



April 4, 2018

Dear New River Light and Power Customers;

For the past 100 years, NRLP has prided itself on being your highly-reliable, low-cost electric power provider. So much so, that we have not adjusted our basic electric charges since 1996.

The cost of doing business has increased substantially over the last 21 years. To allow us to continue providing great service to you, NRLP has gained approval from the North Carolina Utilities Commission (NCUC) to increase our base electric charges. Because we have focused on efficiency and effectiveness and kept costs low over the years, even after this increase, NRLP will still be ranked as one of the lowest cost utility providers in North Carolina.

What will this rate increase mean to you? If you are an average residential electric consumer, beginning in April, your increase will be less than \$10.00 per month. These funds will allow us to continue to improve the great service that you have come to expect. The formal order will be released by the NCUC in mid-April with the specific details for each customer class. Once received, NRLP will forward this information to our customers.

Another impact you will see beginning with energy consumed in April, is a separate line item charge that is a pass-through expense to address environmental remediation from our ultimate energy provider, Duke Energy. This expense will be shared by all customers ultimately served by Duke Energy. For the average residential customer, this impact will be less than \$3.00 per month. The NCUC order addressing this issue has been approved and the formal NCUC document is enclosed.

NRLP continues to make strides to provide the highest level of service possible.

- This past year, NRLP ranked #1 in the state for reliability, with the least number of power interruptions.
- And...NRLP is among the most responsive power companies in our state and nation at restoring power after an electric outage. NRLP's average response time is only 15 minutes, while the median response rate for other electric providers in North America is 1.5 hours.

With your continued support, we pledge to build on these successes and continue to improve our customer service, reliability, and safety of your electric utility.

Sincerely,

A handwritten signature in blue ink that reads 'Edmond C. Miller'.

Edmond C. Miller
General Manager, New River Light and Power

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

NOTICE TO CUSTOMERS

DOCKET NO. E-34, SUB 47
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that New River Light and Power Company (NRLP) has requested that the North Carolina Utilities Commission (Commission) approve an adjustment to its purchased power adjustment (PPA) factor, and the establishment of a coal ash cost recovery (CACR) factor, for service rendered on and after April 1, 2018, to pass through to its customers the increased cost of purchased power and coal ash cleanup costs from its wholesale power supplier, Blue Ridge Electric Membership Corporation (BREMCO).

The amount of the increase to NRLP's customers resulting from the new PPA and CACR factors will be approximately \$873,000 per year, an increase of approximately 4.6%. The increase will be applied to NRLP's customers as uniform increases to the kilowatt-hour (kWh) energy charge. The increment in revenue produced by the increase will be the same as the increase in the cost of purchased power and coal ash cleanup from BREMCO, adjusted for the effects of the utility regulatory fee. The proposed increases of \$0.001006 per kWh (PPA) and \$0.003251 per kWh (CACR) will result in an increase in the monthly bill of a residential customer using 1,000 kWh from \$103.35 to \$107.60. The approximate percentage increases in customers' bills, by rate schedule, are as follows (actual percentages may differ depending on specific customers' usage amounts):

Residential	4.1%
Schedule G (Commercial)	4.3%
Schedule GL (Large Commercial)	5.0%
Schedule GLH (Commercial Demand High Load Factor)	6.0%
Schedule A (App. State Univ.)	5.3%

The Commission has concluded that the PPA and CACR requested by NRLP are reasonable, in that they are based solely on the level of purchased power and coal ash cleanup expense expected to be incurred by NRLP.

Therefore, the Commission has approved NRLP's requests without public hearing, subject to refund of any amounts which should subsequently be found to be unjust or unreasonable after any public hearing in this matter that may subsequently be held by the Commission, as described below.

Persons desiring to intervene in this matter as formal parties of record should file a motion under Commission Rules R1-6, R1-7, and R1-19 not later than 45 days after the date of this notice. Persons desiring to present testimony or evidence at a hearing should so advise the Commission. Persons desiring to send written statements to inform the Commission of their position in the matter should address their statements to the Chief Clerk, North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. However, such written statements cannot be considered competent evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements. If a significant number of requests for a public hearing are received within 45 days after the date of this notice, the Commission may schedule a public hearing.

The Public Staff – North Carolina Utilities Commission is authorized by statute to represent the using and consuming public in proceedings before the Commission. Written statements to the Public Staff should include any information which the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.

ISSUED BY ORDER OF THE COMMISSION.

This the 29th day of March, 2018.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Deputy Clerk