



August 30, 2017

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 base connection charge since 1996 or in over 21 years!

However, the cost of doing business *has* increased substantially over the years. So to allow us to continue providing great service to you, we are seeking approval from the North Carolina Utility Commission (NCUC) to increase our base electric rate charges. Because we have focused on efficiency and effectiveness and kept costs low over the years, even after the proposed increase, NRLP will be still ranked as one of the lowest cost utility providers in our state.

What will this mean to you? Enclosed is the formal document from the NCUC that provides specific details, including the public hearing date in October. However, if you are an average residential electricity consumer, your bill will increase by \$12.00 per month. These funds will allow us to continue to improve the great service that you have come to expect.

- This 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 black ink that reads "Ed Miller". The signature is written in a cursive style.

Ed Miller  
General Manager, NRLP

\*SAIFI Score  
\*\*SAIDI Score

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

NOTICE TO CUSTOMERS  
DOCKET NO. E-34, SUB 46  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is given that Appalachian State University, d/b/a New River Light and Power Company (NRLP) has filed an application with the North Carolina Utilities Commission for authority to increase rates for electric service in its service area in Watauga County, North Carolina, as follows:

	<u>Existing</u>	<u>Proposed</u>
<u>Monthly Residential Rates (Schedule R):</u>		
Basic Facilities Charge	\$ 6.29	\$12.58
Energy Charge		
Base Energy, per kWh	\$ 0.072616	\$ 0.095567
PPA estimated component, per kWh	\$ 0.014419	N/A <sup>1</sup>
<u>Monthly Commercial Rates – Demands Less than 30 kW (Schedule G):</u>		
Basic Facilities Charge	\$ 8.71	\$17.42
Energy Charge		
Base Energy, per kWh	\$ 0.06788	\$ 0.084381
PPA estimated component, per kWh	\$ 0.014419	N/A <sup>1</sup>
<u>Monthly Large Commercial Rates – Demands Greater than 30 kW (Schedule GL):</u>		
Basic Facilities Charge	\$11.61	\$23.22
Demand Charge, per kW	\$ 8.27	\$ 8.27
Energy Charge		
Base Energy, per kWh	\$ 0.033027	\$ 0.058593
PPA estimated component, per kWh	\$ 0.014419	N/A <sup>1</sup>

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<sup>1</sup> For purposes of the application, recovery of total purchased power cost is accomplished through the base per kWh energy charge rates; therefore no “PPA estimated component” is included in the proposed rates.

Monthly High Load Factor Commercial Rates – Demands Greater than 30 kW and Load Factor Greater than 65% (Schedule GLH):

Basic Facilities Charge	N/A <sup>2</sup>	\$23.22
Demand Charge, per kW	N/A <sup>2</sup>	\$10.00
Energy Charge		
Base Energy, per kWh	N/A <sup>2</sup>	\$ 0.051144
PPA estimated component, per kWh	N/A <sup>2</sup>	N/A <sup>1</sup>

Monthly Industrial Rates (Schedule I):

Basic Facilities Charge	\$14.52	N/A <sup>3</sup>
Demand Charge, per kW	\$11.13	N/A <sup>3</sup>
Energy Charge		
Base Energy, per kWh	\$ 0.035693	N/A <sup>3</sup>
PPA estimated component, per kWh	\$ 0.014419	N/A <sup>3</sup>

Monthly ASU Campus Rates (Schedule A):

Basic Facilities Charge	\$11.61	N/A <sup>4</sup>
Distribution Facilities Charge, per kW	N/A <sup>5</sup>	\$ 8.89
Demand Charge, per kW	N/A <sup>5</sup>	\$ 8.75
Energy Charge		
Base Energy, per kWh	\$ 0.06504	\$ 0.040661
PPA estimated component, per kWh	\$ 0.014419	N/A <sup>1</sup>

Monthly Outdoor Lighting Rates (Schedule OL):

175 Watt MV	\$ 8.95	\$ 8.95
400 Watt MV	\$16.40	\$16.40
150 Watt SV	\$ 8.60	\$ 8.60
250 Watt SV	\$12.50	\$12.50
400 Watt SV	\$18.88	\$18.88
250 Watt MH	\$14.81	\$14.81
100 Watt SV TOB	\$ 2.81	\$ 2.81
150 Watt SV TOB	\$ 4.24	\$ 4.24

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<sup>2</sup> NRLP is proposing a new rate for large commercial customers with load factors at or above 65%.

<sup>3</sup> Per the first and second amendments to the application, NRLP is proposing to close Schedule I.

<sup>4</sup> Not included in proposed Schedule A.

<sup>5</sup> Not currently included in Schedule A.

175 Watt MV TOB	\$ 4.95	\$ 4.95
250 Watt SV TOB	\$ 7.06	\$ 7.06
400 Watt MV TOB	\$11.29	\$11.29
400 Watt SV TOB	\$11.29	\$11.29
750 Watt SV TOB	\$21.18	\$21.18

LED Lighting Rates (Schedule LEDL):

Monthly Unmetered Light Cost		
100 Watt Yard Light	N/A <sup>6</sup>	\$ 5.39
150 Watt Flood Light	N/A <sup>6</sup>	\$10.29
265 Watt Flood Light	N/A <sup>6</sup>	\$15.64
162 Watt Cobra Head	N/A <sup>6</sup>	\$10.72
Monthly Metered Light Cost		
100 Watt Yard Light	N/A <sup>6</sup>	\$ 3.39
150 Watt Flood Light	N/A <sup>6</sup>	\$ 7.31
265 Watt Flood Light	N/A <sup>6</sup>	\$10.39
162 Watt Cobra Head	N/A <sup>6</sup>	\$ 7.53
Monthly New Pole Cost		
30' Wood Pole	N/A <sup>6</sup>	\$ 3.56
Decorative Fiberglass Pole	N/A <sup>6</sup>	\$ 7.12

Fee Schedule (Schedule MS):

New Service	\$ 3.00	\$11.50
Temporary Commercial Service	\$15.00	\$15.00
Business Hours Reconnection	\$25.00	\$25.00
Non-Business Hours Reconnection	\$60.00	\$60.00
Returned Check Charge	\$20.00	\$21.00

Customers are also currently paying a purchased power adjustment factor of \$0.014979 per kWh, which includes a purchased power experience modification factor of \$0.00056 per kWh, as granted by the Commission on January 17, 2017, in Docket No. E-34, Sub 45. The rates set forth above exclude the \$0.00056 per kWh experience modification factor, as it is not affected by the proposed change in rates.

NRLP's application also includes several changes to its rate schedules. NRLP proposes to close its industrial Schedule I, and offer a new outdoor lighting schedule for light emitting diode fixtures (Schedule LEDL). Schedule I would effectively be replaced by new rate Schedule GLH. NRLP also proposes to shift Schedule A from a rate based only on energy consumption, to one with separate demand and energy components.

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<sup>6</sup> NRLP is proposing a new LED lighting rate schedule for all new installations and will close the existing Outdoor Lighting rate schedule to new installs.

NRLP's application also proposes a new late fee of \$5.00 and a new delinquent fee of \$15.00.

In addition, NRLP proposes a new Coal Ash Cost Recovery Rider, which is designed to recover the costs of any coal ash charges passed on to NRLP from its wholesale supplier Blue Ridge Electric Membership Corporation (BREMCO). The rider provides for a monthly charge or credit based on the prior month's coal ash charges billed by BREMCO to NRLP.

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by NRLP. However, any rate structure considered will not generate more overall revenues than requested.

#### EFFECT OF RATES:

The average monthly residential bill for 1,000 kWh usage would increase from \$93.33 to \$108.15 or 15.9% after adjusting for purchased power charges.

#### PROCEDURE FOR PUBLIC HEARING:

The Commission has scheduled the application for public hearing beginning at 7:00 p.m. on Tuesday, October 24, 2017, in the Watauga County Courthouse, 842 West King Street, Boone, North Carolina 28607. The purpose of this initial portion of the hearing shall be for the receiving of non-expert public witness testimony only.

The hearing shall resume on Tuesday, January 9, 2018, at 10:00 a.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the purpose of receiving testimony and cross-examination of expert witnesses for NRLP, the Public Staff, and other intervenors.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and these statements should be addressed to Mr. Christopher Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300. Written statements can also be faxed to (919) 733-4744 or e-mailed to [scott.saillor@psncuc.nc.gov](mailto:scott.saillor@psncuc.nc.gov).

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Written statements are not evidence unless those persons submitting the statements appear at the public hearing in Boone and testify concerning the information contained in their written statements.

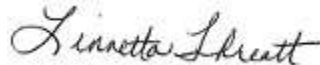
Persons desiring to present testimony concerning their opinion on this application, or on any service problems they may be experiencing, may appear at the public hearing in Boone and give such testimony.

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-5 and R1-19 no later than Wednesday, December 6, 2017. The direct testimony and exhibits of expert witnesses to be presented by intervenors should be filed with the Commission on or before Friday, December 15, 2017. Motions, testimony and exhibits should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. Persons desiring to send non-evidentiary written statements to the Commission may send them to the same address, specifying that the statement concerns Docket No. E-34, Sub 46.

The details of the proposed new rates have been filed with the North Carolina Utilities Commission. A copy of the application and all filings in this matter are available for review by the public at the Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina 27603. Information regarding this proceeding can also be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding.

This the 28<sup>th</sup> day of August, 2017.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Acting Deputy Clerk