much more food than we now do because the capacity is there.

"If our present, and hard pressed, food processors are put out of business because of penalty power rates, we will have lost a major agricultural resource that we'll need in the future more than we do now," Cawley concluded.

Among those who have joined with MDA in formal opposition to the DP & L rate design proposal are Gerald T. Bunting of the Eastern Shore Grain & Feed Dealers Association; James R. Friel, Jr., of S.E.W. Friel, Inc., Queenstown, Md.; John C. Miller of the Maryland Farm Bureau, A. Orrell Saulsbury, Jr., of Saulsbury Brothers and the Mid-Atlantic Food Processors Association, W. Drew Stabler of the Maryland Grain Producers Association, and William R. Stephens of the Delmarva Poultry Industry, Inc.

Dairy Goat Club to meet

OXFORD — The Del-Mar-Penn Dairy Goat Club will hold its regular monthly meeting on March 15 at 2 p.m. in the meeting room of the Chester County Federal Savings and Loan Building, 124 South Third Street, Oxford.

Anne Miller will speak on

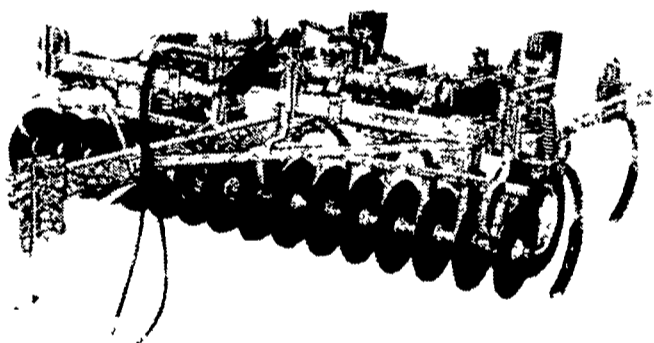
classification and the ideal goat. Anyone who is interested in raising dairy goats is welcome to attend.

Due to the holidays in April, our meeting will be held on April 5, same place and time.

For more information call Cheryl Barton at 215/932-3828.

Taylor-Way

CHISEL PLOW with TRASH EATER ATTACHMENT



Check These Soil Conserving and Trash-Eating Features

- 20" Coulters, spaced 9" apart and mounted on 1-1/8" Square Axles rips through sod and stalks to make chiseling easier
- Flexible Bearing Hangers lets Coulters glide over rocks and underground obstructions Triple-Sealed Regreasable Ball Bearings are mounted in heavy Pillow Blocks
- Weight Holders shipped as Standard Equipment. Use weights in rough and hard conditions to increase penetration
- Weights not furnished, use standard tractor weights
- Trash-Eater Tool Bar mounts forward of front tool bar on Chisel Plow allowing all shanks to be used on true 12" spacing.
- Coulters easily adjusted up or down Lets you adjust for both soil conditions and shank sizes Insert ratchet into holes in Flexible Bearing Hanger, remove pin and ratchet up or down as desired

★ SAVES TIME

★ MAKES MONEY

★ FLEXIBILITY - Use as a complete Trash-Eater or as Chisel Plow when only a Chisel Plow is needed.

ALSO AVAILABLE NEW LEFTOVER TAYLOR-WAY DISC HARROWS at LEFTOVER PRICES

HEISEY FARM EQUIPMENT, INC.

Sales, Service and Parts

- Leyland & Same Tractors • Taylorway-Dunham • New Idea • GT Dryers • Landoll • Dion

RD1, Box 2294, Jonestown, PA 17038 Phone 717-865-4526

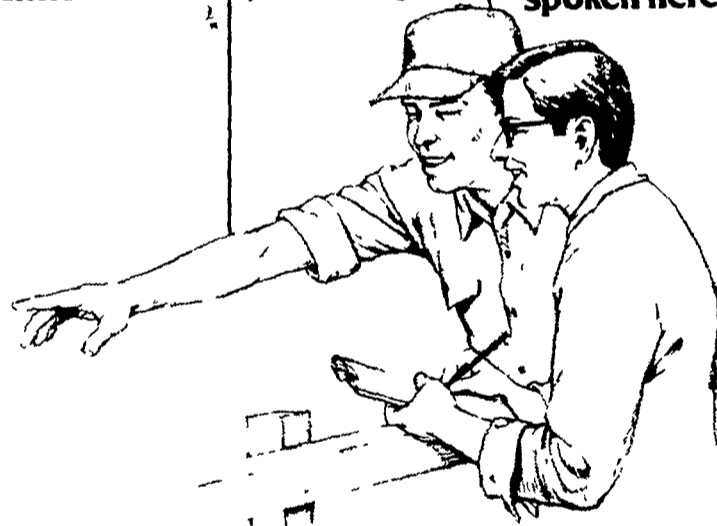
Located 1/2 Mile South of Fredericksburg Off Rt. 343 in Shirksville Business Hours: 7 A.M. to 5 P.M. Daily, Sat. till Noon, Evenings by Appt

Feed, seed, herbicides, pesticides, fuel, fertilizer, labor, repairs, upkeep it's the language of operating expenses. And you've got to speak it to succeed.

We speak Operating Expenses. We make all kinds of short term loans to farmers for equipment purchases, family needs, whatever you need to keep your cash flow green.

We're farmer owned and farmer controlled. We know what you're up against. Call or come by today.

FARMING spoken here



OPERATING EXPENSES spoken here.



Joint Land Bank and PCA Services

Contact Your Local

FARM CREDIT SERVICE