



Date: January 18, 2017

Dear New River Light and Power Customer,

Beginning with service rendered on and after February 1, 2017, New River Light and Power customers will see an increase in their electricity rates due to adjustments that were approved by the North Carolina Utilities Commission on January 17, 2017. The increase in your rate is due solely to an increase in the wholesale costs that New River pays for electricity. Residential customers who consume 1,000 kWh each month will see an increase of \$4.74 per month. Commercial and industrial customers will see similar increases based on their energy consumption and load characteristics.

Since 2012 we have reduced our rates every year. With the increase in 2017, NRLP's rates are still 7.5% below what they were in 2012.

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 an overall declining trend 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.

Celebrating our 102nd year that NRLP has provided electric service to the high country, 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 show that NRLP continues to provide a high level of service and reliability that our customers have grown to expect.

We have and continue to transform and improve as technology and expectations from our customers evolve.

#### **Automatic Metering Infrastructure (AMI)**

Beginning spring of 2017, NRLP will be replacing its existing meters with meters that will allow us to read them remotely. By August, we will be fully implemented. Our AMI system will allow us to better monitor our system, identify outages more quickly, and provide a higher level of service. Once completed, our customers will be able to monitor their usage through their computer or hand-held devices, receive notices when usage is abnormal compared to other customers. In the future, our AMI system will allow payment options and programs that will continue to encourage cost savings and energy conservation.

**Newly remodeled administrative office.**

As we continue to see transition within our utility industry, we have changed how we do business. Our new administrative office that will open in mid-February and has been designed to better serve our customers. Please come visit us and see our new facility.

**NRLP currently offers online services**

Please visit our website at <http://nrlp.appstate.edu> to see how to:

- Pay bills online (It has never been easier)
  - Sign up for bank draft or pay by 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
- We provide a number of energy saving tips and online videos
- You can even pick up a free energy saving kit to help you save energy immediately
- Coming this spring...Mobile Apps. Everything you are able to do on NRLP's Web-portal will now be available to you via a mobile app

**Customer owned Generation....NRLP Riders help you recover your costs.**

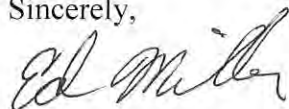
Given the federal tax credits that are currently available, more customers are pursuing how they can install their own generation such as wind and solar. NRLP continues to seek ways to meet the needs of all of its customers, including those who want alternative generation.

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's 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 customer payback 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 45  
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, 2017, to pass through to its customers the increased cost of purchased power from its wholesale power supplier, Blue Ridge Electric Membership Corporation (BREMCO).

The amount of the increase to New River's customers resulting from the new PPA factor will be approximately \$957,000 per year, an increase of approximately 5.3%. The increase will be applied to New River's customers as a uniform increase 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 from BREMCO, adjusted for the effects of the utility regulatory fee. The proposed increase of \$0.004738 per kWh will result in an increase in the monthly bill of a residential customer using 1,000 kWh from \$89.15 to \$93.89. The approximate percentage increases in customers' bills, by rate schedule, are as follows (actual percentages may differ depending on specific customers' usage amounts):

Residential	5.3%
Schedule G (Commercial)	5.6%
Schedule GL (Large Commercial)	7.8%
Schedule I (Industrial)	7.0%
Schedule A (App. State Univ.)	6.3%

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 2015 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.

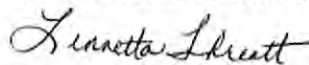
Persons desiring to intervene in this matter as formal parties of record should file a motion under Commission Rules R1-6, R1-7, and R1-19 not later than 45 days after the date of this notice. Persons desiring to present testimony or evidence at a hearing should so advise the Commission. Persons desiring 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 17<sup>th</sup> day of January, 2017.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Acting Deputy Clerk