

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-34, SUB 54  
DOCKET NO. E-34, SUB 55

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-34, SUB 54	)	
	)	
In the Matter of	)	
Application for General Rate Case	)	ORDER REQUIRING CORRECTED
	)	CUSTOMER NOTICE AND
DOCKET NO. E-34, SUB 55	)	REQUIRING AMENDED
	)	APPLICATION SCHEDULES TO BE
In the Matter of	)	FILED
Petition of Appalachian State University	)	
d/b/a New River Light and Power for an	)	
Accounting Order to Defer Certain Capital	)	
Costs and New Tax Expenses	)	

BY THE PRESIDING COMMISSIONER: On December 22, 2022, Appalachian State University d/b/a New River Light & Power Company (NRLP or Company) filed an application with the Commission pursuant to N.C. Gen. Stat. §§ 62-133 and 62-134 and Commission Rules R1-5, R1-17, and R8-27, seeking authority to increase its rates for electric service in its service area in Watauga County, North Carolina (Application for General Rate Case).

On January 11, 2023, the Commission issued its Order Establishing General Rate Case and Suspending Rates.

On January 18, 2023, the Commission granted NRLP's Motion to Consolidate Dockets and issued its Order Granting Motion to Consolidate Dockets (Consolidation Order). The Consolidation Order consolidated the general rate case proceeding initiated by NRLP's Application for General Rate Case, Docket No. E-34, Sub 54, with the proceedings NRLP initiated on November 8, 2022, when it filed a Petition for an Accounting Order to Defer Certain Capital-Related Costs and Tax Expenses in Docket No. E-34, Sub 55.

On March 20, 2023, the Commission issued an Order Scheduling Hearings, Establishing Procedural and Filing Requirements, and Requiring Customer Notice (Scheduling Order). Attached to the Scheduling Order as Appendix A was a Notice to Customers that had been prepared by NRLP and reviewed by the Public Staff (Original Notice to Customers). The Scheduling Order directed NRLP to deliver the Original Notice

to Customers to its customers and to publish it on its website and in a newspaper with general coverage in the service area.

The Public Staff subsequently informed the Commission that it and NRLP had discovered that one of the rates in the Original Customer Notice was different from the rate NRLP is seeking in this general rate case. Specifically, the proposed monthly rate for a 400 Watt MH TOB was stated as \$16.04 instead of \$17.63. In addition, in NRLP's Application for General Rate Case, the lighting fixture was inadvertently described as a 250 Watt Metal Halide TOB instead of a 400 Watt MH TOB. The parties informed the Commission that NRLP had not yet mailed or delivered the Original Notice to Customers.

The Presiding Commissioner, therefore, finds good cause to issue this Order Requiring Corrected Customer Notice and Requiring Amended Application Schedules To Be Filed.

IT IS, THEREFORE, ORDERED as follows:

1. That the provisions in this order replace ordering paragraphs 7 – 10 in the March 20, 2023 Order Scheduling Hearings, Establishing Procedural and Filing Requirements, and Requiring Customer Notice;

2. That NRLP shall, at its own expense, publish in a newspaper having general coverage in its service area the Notice to Customers attached hereto as Appendix A, which has been corrected to reflect a monthly rate of \$17.62 for a 400 Watt MH TOB, once a week for two consecutive weeks, at least 30 days in advance of the first hearing scheduled herein. The Notice to Customers shall cover no less than one-fourth of a page;

3. That the corrected Notice to Customers, attached as Appendix A, be (1) delivered by email for customers who have provided an email address to NRLP, (2) mailed with sufficient postage, or (3) mailed as bill inserts by NRLP to all customers no later than 30 days in advance of the first hearing set herein;

4. That NRLP shall make a copy of the corrected Notice to Customers prominently available on its website, and provide an email with an electronic link to the Notice for all customers receiving bills electronically;

5. That NRLP shall file no later than the date of the first public hearing an affidavit of publication and certificate of service showing that it provided notice as required herein;

6. That NRLP shall file with the Commission corrections to its Application showing the correct lighting description and rate for a 400 Watt MH TOB no later than five business days after the date of this Order; and

7. That in all other respects, the March 20, 2023 Order Scheduling Hearings, Establishing Procedural and Filing Requirements, and Requiring Customer Notice shall have full force and effect.

ISSUED BY ORDER OF THE COMMISSION.

This the 28th day of March, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive style with a large, circular initial "A" and a stylized "Dunston".

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

NOTICE TO CUSTOMERS  
DOCKET NO. E-34, SUB 54  
DOCKET NO. E-34, SUB 55

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

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

	<u>Existing</u>	<u>Proposed (First Year)</u>
<u>Monthly Residential Rates (Schedule R):</u>		
Basic Facilities Charge, per month	\$12.58	\$14.50
Energy Charge, per kWh		
Base Energy	\$0.090044	N/A <sup>1</sup>
NRLP Distribution Charge	N/A <sup>1</sup>	\$0.032593
Wholesale Power Supply Charge	N/A <sup>1</sup>	\$0.080008
PPA estimated component	(\$0.001008) <sup>2</sup>	(\$0.010868)
<u>Monthly Commercial Rates – Demands Less than 30 kW (Schedule G):</u>		
Basic Facilities Charge, per month	\$17.42	\$17.50
Energy Charge, per kWh		
Base Energy	\$0.086683	N/A <sup>1</sup>
NRLP Distribution Charge	N/A <sup>1</sup>	\$0.032656
Wholesale Power Supply Charge	N/A <sup>1</sup>	\$0.080309
PPA estimated component	(\$0.001008)	(\$0.010868)
<u>Monthly Large Commercial Rates – Demands Greater than 30 kW (Schedule GL):</u>		
Basic Facilities Charge, per month	\$23.22	\$30.00
Demand Charge, per kW		
Base Demand Charge	\$ 8.27	N/A <sup>1</sup>
NRLP Distribution Charge	N/A <sup>1</sup>	\$ 2.27
Wholesale Power Supply Charge	N/A <sup>1</sup>	\$ 6.00

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<sup>1</sup> NRLP is proposing to separately itemize the costs for providing distribution service to its customers from the wholesale purchased power costs that are a passthrough to its customers.

<sup>2</sup> Numbers in parentheses are negative rates.

Energy Charge, per kWh		
Base Energy	\$0.054222	N/A <sup>1</sup>
NRLP Distribution Charge	N/A <sup>1</sup>	\$0.021586
Wholesale Power Supply Charge	N/A <sup>1</sup>	\$0.053429
PPA estimated component	(\$0.001008)	(\$0.010868)

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

Basic Facilities Charge, per month	\$23.22	N/A <sup>3</sup>
Demand Charge, per kW	\$10.00	N/A <sup>3</sup>
Energy Charge, per kWh		
Base Energy	\$0.051800	N/A <sup>3</sup>
PPA estimated component	(\$0.001008)	N/A <sup>3</sup>

Monthly ASU Campus Rates (Schedule A):

Distribution Facilities Charge, per kW	\$10.63	\$18.03
Power Demand Charge, per kW	\$ 8.75	\$ 8.56
Energy Charge, per kWh		
Power Energy Charge	\$0.040950	\$0.044428
PPA estimated component	(\$0.001008)	(\$0.010868)

Fee Schedule (Schedule MS):

New Service	\$ 11.50	\$ 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	\$ 21.00	\$ 21.00

Monthly Outdoor Lighting Rates (Schedule OL):

Lighting Fixtures	Existing Monthly Rate		Proposed Monthly Rate	
	Base Charge	PPA Charge	Base Charge	PPA Charge
175 Watt Mercury Vapor	\$ 9.26	(\$0.08)	\$12.86	(\$0.69)
400 Watt MV TV	\$16.97	(\$0.17)	\$24.71	(\$1.59)
100 Watt Sodium Vapor	\$ 9.05	(\$0.04)	N/A <sup>4</sup>	
150 Watt SV Cobra Head	\$ 8.90	(\$0.07)	\$13.86	(\$0.60)
250 Watt Sodium Vapor	\$12.93	(\$0.11)	N/A <sup>4</sup>	

<sup>3</sup> NRLP is proposing to close Schedule GLH.

<sup>4</sup> Not included in the proposed rate schedule.

Lighting Fixtures	Existing Monthly Rate		Proposed Monthly Rate	
	Base Charge	PPA Charge	Base Charge	PPA Charge
250 Watt SV Cobra Head	N/A <sup>5</sup>		\$18.79	(\$0.99)
250 Watt SV Shoebox	N/A <sup>5</sup>		\$21.17	(\$0.99)
250 Watt Metal Halide	\$15.33	(\$0.11)	N/A <sup>4</sup>	
250 Watt MH Cobra Head	N/A <sup>5</sup>		\$19.48	(\$0.99)
250 Watt MH Decashield	N/A <sup>5</sup>		\$19.18	(\$0.99)
400 Watt Metal Halide	\$19.54	(\$0.17)	N/A <sup>4</sup>	
400 Watt MH Cobra Head	N/A <sup>5</sup>		\$27.13	(\$1.59)
400 Watt MH Flood TV	N/A <sup>5</sup>		\$27.48	(\$1.59)
400 Watt MH Shoebox	N/A <sup>5</sup>		\$29.45	(\$1.59)
100 Watt SV TOB	\$ 2.91	(\$0.04)	N/A <sup>4</sup>	
150 Watt SV TOB	\$ 4.39	(\$0.07)	\$ 6.61	(\$0.60)
175 Watt MV TOB	\$ 5.12	(\$0.08)	\$ 7.71	(\$0.69)
250 Watt SV TOB	\$ 7.31	(\$0.11)	\$11.02	(\$0.99)
250 Watt MH TOB	N/A <sup>5</sup>		\$11.02	(\$0.99)
400 Watt MV TOB	\$11.68	(\$0.17)	\$17.63	(\$1.59)
400 Watt SV TOB	\$11.68	(\$0.17)	\$17.63	(\$1.59)
400 Watt MH TOB <sup>6</sup>	N/A <sup>5</sup>		\$17.63	(\$1.59)
750 Watt SV TOB	\$21.92	(\$0.31)	\$33.06	(\$2.98)

New Poles	Existing Monthly Rate	Proposed Monthly Rate
Shakespeare Fiberglass Bronze Pole	N/A <sup>5</sup>	\$12.83
30' Wood Pole	N/A <sup>5</sup>	\$ 4.33

LED Lighting Rates (Schedule LEDL):

Monthly Unmetered Service

Lighting Fixtures	Existing Monthly Rate		Proposed Monthly Rate	
	Base Charge	PPA Charge	Base Charge	PPA Charge
50 Watt Yard Light (No Longer Available)	\$ 4.07	(\$0.02)	\$ 4.57	(\$0.20)
96 Watt LED TV Bronze	N/A <sup>5</sup>		\$10.43	(\$0.38)
101 Watt LED Bronze Cobra Head	N/A <sup>5</sup>		\$12.93	(\$0.40)
110 Watt LED (No Longer Available)	N/A <sup>5</sup>		\$ 7.96	(\$0.44)
119 Watt Area Light Shoebox (No Longer Available)	\$ 9.98	(\$0.04)	\$11.19	(\$0.47)
150 Watt Flood Light	\$10.59	(\$0.06)	N/A <sup>4</sup>	

<sup>5</sup> Not included in the current rate schedule.

<sup>6</sup> This lighting fixture is inadvertently listed in the proposed rate schedule as "250 Watt Metal Halide TOB". NRLP will file appropriate corrections to its Application.

Lighting Fixtures	Existing Monthly Rate		Proposed Monthly Rate	
	Base Charge	PPA Charge	Base Charge	PPA Charge
160 Watt Cobra Head	N/A <sup>5</sup>		\$12.16	(\$0.64)
162 Watt Cobra Head	\$11.06	(\$0.06)	N/A <sup>4</sup>	
266 Watt Flood Light	\$16.27	(\$0.10)	N/A <sup>4</sup>	
20 Watt LED TOB	N/A <sup>5</sup>		\$ 0.88	(\$0.08)
27 Watt LED TOB	N/A <sup>5</sup>		\$ 1.19	(\$0.11)
40 Watt LED TOB	N/A <sup>5</sup>		\$ 1.76	(\$0.16)
50 Watt LED TOB	N/A <sup>5</sup>		\$ 2.20	(\$0.20)
80 Watt LED TOB	\$ 1.82	(\$0.02)	\$ 3.53	(\$0.32)
92 Watt LED TOB	N/A <sup>5</sup>		\$ 4.06	(\$0.36)
100 Watt LED TOB	N/A <sup>5</sup>		\$ 4.41	(\$0.40)
106 Watt LED TOB	N/A <sup>5</sup>		\$ 4.67	(\$0.42)
110 Watt LED TOB	\$ 2.51	(\$0.03)	\$ 4.85	(\$0.44)
120 Watt LED TOB	N/A <sup>5</sup>		\$ 5.29	(\$0.48)
136 Watt LED TOB	\$ 3.14	(\$0.04)	\$ 6.00	(\$0.54)
150 Watt LED TOB	N/A <sup>5</sup>		\$ 6.61	(\$0.60)
180 Watt LED TOB	\$ 4.15	(\$0.05)	\$ 7.93	(\$0.71)

#### Monthly Metered Service

Lighting Fixtures	Existing Monthly Rates		Proposed Monthly Rates
	Base Rate	PPA Charge	
150 Watt Flood Light	\$ 7.13	(\$0.06)	N/A <sup>4</sup>
266 Watt Flood Light	\$10.17	(\$0.10)	N/A <sup>4</sup>
162 Watt Cobra Head	\$ 7.35	(\$0.06)	N/A <sup>4</sup>
119 Watt Area Light	\$ 7.28	(\$0.04)	N/A <sup>4</sup>
50 Watt Yard Light	\$ 2.94	(\$0.02)	N/A <sup>4</sup>

New Poles	Existing Monthly Rate	Proposed Monthly Rate
Shakespeare Fiberglass Bronze Pole	\$ 6.81	\$12.83
30' Wood Pole	\$ 3.40	\$ 4.33

Customers are currently paying a purchased power adjustment (PPA) factor of \$0.022313 per kWh, which includes a purchased power experience modification factor of \$0.023321 per kWh, and a Coal Ash Cost Recovery factor of (\$0.000396) per kWh, as granted by the Commission on March 2, 2023, in Docket No. E-34, Sub 56. The rates set forth above exclude the \$0.023321 per kWh experience modification factor and the (\$0.000396) per kWh Coal Ash Cost Recovery factor, as they are not affected by the proposed change in rates.

NRLP's application includes several changes to its rate schedules. NRLP proposes to close its High Load Factor Commercial Schedule GLH. NRLP is also proposing a Net Billing Rider as a new option for its retail customers with renewable energy generation installed on their premises. This rate would allow any excess energy generated to be placed back on to NRLP's distribution system. In addition, NRLP is

proposing an Interruptible Rate Rider that would allow a customer with a total load requirement of 2 MW or greater and with the ability to curtail at least 75% of its electrical load to voluntarily agree to interrupt service during peak times and receive a credit for that reduction of demand during the hour of NRLP's monthly coincident peak demand.

The Commission will also consider the issues presented in NRLP's Petition for an Accounting Order to Defer Certain Capital-Related Costs and Tax Expenses filed in Docket No. E-34, Sub 55, which has been consolidated with the general rate case proceeding. In that proceeding, NRLP asks for specialized ratemaking treatment for two categories of expenses, namely, costs associated with upgrading a substation and certain tax expenses.

The Commission may consider additional or alternative rate design proposals that were not included in NRLP's application and may order increases or decreases in individual rate schedules that differ from those proposed by NRLP, but the Commission will not consider any increase in total revenues beyond that requested by NRLP.

#### TWO-YEAR PHASE-IN OF RATES:

Due to the sizable adjustment needed for the Commercial – Demand (Schedule GL) rate class to reach its allocated share of total system revenue requirements, NRLP is proposing a two-year phase-in of base rate adjustments. The percentage increases to the base rates for each rate class are summarized in the table below.

<b>Description</b>	<b>Total System</b>	<b>Residential</b>	<b>Commercial General</b>	<b>Commercial Demand</b>	<b>ASU Campus</b>	<b>Lighting</b>
Year One Rate Change from Existing Base Rates	<b>24.87%</b>	<b>23.47%</b>	<b>26.38%</b>	<b>26.69%</b>	<b>22.68%</b>	<b>38.95%</b>
Year Two Base Rate Change from Year One Base Rates	<b>0.00%</b>	<b>-5.43%</b>	<b>0.00%</b>	<b>11.00%</b>	<b>-8.01%</b>	<b>0.00%</b>
Total Base Rate Change from Existing Rates	<b>24.87%</b>	<b>16.76%</b>	<b>26.38%</b>	<b>40.63%</b>	<b>12.86%</b>	<b>38.95%</b>
Net Rate Increase Adjusted for Purchased Power Costs	<b>13.97%</b>	<b>7.58%</b>	<b>16.51%</b>	<b>28.16%</b>	<b>0.68%</b>	<b>27.67%</b>



EFFECT OF RATES:

The typical monthly residential bill for 1,000 kWh usage would increase from \$124.54 to \$139.16 or 11.7 percent after adjusting for purchased power charges<sup>7</sup> in year one of the rate change. NRLP is proposing to then reduce residential base rates by 5.43 percent one year after the initial increase in rates, which would equate to a typical monthly residential bill of \$131.95 for 1,000 kWh usage based on the currently approved purchased power charges.

PROCEDURE FOR PUBLIC HEARING:

The Commission has scheduled the application for public hearing beginning at 7:00 p.m. on Tuesday, May 23, 2023, in the Watauga County Courthouse, Courtroom 1, 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 Monday, July 10, 2023, at 2:00 p.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 Commission has suspended the proposed rate changes and has scheduled the application for investigation and hearing. Persons desiring to present testimony for the record should appear at the public hearing. Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300 and reference Docket No. E-34, Sub 54. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements. Customers can also email the Commission a statement about NRLP's rate request via the Commission's website at <https://www.ncuc.gov/contactus.html>. In either case, consumer statements will be placed in Docket No. E-34, Sub 54, and may be accessed by searching that docket number via the Commission's website.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than June 6, 2023. These petitions should reference Docket No. E-34, Sub 54 and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties to this proceeding planning to present expert testimony must prefile their testimony and exhibits not later than June 6, 2023.

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<sup>7</sup> The average bill calculation is based on purchased power rates in effect on March 1, 2023, as approved by the Commission in Docket No. E-34, Sub 56. Purchased power charges are currently adjusted annually on March 1st of each year.

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 which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

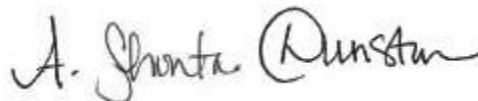
Mr. Christopher J. Ayers  
Executive Director  
Public Staff – North Carolina Utilities Commission  
4326 Mail Service Center  
Raleigh, North Carolina 27699-4300

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Josh Stein  
Attorney General of North Carolina  
c/o Consumer Protection – Utilities  
9001 Mail Service Center  
Raleigh, North Carolina 27699-9001

This the 28th day of March, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk