



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

July 6, 2023

Ms. A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**Re: Docket No. E-34, Subs 54 and 55 – 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, and for an Accounting Order to Defer Certain Capital Costs and New Tax Expenses**

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket is the testimony of James S. McLawhorn, Director of the Energy Division of the Public Staff – North Carolina Utilities Commission, in Support of Settlement.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

Electronically submitted  
/s/ Thomas Felling  
Staff Attorney  
[thomas.felling@psncuc.nc.gov](mailto:thomas.felling@psncuc.nc.gov)

Attachments

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### CERTIFICATE OF SERVICE

I certify that a copy of this Testimony have been served on all parties of record or their attorneys, or both, in accordance with Commission Rule R1-39, by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 6th day of July, 2023.

Electronically submitted  
/s/Thomas Felling  
Staff Attorney

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-34, SUB 54 )  
)  
In the Matter of )  
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 )  
DOCKET NO. E-34, Sub 55 )  
)  
In the Matter of Petition of )  
Appalachian State University d/b/a New )  
River Light and Power Company for an )  
Accounting Order to Defer Certain )  
Capital Costs and New Tax Expenses )

**TESTIMONY OF  
JAMES S. MCLAWHORN  
PUBLIC STAFF –  
NORTH CAROLINA  
UTILITIES COMMISSION  
IN SUPPORT OF SETTLEMENT**

July 6, 2023

1 **Q. Please state your name, business address, and present**  
2 **position.**

3 A. My name is James S. Mclawhorn. My business address is 430 North  
4 Salisbury Street, Dobbs Building, Raleigh, North Carolina. I am the  
5 Director of the Energy Division of the Public Staff – North Carolina  
6 Utilities Commission (Public Staff).

7 **Q. Are you the same James S. Mclawhorn who has moved to adopt**  
8 **the direct testimony of Jack Floyd on behalf of the Public Staff**  
9 **filed in this proceeding on June 6, 2023?**

10 A. Yes.

11 **Q. Are your qualifications and duties the same as stated in the**  
12 **direct testimony you filed along with your motion to adopt the**  
13 **testimony of Jack Floyd?**

14 A. Yes.

15 **Q. What is the purpose of your settlement testimony in this**  
16 **proceeding?**

17 A. The purpose of my settlement testimony is to support the Agreement  
18 and Stipulation of Settlement filed on July 6, 2023 (Stipulation),  
19 entered into between Appalachian State University d/b/a New River  
20 Light & Power Company (NRLP or Company) and the Public Staff  
21 (Stipulating Parties), as they relate to the following topics: (1) cost of

1 capital; (2) revenue requirement; (3) accounting adjustments; (4)  
2 other adjustments; (5) other recommendations; and (6) other areas  
3 of agreement between the stipulating parties.

4 **Q. Please briefly describe the “other areas of agreement between**  
5 **the stipulating parties” portion of the Stipulation.**

6 A. The Stipulation addresses specific areas of agreement between the  
7 Stipulating Parties that have been discussed in the pre-filed  
8 testimony of the parties and, in some cases, by further clarifying  
9 discussions between the Stipulating Parties. The Stipulation sets  
10 forth the following additional areas of agreement between the  
11 Stipulating Parties:

12 1. The Stipulating Parties agree that the Company should  
13 closely monitor the credits accumulated, consumption  
14 patterns, revenues, and costs related to proposed Schedule  
15 NBR and file an annual report in conjunction with each  
16 Purchased Power Adjustment Clause (PPAC) proceeding.

17 2. The Stipulating Parties agree that proposed Schedule NBR  
18 should be amended to include the following statement: “Any  
19 renewable energy credits (RECs) associated with electricity  
20 delivered to the grid by the Customer under Schedule NBR  
21 shall be retained by the Customer.”

- 1           3. The Stipulating Parties agree that it is appropriate to review  
2           the proposed design of proposed Schedule NBR, re-evaluate  
3           the energy resetting process and the Supplement Standby  
4           Supplemental Charge (SSC) in five years, and adjust the  
5           energy credit as appropriate with every PPAC filing.
- 6           4. The Stipulating Parties agree that the energy credit for  
7           proposed Schedule PPR should be based on total system  
8           avoided costs rather than just residential class avoided costs.  
9           The Stipulating Parties further agree that this calculation can  
10          be provided with the compliance filing after the Commission's  
11          final order, and then updated with each PPAC filing.
- 12          5. The Stipulating Parties agree that proposed Schedule PPR  
13          should be amended to include the following statement: "Any  
14          renewable energy credits (RECs) associated with electricity  
15          delivered to the grid by the Customer under Schedule PPR  
16          shall be retained by the Customer."
- 17          6. The Stipulating Parties agree that the design of proposed  
18          Schedule PPR should be reviewed during the Commission's  
19          biennial avoided cost proceedings.

- 1           7. The Stipulating Parties agree that for proposed Schedule IR,  
2           no credits will be paid if the participant is unable to curtail or if  
3           the curtailment does not align with the coincident peak.
- 4           8. The Stipulating Parties agree that in order to reflect the  
5           advantage of remote disconnects and reconnects made  
6           possible by the AMI metering technology, the current  
7           reconnection fees during working hours and otherwise should  
8           be replaced with one single reconnection fee of \$11.50.
- 9           9. The Stipulating Parties agree that the revised rate design  
10          shown in Halley Rebuttal Exhibit No. 1, filed on June 23, 2023,  
11          which eliminates the proposed two-year phase in, is  
12          appropriate for allocation of the rate increase by customer  
13          class in this proceeding.
- 14          10. The Stipulating Parties agree that, except as denoted above,  
15          all other proposed changes to the rate schedules included in  
16          the Company's original Application are appropriate and  
17          should be approved.
- 18          11. The Stipulating Parties agree that the Commission's final  
19          order and notices to the public about the rate increase should  
20          include the decrease to the PPA factor.

1 **Q. Are there unresolved items between the Stipulating Parties?**

2 A. No.

3 **Q. What ratepayer benefits does the Partial Stipulation provide?**

4 A. From the perspective of the Public Staff, the most important benefits  
5 provided by the Partial Stipulation are as follows:

6 a. An aggregate reduction in the Company's proposed revenue  
7 increase in this proceeding resulting from the adjustments  
8 agreed to by the Stipulating Parties;

9 b. Clarifications to rate schedules proposed by the Company, a  
10 reduction of the reconnection fee under certain  
11 circumstances, and rate schedules that contain rates which  
12 are just and reasonable; and

13 c. The avoidance of protracted litigation between the Stipulating  
14 Parties before the Commission and possibly the appellate  
15 courts on the settled issues and associated increased  
16 accumulation of rate case expense recovery from rate payers.

17 **Q. Does this conclude your testimony?**

18 A. Yes, it does.