Date: January 25, 2014

Dear New River Light and Power Customer,

Beginning with bills generated after February 1, 2014, New River Light and Power customers will see a decrease in their electricity rates due to adjustments that were approved by the North Carolina Utilities Commission on January 22, 2014. The decrease in rates is due to a reduction in the actual wholesale costs that NRLP paid in 2013. Although wholesale cost of electricity is forecasted to increase in 2014, the forecasted increase is not greater than the actual decrease in 2013. Therefore, NRLP customers will see a net reduction in their NRLP bills in 2014. Residential customers who consume 1000 kWh each month will see a **3.4% decrease or a reduction of $3.56 per month**. Commercial and industrial customers will see similar decreases based on their energy consumption and load characteristics.

Although electricity costs across the country have risen dramatically over the last several years, NRLP continues to work to keep the cost of electricity as low as possible, and NRLP remains among the lowest cost providers of electricity in the Southeast.

How can we help you to further reduce your electricity costs?
- NRLP offers no cost energy audits and weatherization kits.
- NRLP provides a number of energy saving tips that can be found on our website: http://www.nrlp.appstate.edu

How can you help?
- Replace incandescent lights with compact florescent or Light Emitting Diode (LED) lights.
- Install a programmable thermostat.
- Seal/Caulk areas around drafty windows and doors.
Please look at that the most recent offerings and programs offered by NRLP:

- Beginning in February, not only will you see a decrease in electric costs, your NRLP bill has a new look including graphs and historical usage over the last year.

- Our new web portal allows you to have access to new payment options and features including:
  - Electronic payment as well as credit cards.
  - E-mail and text notification options used to notify you when your account is due or for other helpful information.
  - Choose paperless billing.
  - View electronic copies of your bills.

Signup online at nrlp.appstate.edu and click on Pay Bill Online

- NRLP continues to reach out to the community with our Good Neighbor Round up program where your contribution will help those who need assistance with their electric bill. I invite you to sign up for our Round-up program and assist those in need. The change you donate by rounding up your bill to the nearest dollar does make a big difference.

Providing a high level of service at the lowest possible cost has been a guiding principle of New River Light and Power as we have served the Boone community since 1915. We pledge to make every effort to continue to provide reliable power at the lowest possible cost.

Sincerely,

Ed Miller
General Manager, New River Light and Power
STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

NOTICE TO THE PUBLIC

DOCKET NO. E-34, SUB 41
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that New River Light and Power Company (New River) has requested the North Carolina Utilities Commission to approve an adjustment to its purchased power adjustment factor for service rendered on and after February 1, 2014, to pass through to its customers the decreased cost of purchased power from its wholesale power supplier, Blue Ridge Electric Membership Corporation (BREMCO).

The amount of the decrease to New River's customers will be approximately $771,646 per year, a decrease of approximately 4%. The decrease will be applied to New River's customers as a uniform decrease to the kilowatt-hour (kWh) energy charge. The decrement in revenue produced by the decrease will be the same as the reduction in the cost of purchased power from BREMCO, adjusted for the effects of gross receipts tax and the utility regulatory fee. The proposed decrease of $0.003556 per kWh will result in a decrease in the monthly bill of a residential customer using 1,000 kWh from $104.17 to $100.62. The approximate percentage decreases in customers' bills, by rate schedule, are as follows (actual percentages may differ depending on specific customers' usage amounts):

- Residential: 3.4%
- Schedule G (Commercial): 3.6%
- Schedule GL (Large Commercial): 4.7%
- Schedule I (Industrial): 4.5%
- Schedule A (App. State Univ.): 4.1%

The Commission has concluded that the pass-through rate adjustment requested by New River is reasonable, in that (a) it is based solely on the decrease in purchased power expense expected to be incurred by New River, and (b) when combined with pro forma 2012 results of New River's operations, the PPA factor does not appear to be unreasonable overall.

Therefore, the Commission has approved New River'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 27699-4325. 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 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 27699-4326.

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of January, 2014.

NORTH CAROLINA UTILITIES COMMISSION

[Signature]

Gail L. Mount, Chief Clerk