STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-34, SUB 59

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by New River Light & Power	)	ORDER APPROVING PURCHASED
Company for Approval of Purchased Power	)	POWER ADJUSTMENT AND
Adjustment and Renewable Energy Rider	)	RENEWABLE ENERGY RIDER
True-Up	)	TRUE-UP

BY THE COMMISSION: On January 21, 2026, New River Light and Power Company (NRLP) filed its annual request for an adjustment to its purchased power rates and charges (PPA) and a true-up of its renewable energy rider (RER) pursuant to the Commission's authority under N.C. Gen. Stat. § 116-35 to approve electric rates for sale of power to the community by certain public institutions of higher education.

NRLP's PPA request is also brought pursuant to the Commission's Order Approving Rate Increase and Annual Procedure, *Application of Appalachian State University d/b/a New River Light and Power Company for Approval of a Rate Increase to Pass Through an Increase in the Cost of Purchased Power and for Approval of an Annual Purchased Power Cost Adjustment Procedure*, No. E-34, Sub 38 (N.C.U.C. Dec. 22, 2010) and the Order Granting Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustments January 23, 2019, *Application by New River Light & Power Company for Approval of Purchased Power Adjustment Factor*, No. E-34, Sub 48 (N.C.U.C. Jan. 23, 2019). NRLP's current PPA rates are effective for monthly bills rendered on or after March 1, 2025. Order Approving Purchased Power Adjustment and Renewable Energy Rider True-Up, *Application by New River Light & Power Company for Approval of Purchased Power Adjustment and Renewable Energy Rider True-Up*, No. E-34, Sub 58, at 3 (N.C.U.C. Feb. 18, 2025).

In its January 21, 2026 application, NRLP calculated the PPA rates using the base purchased power cost factor and the method approved in its last general rate case. Order Accepting Stipulation, Granting Partial issued Rate Increase, and Requiring Public Notice, *Application of Appalachian State University d/b/a New River Light and Power Company for Adjustment of General Base Rates and Charges Applicable to Electric Service*, No. E-34, Sub 54, at 47-48 (N.C.U.C. Oct. 16, 2023)(2023 Rate Case Order). NRLP presented a PPA factor of $0.014758 per kilowatt-hour (kWh) to be included as the PPA factor on NRLP customer bills issued on and after March 1, 2026 (2026 PPA Charge). NRLP stated that the 2026 PPA Charge is composed of two basic components:

1. An increment/decrement to recover/refund a change in estimated purchased power costs in the coming year (January 2026 through December 2026 or Projected Period); and

2. An experience modification factor (EMF) which is an increment/decrement to account for the test year's purchased power under- or over-collection.

NRLP stated that the first component is a charge of $0.004031 per kWh which is necessary to recover the projected purchased power costs for the Projected Period. The utility explained that when its base rates were established in 2023, natural gas prices were lower. The second component is NRLP's requested EMF charge is $0.010705 per kWh to reflect actual purchased power costs for the period of January 2025 through December 2025. Combining these components produces the 2026 PPA Charge of $0.014736 per kWh, which equates to $0.014758 per kWh when adjusted for the regulatory fee. Compared to the charge established in the 2025 PPA proceeding, NRLP indicates that the net change in its 2026 PPA Charge results in an increase of $0.024299 per kWh.

NRLP's RER was approved by Order of the Commission in 2021 and was significantly amended in 2025. Order Approving Renewable Energy Rider, *Petition of Appalachian State University, d/b/a/ New River Light and Power Company for Approval of Renewable Energy Rider*, No. E-34, Sub 52 (N.C.U.C. July 19, 2021); Order Amending Renewable Energy Rider, *Petition of Appalachian State University d/b/a/ New River Light and Power Company for Approval of Renewable Energy Rider*, No. E-34, Sub 52 (N.C.U.C. Nov. 17, 2025)(2025 RER Order). Under the RER, NRLP provides, on a voluntary basis, an option for customers to replace a portion of their energy needs with the purchase of a predetermined amount of energy from renewable energy resources (known as a Block) and recovers the costs of the program through the RER from those customers. Historically, the price of a Block had been fixed and the aggregate amount of energy purchased under the program varied depending upon the aggregate revenue paid by all participants. However, in this proceeding and consistent with the 2025 RER Order, the methodology for determining the cost of a Block is now calculated as the difference between the PPA energy cost and the renewable energy cost (including administrative costs) and will fluctuate year to year, while the Block size of 250 kWh per month will remain fixed. NRLP maintains a deferred account for the difference between the cost of purchasing renewable energy, including administrative costs, and the actual cost of energy purchased pursuant to its power supply contract for all other energy delivered to its customers. The annual true-up process is designed to ensure that only revenue received from participants under the RER is used to pay the costs of the renewable energy option. 2025 RER Order at 2. Like the adjustment to NRLP's purchased power rates, the new Block price will be a function of this true-up and the recovery or refund of any deferred account balance.

In its application, NRLP is requesting approval of an updated Block price that will be applied over the same time period as the 2026 PPA Charge (2026 Block Price), consistent with the March 1 start date of the amended RER. NRLP states that the actual cost of renewable energy in 2025 was higher than projected at the time of last year's RER true-up. The Block price is calculated based upon the estimated cost of renewable energy (including administrative costs), less the cost of energy from NRLP's power supplier, plus a portion of the RER deferral account under-collected balance ($678,764.22 as of December 31, 2025). In light of these factors, NRLP requests the 2026 Block Price to be $7.24 for a block of 250 kWh of renewable energy. For 2026, NRLP states that it plans to

reduce the number of Blocks available for sale to customers to a level that generates the need for the purchase of 13,000 MWh of renewable energy. NRLP also states that it is seeking longer-term purchase options, which will reduce the uncertainty and price volatility of small, short-term energy purchases that were necessary under the former design of the RER program (i.e., prior to the March 1, 2026 effective date of tariffs approved by the 2025 RER Order). *See Petition to Amend Renewable Energy Rider,* No. E-34, Sub 52, at 2 (Oct. 17, 2026) ("purchasing fairly small increments, on a short-term (year-to-year) basis . . . has been both difficult and expensive, resulting in a considerable under-collection in the Rider RER deferred account.")

On January 22, 2026, NRLP filed an annual report on the credits accumulated, consumption patterns, revenues, and costs related to the Net Benefit Report (NBR) Schedule and Project Progress Report (PPR) Schedule (2025 NBR and PPR Report) pursuant to a stipulation reached with the Public Staff and approved by the Commission in the 2023 Rate Case Order. NRLP and the Public Staff agreed upon the content of the 2025 NBR and PPR Report.

On February 2, 2026, NRLP filed an amended adjustment to its proposed PPA rates to account for the "unexpected and extreme spike in natural gas costs in January 2026." Specifically, NRLP reported (as corrected) that the estimated cost of gas for January 2026 that it had used in its calculations was $8.036 per million British thermal units (MMBtu), while the actual cost of gas for that month was $19.86 per MMBtu.[1] Therefore, NRLP stated that it needed to amend its filing to avoid jeopardizing its cash balance and to reduce the risk of rate shock to customers in 2027. NRLP advised the Commission that if fuel costs continue to be higher than forecasted, it may consider filing a request for a mid-year adjustment to its PPA rider. The update to its 2026 PPA factor reflects an updated forecasted purchased power factor of $0.014512 per kWh. The EMF of $0.010705 per kWh did not change.

Combining these elements produces an updated 2026 PPA Charge of $0.025217 per kWh, which equates to $0.025254 per kWh when adjusted for the regulatory fee (Updated 2026 PPA Charge). Compared to the charge established in the 2025 PPA proceeding, NRLP indicates that the net change in its Updated 2026 PPA Charge results in an increase of $0.034795 per kWh.

Additionally, the amended exhibits filed by NRLP reflect that the combined proposed factors, if approved by the Commission, will increase typical monthly bills for its customers from the rates approved in Docket No. E-34, Sub 58, by 31.3% and 39.3% for residential and large commercial customers, respectively.

Finally, NRLP also requested that it be allowed to deliver the customer notice of the PPA change (1) by e-mail for customers who have provided an e-mail address to NRLP, and (2) by a bill insert in the next billing cycle after the Commission's Order for

[1] On February 13, NRLP made a filing to correct typographical errors in its filing that misstated the actual January 2026 price of gas as $19.80 per MMBtu instead of the correct price of $19.86 per MMBtu and to use the correct regulatory fee.

customers who have not provided an e-mail address to NRLP (instead of a separate first-class letter notice). NRLP requested that it be permitted to use these delivery methods because it is very burdensome and costly for a utility of its size to mail notice of the rate change by first class mail to all its customers within the short time normally required after the Commission issues its Order. NRLP notes that some customers do not receive paper bills, as they have chosen to receive their bills and make payments online.

The Public Staff presented this matter at the Commission's February 23, 2026 Staff Conference. The Public Staff stated that it had reviewed NRLP's calculations for the PPA and determined that the revised proposed factors have been appropriately calculated, given that the projection of purchased power revenues and costs is consistent with previous NRLP PPA factor requests approved by the Commission, as well as the stipulation between NRLP and the Public Staff approved by the Commission in Docket No. E-34, Sub 54. Further, the Public Staff stated that it does not object to NRLP's proposal to true-up the RER, the form or content of the 2025 NBR and PPR Report, or NRLP's proposal regarding customer notice.

After careful review of NRLP's proposal, the entire record in this proceeding, and the recommendation of the Public Staff, the Commission concludes that the proposed RER true-up and the PPA as amended should be approved without public hearing, subject to refund of any amounts subsequently found to be unjust or unreasonable upon protest and hearing, and subject to the requirements set forth in the Ordering Paragraphs below.

IT IS, THEREFORE, ORDERED as follows:

1. That effective with customer bills issued on and after March 1, 2026, NRLP is authorized to adjust its base rates to reflect a PPA factor of $0.025254 per kWh (including the regulatory fee), resulting in an increase of $0.034795 per kWh in the PPA factor including regulatory fee;

2. That beginning on and after March 1, 2026, the price of a 250 kWh Block of renewable energy shall be $7.24 and NRLP shall continue to maintain a deferral account for any over- or under-recovery of the costs associated with the voluntary program;

3. That the 2025 NBR and PPR Report shall be, and hereby is, accepted;

4. That NRLP shall file copies of its approved rates, as modified herein, within ten days of the date of this Order;

5. That the Notice to the Public attached as Appendix A be either: (1) delivered by email for customers who have provided an email address to NRLP; or (2) mailed by bill insert in the next billing cycle after the date of this Commission's Order; and

6. That the Notice to the Public be published by NRLP at its own expense in newspapers having general coverage in its North Carolina service area once a week for two consecutive weeks, the first Notice appearing not later than 12 days following the date of this Order and said Notice covering no less than one quarter of a page.

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of February, 2026.

NORTH CAROLINA UTILITIES COMMISSION



Tamika D. Conyers, Deputy Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

NOTICE TO THE PUBLIC

DOCKET NO. E-34, SUB 59

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that New River Light and Power Company (NRLP) has requested that the North Carolina Utilities Commission (Commission) approve an adjustment to its purchased power adjustment (PPA) factor and the Renewable Energy Rider (RER), to be effective on customer bills issued on and after March 1, 2026, to pass through to its customers the cost of purchased power costs from its wholesale power supplier.

The amount of the increase to NRLP's customers resulting from the new PPA factors will be approximately $7,572,178 per year. The increase will be applied to NRLP'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, adjusted for the effects of the utility regulatory fee. For residential customers, the proposed increase of $0.034795 per kWh will result in an average monthly bill—with 1,000 kWh of usage—to increase from $111.16 to $145.95. The approximate percentage increase in the average customer's bill, by rate schedule, is as follows (actual percentage may differ depending on a specific customer's usage amount):

Residential	31.3%
Schedule G (Commercial)	30.4%
Schedule GL (Large Commercial)	39.3%
Schedule A (App. State Univ.)	43.4%

The Commission has concluded that the PPA requested by NRLP is reasonable, in that it is based solely on the level of purchased power costs that have been incurred and are expected to be incurred by NRLP.

NRLP has requested that the Commission approve its annual true-up of the RER as directed by Order Amending Renewable Energy Rider, *Petition of Appalachian State University d/b/a/ New River Light and Power Company for Approval of Renewable Energy Rider*, No. E-34, Sub 52 (N.C.U.C. Nov. 17, 2025). The true-up period covers January 2025 through December 2025, during which period the approved per Block charge was $5.00 per month. As part of its request, NRLP states that, effective March 1, 2026, the Block size will be 250 kWh per month at a price of $7.24 per month per Block.

Therefore, the Commission has approved NRLP's requests without public hearing, subject to refund of any amounts that 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 60 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 – North Carolina Utilities Commission (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 23rd day of February, 2026.

NORTH CAROLINA UTILITIES COMMISSION



Tamika D. Conyers, Deputy Clerk