Date: January 25, 2016

Dear New River Light and Power Customer,

Beginning with bills generated after February 1, 2016, 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 20, 2016. The decrease in your rate is due solely to a decrease in the wholesale costs that New River pays for electricity. Residential customers who consume 1,000 kWh each month will see a decrease of $7.82 per month (8.1%) for the entire 2016 calendar year. Commercial and industrial customers will see similar decreases based on their energy consumption and load characteristics.

Although electricity costs have continued to rise in parts of the country in recent years, changes in the fuel cost to generate electricity have resulted in decreased charges to NRLP customers. Please know we continue to work to keep the cost of electricity to a minimum, and New River remains among the lowest cost providers of electricity in the Southeast.

2015 marked the 100th year that NRLP has provided electric service to the high country. Over the last 100 years, NRLP has focused on two underlining principles,...” provide the highest level of service at the lowest possible cost”. We are proud to be among the lowest cost providers of electricity in the Southeast, while the level of service remains well above the standards set by the Public Utility Commission. Key performance indicators including outage duration, and frequency of outages shows that NRLP continues to provide a high level of service and reliability that our customers have grown to expect.

**NRLP NEEDS YOUR INPUT**
Customers from across the nation continue to express the need for higher quality of service and lower costs. However, there is a continued desire for additional services as well. On-bill financing, energy conservation measures, flexible rate schedules, and customer generation are just a few services that have been requested over the last year. In addition, recent environmental concerns have been raised on how we generate and use electricity.

**NRLP asks you to complete the enclosed customer survey.**
*Your input is important as we move forward and develop specific goals and objectives to transform NRLP to meet the high expectations our customers have grown to expect. Please complete this survey and return with your next NRLP bill. If you pay online, you will see the survey electronically with your next billing notice.*

**Coming soon.....Automatic Metering Infrastructure (AMI)**
Beginning spring of 2016, NRLP will be replacing its existing meters with meters that will allow us to read them remotely. This new infrastructure will also allow us to better monitor our system, identify outages more quickly, and provide a higher level of service.
Just a few of the new services NRLP offers:
Online services
Visit our website to see how to:
- Pay bills online (It has never been easier.)
- Sign up for bank draft, e-check
- Credit Card (Discover, MasterCard, Visa)
- Signup and receive notifications of when bills are rendered
- Ability to receive text messages indicating “Peak days” so our customers can help us delay rate increases, reduce our carbon footprint, and avoid expensive capital upgrades.

How NRLP helps you to further reduce your electricity costs?
- NRLP offers no cost energy surveys.
- NRLP offers no cost saving energy efficiency kits.
- We provide a number of energy saving tips that can be found on our website: http://www.nrlp.appstate.edu

Customer owned Generation….NRLP Riders help you recover your costs.
Given both federal tax credits that are currently available, more customers are pursuing how they can install their own generation such as wind and solar. NRLP continues to seek ways to meet the needs of all of its customers, including those who want alternative generation.

NRLP currently offers a rider that credits customers for any customer-owned generation that is put onto the system. This credit is intended to compensate the customer for the total value of the energy generated without having to pass on any metering fees. NRLP generation credits are comparable to those of other utilities in the state and region. NRLP’s commitment is to give our self-generating customers every possible credit without creating subsidies for customers who elect not to pursue generation.

The rates and riders for self-generation can be complicated, and payback time on a customer’s investment may change dramatically. Although the future of electric utility costs is not clear, and the current cost trends indicate long term increases, NRLP is working hard to keep these costs at a minimum. Our success in minimizing energy costs will also impact the amount NRLP is able to pay for customer-owned generation. When considering generation, please visit NRLP to discuss the long term benefits and risks of owning generation.

As always, if you have any questions or suggestions on how we can provide better service to you, please contact us at 828-264-3671 or http://nrlp.appstate.edu/contact.

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 44
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 (PPA) factor for service rendered on and after February 1, 2016, 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 resulting from the new PPA factor will be approximately $1.6 million per year, a decrease of approximately 9.0%. 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 the utility regulatory fee. The proposed decrease of $0.007826 per kWh will result in a decrease in the monthly bill of a residential customer using 1,000 kWh from $96.97 to $89.15. The approximate percentage decreases in customers’ bills, by rate schedule, are as follows (actual percentages may differ depending on specific customers’ usage amounts):

- Residential: 8.1%
- Schedule G (Commercial): 8.5%
- Schedule GL (Large Commercial): 11.4%
- Schedule I (Industrial): 10.4%
- Schedule A (App. State Univ.): 9.4%

The Commission has concluded that the PPA and pass-through rate adjustment requested by New River are reasonable, in that (a) they are based solely on the level of purchased power expense expected to be incurred by New River, and (b) when combined with pro forma 2014 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 27699-4300. 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 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 20th day of January, 2016.

**NORTH CAROLINA UTILITIES COMMISSION**

[Signature]

Gail L. Mount, Chief Clerk