October 24, 2012

Dear New River Customer,

On October 1, 2012, New River Light and Power Company ("New River") made a request to the North Carolina Utilities Commission (the "Commission") requesting several retail electric rate adjustments.

New River has requested that a credit be passed on to our customers to offset a 2011 wholesale reimbursement from our supplier. Upon approval from the Commission, this credit will be seen on your January 2013 electric bill. Based on energy usage, a typical residential customer will see a credit of $15.53.

Each year New River receives a purchased power adjustment from our generation supplier, Duke Energy. This purchase power adjustment reflects the difference between the actual and estimated cost of fuel and generation expense. New River made a request to the Commission to pass this purchased power adjustment on to our customers. This increase equates to less than $2.74 per month for an average residential customer using 1,000kwh of energy. This adjustment only offsets the increase in wholesale cost of electricity.

Even with these adjustments, New River remains one of the lowest cost providers of electricity in the Southeast. New River continues to strive to provide the highest level of service possible at the lowest possible cost. As we all seek ways to reduce our energy costs, New River is committed to assisting our customers in any way possible. Some of the most effective ways to pursue energy-saving measures include using compact fluorescent lights, replacing out-of-date appliances, and identifying sources of possible heat loss, such as drafty windows or doors. You can find other tips on our website: http://nrlp.appstate.edu.

Again we value you, our customer, and will make every effort to continue to serve you at the highest level possible.

Sincerely,

Ed Miller
General Manager
New River Light and Power Company