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	)	
	)	**VERIFIED PETITION TO**
DOCKET NO. E-34, SUB 55	)	**INTERVENE OUT OF TIME AND**
	)	**MOTION TO CLARIFY AND/OR**
In the Matter of	)	**AMEND PRIOR ORDER**
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	)	

Pursuant to North Carolina Utilities Commission ("Commission") Rules R1-5, R1-7, and R1-19, and N.C. Gen. Stat. § 62-80, Lovill House Inn LLC ("LHI"), petitions to intervene out of time and moves the Commission for clarification and/or amendment related to the *Order Accepting Stipulation, Granting Partial Rate Increase, and Requiring Public Notice* issued on October 16, 2023 (the "Order") in this proceeding.

Background

The Lovill House Inn, built in 1875, is the oldest house in downtown Boone North Carolina. It has been the premier Bed and Breakfast in Boone since 1993. LHI is served electricity by local utility New River Light and Power ("NRLP"), which is a nonprofit electric utility operated by Appalachian State University's ("App State") Division of Finance and Operations. App State and the Town of Boone, which are both served by NRLP, have a commitment to use 100% renewable energy in the near future.

In 2020, the owner of LHI reached out to NRLP to discuss installing a solar car port, with 25.2 KW of inverter capacity, 6 Tesla Batteries, and the option to incorporate micro-hydro generation from the waterfall in the back of the property to form a local microgrid system (the "Microgrid"). The Microgrid would increase the resilience of LHI's operation and lower its utility costs by reducing the required utility electricity to operate. LHI's Microgrid would also provide the NRLP distribution system certain benefits, including supplemental power, ancillary services to improve local grid quality, and serve as an example of how App State and the Town of Boone could reach their 100% clean energy goals. In late 2021 or early 2022, NRLP placed the Microgrid into serviced by way of installing a bi-directional meter to monitor the LHI's power consumption and any export of supplemental power to the NRLP distribution system. Since the renovation of the historic property, the LHI has won the North Carolina Sustainable Energy Association's "Sustainable Energy Project of the Year Award", the Explore Boone "Sustainable Tourism Award", and the highest rating from North Carolina Green Travel. LHI has become a model for sustainability in hospitality based on its efforts to reduce its power consumption through energy efficiency and renewable energy.

NRLP Rate Case

On June 29, 2022, NRLP filed the *Notice of New River Light and Power regarding intent to file a General Rate Application* letter and, on December 22, 2022, NRLP filed the *Application to Adjust Retail Base Rates* ("Application") in this docket. Within the Application, citing N.C. Gen. Stat. § 62-126.4, NRLP proposed the Schedule NBR - Net Billing Rider for Renewable Energy Facilities ("Application Schedule NBR") stating:

> 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. To the extent that this generation is projected to avoid demand related costs, NRLP is also proposing a slight change to its avoided cost rate. The Net Billing Rider was developed based on the criteria established in N.C.G.S. § 62-126.4. *Application*, p. 5.

In Exhibits B and C to the Application, NRLP included new proposed tariffs, including Application Schedule NBR. Application Schedule NBR states, in pertinent part:

> NRLP will also charge Customer a Standby Supplemental Charge (SSC) for distribution facilities required to serve the Customer's full load at times when the PV generation energy source is not available. The monthly bill amount to Customer under this NBR Rider will include an SSC.
>
> Standby Supplemental Charge: $6.17 per kW per month of AC nameplate capacity of the PV generation energy source installed. *Application*, Exhibit B, p. 24.

On March 20, 2023, the Commission issued the *Order Scheduling Hearings, Establishing Procedural And Filing Requirements, And Requiring Customer Notice* (the "Scheduling Order") which stated, in pertinent part, that "petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than Tuesday, June 6, 2023." Scheduling Order, p. 5.

Thereafter, interested parties intervened and the rate case was litigated, including an evidentiary hearing that took place in July 2023. On October 16, 2023, the Commission issued the Order and required that NRLP file compliance tariffs. In the Order, the Commission concluded, in pertinent part, " the actual generation produced at peak as shown by *metered data* is a reasonable basis for determining the kW capacity of customer systems, whereas inverter nameplate capacity would not have been the best measure. The difference between the parties was the result of mislabeling by NRLP, not a substantive difference." Order, p. 40. (emphasis added).

On November 13, 2023, NRLP filed Amended Rate Schedules[1] which included a new, proposed Schedule NBR ("Schedule NBR"). Schedule NBR includes the following pertinent language:

> NRLP will charge Customers a Standby Supplemental Charge (SSC) for distribution facilities required to serve the Customer's full load at times when the PV generation energy source is not available. The monthly bill amount to Customers under this NBR Rider will include an SSC (...)
>
> Standby Supplemental Charge: A monthly per kW charge applied to the rated AC capacity of the PV generation energy source installed will be applied as follows:
>
> Customers receiving service under Schedule R - $5.92 per kW
> Customers receiving service under Schedule G - $6.39 per kW
> Customers receiving service under Schedule GL -$3.59 per kW
>
> For the purposes of this Schedule NBR, the rated AC capacity for the application of the SSC shall be 1) the maximum output of the Customers PV system as measured by NRLP from those Customers currently served under NRLP's existing buy all/sell all rate schedule or 2) the designed AC kW output of the PV system as provided by the Customer's solar installer as included in the interconnection request. *Amended Rate Schedules*, pp. 20-21.

NRLP's Application of the SSC to LHI

Following the issuance of the Order and the issuance of the Commission's *Order Approving Rate Schedules and Notice to Customers of Change in Rates* on November 16th, 2023, staff from NRLP presented to LHI a new net metering rate structure that would allow the LHI to receive retail credit for any supplemental generation that was exported to the NRLP. NRLP has interpreted the Order to mean that its customers with installed solar are required to pay the Standby Supplemental Service Charge ("SSC") on the inverter's full

[1] NRLP previously made a compliance filing with proposed Rate Schedules based on the Order on October 30 and November 7, but the final and ultimately approved rate schedules were those included in the Amended Rate Schedules.

nameplate capacity without regard to whether the generation is self-consumed or exported to the NRLP distribution system.

Under NRLP's interpretation of the Commission's Order, the SSC is a fixed charge on customers with any behind-the-meter solar generating facilities, regardless of actual general as shown by metered data. For LHI, this meant that NRLP planned to charge the SSC based on the solar inverter's nameplate capacity regardless of whether its generating facilities are producing electricity at all, for self-consumption, or exporting supplemental output to the NRLP distribution system, or not producing electricity at all. LHI disputes NRLP's interpretation of the Order related to its application of the SSC on the inverter nameplate capacity for behind-the-meter generation solar which creates discriminatory rates for NRLP customers who use solar generation for self-consumption. LHI and NRLP have exchanged several communications, however, despite best efforts, LHI and NRLP disagree about NRLP's implementation of the SSC on the solar inverter's nameplate capacity, which LHI believes creates a cross subsidy in favor of NRLP from its customers who use behind-the-meter generation used for self-consumption.

Verified Petition to Intervene Out of Time

In order to seek clarification and/or amendment to the Order, LHI petitions to intervene in this proceeding out of time. In support of its Petition, LHI states the following:

1. LHI is a bed and breakfast business located in Boone, North Carolina and taking electric service from NRLP.

2. LHI is a longtime ratepayer to local utility NRLP.

3. The street address for LHI is 404 Old Bristol Road, Boone, North Carolina 28607.

4. LHI, through its past efforts aimed at reducing its electricity consumption and also to self-generate clean solar energy, has an interest in continuing to self-generate via its behind-the-meter solar system as part of the Microgrid.

5. While the deadline to intervene in this docket has passed, LHI was unaware until recently, after the issuance of the Order and the subsequent communication with NRLP, that NRLP would seek to implement the Commission's Order by charging the SSC based on the solar invertor nameplate capacity, regardless of whether the system was for self-consumption, so LHI was not aware until recently that it would be impacted in this manner by the implementation of the SSC.

6. LHI seeks to intervene in this docket, out of time, for the narrow purpose of seeking clarification and/or amendment to the Order issued by the Commission in this proceeding.

7. LHI believes that NRLP's manner of implementation will result in discriminatory ratemaking and cross-subsidization, which LHI does not believe was the intent of the Order and, accordingly, LHI now seeks further clarification from the Commission.

8. The subject matter of this proceeding affects the interests of LHI in a clear and direct manner, and no other party is able to adequately protect its interests.

9. Once LHI realized the manner of implementation of the SSC, LHI moved as expeditiously as possible to make this filing.

10. LHI does not believe any party will be prejudiced by the Commission allowing LHI to intervene out of time for the sole purpose of clarifying the Order.

11. LHI's narrow participation in this docket, namely the underlying motion and nothing more, will benefit LHI, ratepayers, the Commission, and other interested parties by providing clarity as to critical information related to behind-the-meter issues from the Commission.

12. All correspondence related to this proceeding should be addressed to counsel:

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13. Pursuant to Commission Rule R1-39, LHI agrees to accept electronic service of all filings in this docket.

14. For the purposes of efficiency and transparency, LHI has included with its Petition the Motion for Clarification below.

Motion for Clarification

15. LHI requests that the Commission clarify the following questions regarding its the Order and the implementation of the SSC:

Question 1: Is NRLP allowed to charge the SSC on behind-the-meter solar generation used for self-consumption?

16. Notably, while the Order does discuss evidence provided to the Commission regarding eliminating the cross subsidization of non-solar customers in favor of solar customers,[2] the Order does not discuss, analyze, or provide testimony excerpts

[2] *See*, Order, pp. 33-34, 41; notably, the Order states: "The Commission determines that the public policy disfavoring cross-subsidization applies to NRLP: NBR customers should not have their utility rates subsidized by non-NBR customers, and a standby charge helps ensure that NBR customers pay their allocated share of fixed costs."

related to behind-the-meter solar customers benefits to NRLP and concerns about cross subsidization as it pertains to behind-the-meter generators.

17. To that end, it is important to determine if NRLP recovers its full fixed cost of service from customers who self-consume their solar generation.

18. Under the principles of cost causation, the benefit of each kWh of generation should be measured against the NRLP fixed cost of each kWh.

19. Using numbers from NRLP's Cost of Service Study ("COSS"), NRLP states its full fixed cost of service equates to $6.39 per KW per month for customers on Schedule G, such as the LHI, which is the basis for SSC.

20. Using NRLP's COSS, the SSC of $6.39 per KW per month equates to $0.0616 per kWh as shown below:

Monthly SSC per KW	$	6.39
NRLP COSS Estimated Solar on NRLP grid in KW		40.49
NRLP COSS Est Annual gen from Solar in kWh		50,414
NRLP COSS Est Annual gen per KW in kWh		1,245
NRLP COSS Est Monthly Gen in kWh per KW		103.77
NRLP's Standby Service Charge per kWh	$	0.0616

21. To determine the avoided costs under Schedule NBR[3], take the retail credit of $0.1245 per kWh and subtract the SSC per kWh of ($0.0616) which would provide NRLP an avoided cost benefit of $0.0629 for every kWh that a customer would receive when exporting supplemental generation to the NRLP system.

22. This calculation is shown in the following table:

[3] NBR is an acronym for "Net Billing Rider".

NRLP COSS Avoided Cost for through NBR		
NRLP Combined Retail Rate	$	0.1245
NRLP's Standby Service Charge per kWh	$	(0.0616)
NRLP's NBR Avoided Cost per kWh	**$**	**0.0629**

23. To determine if NRLP's full fixed cost of service recovered when a customer self-generates, take the avoided cost per kWh and subtract the SSC per kWh:

NRLP's NBR Avoided Cost per kWh	$	0.0629
NRLP's Standby Service Charge per kWh	$	(0.0616)
Net Benefit (Cost) to NRLP of Self Consumption	**$**	**0.0014**

24. This demonstrates that NRLP's customers who self-consume their solar generation are not cross subsidized by NRLP and actually produce a small subsidy in favor of NRLP.

25. In other words, even using NRLP's own COSS calculations and applying the SSC only to energy consumed entirely behind-the-meter, NRLP fully recovers its costs under the NBR rider as interpreted by LHI.

26. If NRLP were allowed to charge the SSC for behind-the-meter solar generation used for self-consumption, then customers would subsidize NRLP $0.0629 for each kWh of generation they self-consume. This is shown in the following table:

Net Benefit (Cost) to NRLP of Self Consumption	$	0.0014
NRLP's Standby Service Charge per kWh	$	0.0616
Cross Subsidization of NRLP	**$**	**0.0629**

27. This shows a sample LHI monthly energy calculation before the implementation of Schedule NBR.

28. For these reasons, LHI initial requests clarification as to whether the SSC should be applied to behind-the-meter self-generators.

Question #2: Is NRLP allowed to over-recover costs associated with distributed electric service from customers who have installed behind-the-meter solar?

29. Should the Commission clarify that the SSC should be applied in the manner sought by NRLP - against behind-the-meter solar self-generators based on total nameplate capacity and on a volumetric basis - the result would be discriminatory ratemaking against self-generators and provide cross-subsidization by self-generators in favor of NRLP.

30. If NRLP were allowed to charge the SSC for behind-the-meter solar generation used for self-consumption, then customers would subsidize NRLP $0.0629 for each kWh of generation they self-consume.

31. Additionally, NRLP charges all customers a volumetric charge of $0.033 per kWh to recover any remaining fixed Distribution Facilities Costs not recovered by the Basic Facilities Charge ("BFC"). *See*, Amended Rate Schedules.

32. Using the numbers from NRLP's COSS, NRLP's fixed Distribution Facilities Costs per general commercial customer is shown in the following table:

NRLP Fixed Distribution Facilities Cost	
NRLP COSS Fixed Dist. Facilities Cost (Annual)	$ 777,141.00
NRLP COSS # kWh used for basis of charge	23,499,170
NRLP COSS Distribution Facilities Charge per kWH	$ 0.0331
NRLP COSS # General Commerical Customers	1,480
NRLP COSS Monthly kWh consump per cust in kWh	1,323
NRLP COSS Annual Fixed DFC per Customer	$ 525.10
NRLP COSS Monthly Fixed DFC per Customer	**$ 43.76**

33. NRLP Witness R. Halley testified that "[a]ll of NRLP's distribution cost are fixed and would not be avoided if a customer installed and used PV generation." T Vol. 4, p. 254, ll. 1-3.

34. Since NRLP's distribution facilities costs ("DFC") are a part of its fixed distribution fixed not covered by the BFC, any payment of the DFC should be credited as a contribution to NRLP's fixed cost of service for a customer.

35. The NRLP COSS does consider the contribution to fixed cost which all customers must pay through the BFC in its calculation of the SSC, however it does not consider any contribution to fixed cost which solar customers pay through the DFC.

36. Any payment of the DFC by behind-the-meter solar customers would further increase the subsidy that NRLP would receive for the purpose of determining the cross subsidization that occurs between solar customers and NRLP.[4]

37. Even if the solar customer had zero electric consumption from NRLP, the utility would still fully recover its fixed costs via subsidy from customers who use behind-the-meter solar generation for self-consumption.

38. However, customers with behind-the-meter solar generation connected to the NRLP distribution system likely do consume some power from the grid and pay the volumetric Distribution Facilities Charge, and thereby further contribute to NRLP's fixed costs.

39. Accordingly, NRLP has not accounted for the benefits of distributed solar in its COSS and further seeks to charge behind-the-meter solar self-generators a volumetric charge which essentially charges self-generators for electricity they generate and use themselves.

40. N.C. Gen. Stat. § 126.4(b) states, in pertinent part, that the net metering rates for customers with behind-the-meter solar generation

> shall be nondiscriminatory and established only after an investigation of the costs and benefits of customer-sited generation. The Commission shall

[4] LHI has internally computed sample monthly billing calculations under the previous requirements, monthly billing calculations when applying the SSC, volumetrically on inverter based capacity, as implemented by NRLP, and also computed the SSC against metered solar supplemental energy output onto the grid, which aligns with cost causation. These calculations display the fixed and volumetric charges that a behind-the-meter solar customer is responsible for and are available in Exhibits A, B, and C, which are attached to this filing for the Commission's review.

> establish net metering rates under all tariff designs that ensure that the net metering retail customer pays its full fixed cost of service. Such rates may include fixed monthly energy and demand charges.

41. While the application of this statute has, thus far, been considered in such a manner to eliminate subsidization of behind-the-meter solar generators and to maintain rates that are not nondiscriminatory against non-solar ratepayers, the statute is not limited to such customers and, in LHI's view, should be applied to behind-the-meter self-generators.

42. LHI seeks to demonstrate to the Commission that the self-consumption of behind-the-meter solar generation does not create cross subsidization of non-solar customer in favor solar customers and, for this reason, if NRLP were allowed to apply the SSC based on inverter nameplate capacity rather than the actual generation of supplemental power that is exported to the NRLP system as shown by metered data, it would result in subsidization and discriminatory ratemaking.

Question #3: Is it appropriate for NRLP to use the Inverter Nameplate Capacity for the application of the Standby Supplemental Service Charge in its Schedule NBR?

43. NRLP is recovering its fixed costs from customers who use solar for self-consumption according to the COSS and but no credit is provided in the COSS for contributions from customers who use solar for self-consumption.

44. As noted above, on page 40 of the Order, the Commission stated that actual generation produced at peak as shown by "metered data" is a reasonable basis for determining the kW capacity, and inverter name plate capacity is not the best measure.

45. LHI believes the Commission is referring to the utility's bidirectional meter which shows the actual consumption of power from NRLP in kWh and actual generation of supplemental power that customers would export to the NRLP distribution system in kWh.

46. On page 40 of the Order, the Commission questions NRLP Witness Halley: "[Witness Halley] admitted to not being familiar with the appropriate engineering terminology but clarified that the basis for his calculation was actual production data rather than what the inverters were rated as capable of producing."

47. Net Billing Rate Customers are only credited for the actual hourly generation of supplemental output that is metered and exported to the NRLP distribution system in kWh.

48. Under cost causation principles, the SSC should only be charged for actual hourly generation of *supplemental* output that is metered and exported to the NRLP distribution system.

49. Despite all of this, NRLP references the below section of Schedule NBR as justification for its application of the SSC to a solar system's Inverter Nameplate Capacity:

> For the purposes of this Schedule NBR, the rated AC capacity for the application of the SSC shall be
>
> 1) the maximum output of the Customers PV system as measured by NRLP from those Customers currently served under NRLP's existing buy all/sell all rate schedule OR
>
> 2) the designed AC kW output of the PV system as provided by the Customer's solar installer as included in the interconnection request[.]

50. LHI is cognizant of the fact that the Order has been issued and is a final Order and does not seek to utilize this motion to request the Commission substantively change the Order, but, instead, provide clarification either by new order or by amending the Order to allow understanding of the Commission's intent and provide guidance to NRLP in implementing the new Schedule NBR.

51. The Commission conclusion about metered data stated on page 40 of the Order can be implemented by clarifying that rated AC Capacity for the application of the Standby

Supplemental Service Charge should be based on actual generation of supplemental output, as shown by metered data in kWh, which is exported to the NRLP distribution system.

52. LHI believes that ratepayers would benefit from clarification that inverter nameplate capacity would not be the best measure to determine the kW capacity of customer systems.

53. LHI seeks for the Commission to clarify that Schedule NBR's Option 2), which states, "the designed AC kW output of the PV system as provided by the Customer's solar installer", would not be the best measure to determine the application of the SSC since it does not relate to the actual generation as shown by metered data.

54. LHI seeks for the Commission to clarify that NRLP Schedule NBR Option 1), which states, "the maximum output of the Customers PV system as measured by NRLP from those Customers currently served under NRLP's existing buy all/sell all rate schedule", would be appropriate to use for all Customers since, using data from NRLP's COSS, neither customers served by NRLP's buy all/sell all rate structure and customers who export supplemental generation to the NRLP distribution system under Schedule are cross subsidized by NRLP or non-solar customers.

55. LHI also seeks for the Commission to clarify that Schedule NBR Option 1) would be the appropriate option for all customer because it both aligns with the Commission's conclusion in the Order that actual generation is a reasonable basis for determining the kW capacity of customer systems whereas inverter nameplate capacity would not be the best measure and the principles of cost causation.

56. The SSC should be applied to the supplemental generation in kWh for which a customer receives a retail net metering credit in kWh.

Question #4: Is NRLP allowed to apply discriminatory rates on customers who use behind-the-meter solar for their own consumption?

57. If NRLP were allowed to apply the SSC based on the inverter nameplate capacity without regard to metered data for the actual generation exported to the grid, this would create an over-recovery mechanism for NRLP, cross-subsidized by its customers who use solar generation to reduce their power own consumption and would violate the "nondiscriminatory" provision detailed in N.C. Gen. Stat. § 62-126.4 (b).

58. NRLP's interpretation of the Commission's Order also violates the anti-discrimination provisions of N.C. Gen. Stat. §62-140.

59. NRLP customers are able to implement a number of behind-the-meter measures that will reduce their energy consumption from NRLP without incurring a penalty charge: energy efficient lighting and HVAC systems, energy efficient appliances, improved insulation, or may even convert from electricity to other fuel sources altogether, such as natural gas.

60. None of such measures incur any charge payable to NRLP but they have the same impact on NRLP as does the installation of solar generation for consumption behind the meter.

61. Further, this Commission has a history of favoring deference to self-generation in the face of discriminatory ratemaking and, only in certain circumstances, has this Commission provided a utility the ability to make discriminatory, lower rates to entice larger energy users from self-generation.[5]

[5] The scope of regulation of self-generation by the Commission is typically limited to where the loss of load due to new self-generation may materially affect the revenue of the native utility. The Commission has granted utility requests to apply for different, lower rates targeted for when a large load customer has threatened self-generation. Re N. Carolina Power, No. 350, 1995 WL 508058 (June 27, 1995). Numerous large load customers have utilized this option. *See*, Carolina Power & Light Co., No. E-2, SUB 702, 1997

62. For all these reasons, LHI seeks for the Commission to provide clarity as to the application of the SSC against a behind-the-meter solar system's inverter nameplate capacity or whether it should instead be applied against supplemental power that goes to the grid.

Request for Relief

For the foregoing reasons, LHI submits that NRLP is applying its NBR rider in a manner that is inconsistent with and in conflict with the Order and respectfully requests (1) that the Commission allow LHI to intervene out of time for the narrow matter of the motion for clarification contained herein and (2) that the Commission issue an that either amends the previous Order or a new order clarifying and responding to the questions contained within this motion.

Respectfully submitted this 31st day of January, 2024.

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WL 151492 (Mar. 17, 1997); Re Carolina Power & Light Co., 151 P.U.R.4th 180 (Apr. 26, 1994). This demand led to a separate, generic docket to be opened by the Commission to keep careful tabs on alternative rates for large load entities seeking to self-generate. *See generally,* Commission Docket E-100, Sub 73.

Exhibit A

A sample monthly billing calculation for the LHI before Schedule NBR

LHI Current Rate Structure No Net Metering		
Usage in kWh	1,000	
NRLP Basic Facilities Fee	$17.50	$17.50
NRLP Distribution Facilities Charge	$ 0.0330	$ 33.00
NRLP WholesalePower Supply	$ 0.0915	$ 91.52
Sub-Total		$142.02
Tax	7%	$ 9.94
Total Monthly Bill		**$151.96**
Self Consumption in kWh	1,000	
NRLP Avoided Cost savings	$ 0.0629	$ 62.94
NRLP Full Fixed Cost	$ 0.0616	$ (61.58)
Contribution to Distribution Facilities Charge		$ 33.00
NRLP Benefit/(Cost) from Self Consumption		**$ 34.36**
Actual Generation Exported to NRLP in kWh	615	
NRLP Retail Credit for Net metered Output	$ (0.1245)	$ -
NRLP Full Fixed Cost subtracted from Credit	$ (0.0616)	
NRLP Avoided Cost savings	$ 0.0629	$ 38.68
NRLP Benefit/(Cost) of Net Meter AC Output		**$ 38.68**
NRLP Total Benefit (Cost)		**$ 73.04**

Notice there is no Standy Supplemental Service Charge (SSC) and no Retail Credit for the actual generation that is exported to the NRLP distribution system

Exhibit B

A sample monthly billing calculation for the LHI after NRLP's current implementation of the Standby Supplemental Service Charge (SSC) based on inverter nameplate capacity under Schedule NBR

LHI Net Metering as Implemented by NRLP		
Monthly Usage in kWh	1,000	
NRLP Basic Facilities Fee	$17.50	$17.50
NRLP Distribution Facilities Charge	$ 0.0330	$ 33.00
NRLP WholesalePower Supply	$ 0.0915	$ 91.52
SSC per KW	*$ 6.3900*	*161.03*
Sub-Total		$303.05
Tax	7%	$ 21.21
Total Monthly Bill		**$324.26**
Monthly Self Consumption in kWh	1,000	
NRLP Avoided Cost savings	$ 0.0629	$ 62.94
NRLP Full Fixed Cost	$ 0.0616	$ (61.58)
Contribution to Distribution Facilities Charge		$ 33.00
NRLP Benefit/(Cost)		**$ 34.36**
Actual Generation Exported to NRLP in kWh	615	
NRLP Retail credit for Net metered Output	$ (0.1245)	$ (76.52)
NRLP Full Fixed Cost subtracted from credit		
NRLP Avoided Cost savings	$ 0.0629	$ 38.68
NRLP Benefit/(Cost) of Net Meter AC Output		**$ (37.84)**
NRLP Net Benefit (Cost)		**$ 157.55**

Exhibit C

A sample monthly billing calculation for the LHI after Schedule NBR under the application of the Standby Supplemental Service Charge (SSC) by LHI's interpretation of the Order, cost causation principles, and Chapter 62

LHI Net Metering as Intended by Order		
Monthly Usage in kWh	1,000	
NRLP Basic Facilities Fee	$17.50	$17.50
NRLP Distribution Facilities Charge	$ 0.0330	$ 33.00
NRLP WholesalePower Supply	$ 0.0915	$ 91.52
Sub-Total		$142.02
Tax	7%	$ 9.94
Total Monthly Bill		**$151.96**
Monthly Self Consumption in kWh	1,000	
NRLP Avoided Cost savings	$ 0.0629	$ 62.94
NRLP Full Fixed Cost	$ 0.0616	$ (61.58)
Contribution to Distribution Facilities Charge		$ 33.00
NRLP Benefit/(Cost)		**$ 34.36**
Actual Generation Exported to NRLP in kWh	615	
NRLP Retail credit for Net metered Output	$ (0.1245)	$ (76.52)
NRLP Full Fixed Cost subtracted from credit	$ 0.0616	37.84
NRLP Avoided Cost savings	$ 0.0629	$ 38.68
NRLP Benefit/(Cost) of Net Meter AC Output		$ -
NRLP Net Benefit (Cost)		**$ 34.36**

STATE OF NORTH CAROLINA
WAKE COUNTY

VERIFICATION

Benjamin W. Smith, first being duly sworn, deposes and says that he is the attorney for Lovill House Inn LLC and that he has read the foregoing document and that the same is true of his personal knowledge, except as to any matters and things therein stated on information and belief as to those, he believes them to be true; and that he is authorized to sign this verification on behalf of Lovill House Inn LLC.

This 31st day of January, 2024.

Benjamin W. Smith

Sworn to and subscribed before me
this 31st day of January, 2024.

Donna C. Knowles
Notary Public (signature)

Donna C. Knowles
Notary Public (printed)

My Commission expires: November 5, 2028

DONNA C. KNOWLES
NOTARY
PUBLIC
WAKE COUNTY, N.C.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, first-class postage prepaid, properly addressed to parties of record.

This the 31st day of January, 2024.

KILPATRICK TOWNSEND & STOCKTON LLP

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