



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

July 1, 2022

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

Re: Docket No. E-100, Sub 175
Biennial Determination of Avoided Cost Rates for Electric Utility Purchases
from Qualifying Facilities – 2021

Dear Ms. Dunston:

The Public Staff has worked with Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (together, Duke Energy) to file a Joint Proposed Order in this docket that addresses the issues that relate to Duke Energy. It will be filed under separate cover.

In regard to issues related to Dominion Energy North Carolina (DENC), Western Carolina University (WCU), and New River Light and Power (NRLP), the Public Staff submits this letter in lieu of a Proposed Order in this docket.

Concerning DENC, the Public Staff has reviewed a draft of its Proposed Order and does not take issue with DENC's proposed Findings of Fact set forth within its Proposed Order.

With regard to WCU and NRLP, the Public Staff submits a proposed finding of fact, evidence and conclusion, and ordering paragraph, which is attached to this letter as Attachment A.

Accordingly, the Public Staff recommends that the Commission: (1) adopt the findings of fact, evidence and conclusions, and ordering paragraphs as set forth in the Joint Proposed Order submitted by Duke Energy and the Public Staff; (2) adopt the findings of fact as set forth in DENC's Proposed Order; and (3) adopt the proposed finding of fact, evidence and conclusion, and ordering paragraph concerning WCU and NRLP as set in Attachment A to this letter.

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I certify that a copy of this letter has been served on the parties shown below by e-mail.

Sincerely,

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Lucy E. Edmondson
Chief Counsel

Electronically submitted
/s/ Anne M. Keyworth
Staff Attorney
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cc: Parties of Record

FINDING OF FACT: It is appropriate to require WCU and NRLP to offer variable rates to all QFs contracting to sell 1 MW or less based upon their wholesale cost of power that reflect the wholesale rates paid to Carolina Power Partners (CPP).

EVIDENCE AND CONCLUSION FOR FINDING OF FACT: The evidence supporting this finding of fact is found in the verified Joint Comments and Proposed Rates of WCU and New River, the Initial Comments of the Public Staff and of Appalachian Voices, the Reply Comments of New River, and the entire record herein.

In their Joint Comments, WCU and NRLP note that, effective January 1, 2022, both companies began taking power supplies from CPP instead of DEC. WCU and NRLP expect to update their avoided cost rates later in 2022 upon a completion of a cost-of-service study. WCU and NRLP propose to offer variable rates based upon their wholesale cost of power that reflects the wholesale rates paid to CPP. WCU and NRLP propose three avoided cost rates as follows: (1) small power producers or cogenerators that desire to receive the demand credit (Rate SPP Demand); (2) aggregate customer loads where the customer foregoes the demand credit (Rate SPP No Demand); and (3) customer loads where the provider desires a long-term avoided cost rate (SPP-Fixed). WCU and NRLP also noted that neither utility offers net metering, and both have limited QFs operating on their systems. WCU and NRPL initially filed but later withdrew a \$25.00 monthly administrative fee proposal for Rate SPP Demand and a \$8.25 monthly administrative fee for its (Rate SPP No Demand).

The Commission concludes, based upon the foregoing and the entire record herein, that WCU's and NRLP's proposed rates should be approved.

IT IS, THEREFORE, ORDERED: That WCU's and NRLP's proposals to offer variable rates based upon their wholesale cost of power that reflect the wholesale rates paid to CPP are approved.