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July 1, 2022

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

Via Electronic Submittal

Re: In the Matter of
Biennial Determination of Avoided Cost Rates for Electric Utility
Purchases from Qualifying Facilities -- 2021
Docket No. E-100, Sub 175
New River Light & Power's Statement and Proposed Order

Dear Ms. Dunston:

Under cover of this letter and at the request of New River Light & Power (NRLP or Company), we herewith provide NRLP's Statement and Proposed Order pursuant to the Commission's May 16, 2022, Order Requiring the Filing of Proposed Orders and Briefs.

If you should have any questions concerning this filing, please let me know.

Thank you and your staff for your assistance.

Sincerely,
/s/ David T. Drooz
David T. Drooz
Attorney for
New River Light & Power

mwg

Enclosures

cc: All parties of record

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 175

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:)	
Biennial Determination of Avoided)	STATEMENT AND PROPOSED
Cost Rates for Electric Utility)	ORDER OF NEW RIVER LIGHT &
Purchases from Qualifying Facilities –)	POWER
2021)	

NOW COMES Appalachian State University d/b/a New River Light & Power, and submits the following statement and proposed order excerpt pursuant to the Commission's May 16, 2022, Order Requiring the Filing of Proposed Orders and Briefs.

1. Procedural history relevant to Appalachian State University d/b/a/ New River Light & Power (NRLP).

- a. On August 13, 2021, the North Carolina Utilities Commission (Commission) initiated the above-captioned proceeding with its Order Establishing Biennial Proceeding, Requiring Data, and Scheduling Public Hearing.
- b. On December 20, 2021, the Commission issued its Order Granting Motion for Extension of Time to Western Carolina University and Appalachian State University, d/b/a/ New River Light and Power Company.
- c. On December 21, 2021, counsel for NRLP filed the Joint Comments, Proposed Rates and Contracts of Western Carolina University and New River Light & Power (Joint Comments).

- d. On January 24, 2022, the Affidavit of Publication of Public Notice was filed for NRLP.
- e. On February 24, 2022, the Public Staff of the North Carolina Utilities Commission (Public Staff) filed its initial statement. With respect to NRLP, that statement said: “The Public Staff does not object to WCU’s and NRLP’s proposed rates for purposes of the 2021 proceeding.”
- f. On February 24, 2022, Appalachian Voices (App Voices) filed its initial comments. Those comments included three requests pertaining to NRLP:
 - i. That the Commission provide App Voices with an opportunity for intervenor and public input on any subsequent avoided costs rates and net billing rates or solar rate design proposals by NRLP;
 - ii. That NRLP incorporate avoided transmission and distribution costs into its avoided cost rates; and
 - iii. That the Commission reject NRLP’s proposed \$8.25 per month administrative fee on its solar customers.
- g. On March 1, 2022, NRLP filed its New River Light and Power Amended Proposed Rates and Contracts (Amended Proposal). The Amended Proposal waived the \$8.25 monthly administrative fee for its Small Power Supplier Reimbursement Formula with No Demand Credit (Rate SPP No Demand), and waived the \$25.00 fee for its

Small Power Supplier Reimbursement Formula with Demand Credit (Rate SPP Demand) and for its Small Power Production Supplier Reimbursement Formula for Loads for Seeking Long-term Fixed Rates (Rate SPP Fixed).

- h. On March 11, 2022, counsel for App Voices filed a letter supporting NRLP's proposed waiver of administrative fees, and noting that there remain as issues the App Voices' request to incorporate transmission and distribution fees into the NRLP avoided costs rates, and the opportunity for intervenor and public input on NRLP's anticipated filings later in the year on avoided cost rates and contracts and net billing.
- i. On April 1, 2022, NRLP filed its New River Light & Power Reply Comments (NRLP Reply Comments).
- j. On April 1, 2022, the Public Staff filed its Reply Comments of the Public Staff. Those comments included the statement that "The Public Staff notes that NRLP's elimination of the administrative fees on small power producers appear to be a reasonable continuation of prior practices, given the relatively small number of customers involved and the issues raised by Appalachian Voices. The Public Staff recommends that the Commission accept NRLP's revised filing."

2. Issues relevant to the NRLP proposed rates and contracts.

The concern raised by App Voices about the proposed NRLP \$8.25 administrative fee has been resolved by NRLP's waiver of both the \$8.25 administrative fee and the \$25.00 fee, meaning those fees will not be charged to small power producers that are customers on the NRLP distribution system. The Amended Proposal waiving those fees will continue to benefit the 12 customers (plus Appalachian State University) who have contracts with NRLP under the buy all/sell all tariff. Those customers are primarily rooftop solar generators.

The NRLP Reply Comments support the request for App Voices to be provided opportunity to intervene and provide public comments with regard to any subsequent avoided costs rates and net billing rates proposed by NRLP. That resolves any dispute between the parties over that request of App Voices.

The third issue is whether NRLP should incorporate avoided transmission and distribution costs into its avoided cost rates. The initial comments of App Voices argued that transmission and distribution costs are directly related to the amount of load added to the systems of Duke Energy Carolinas, LLC, and Blue Ridge Electric Membership Corporation in order to wheel power generated by CPP and sold to NRLP to meet energy demand on NRLP's system. App Voices also stated that the data response of NRLP on this issue was inconsistent and insufficient. App Voices maintained that the calculation of avoided transmission and distribution costs does not seem overly complicated, and should be feasible. The NRLP Reply Comments opposed the App Voices request to incorporate transmission and distribution costs into its avoided cost rates in this proceeding. NRLP asserted that calculation of transmission and distribution costs was not simple, and would

be better addressed in the cost of service study being undertaken by NRLP. NRLP further noted that in past NRLP proceedings the avoided cost rates approved by the Commission did not include avoided transmission or distribution costs. NRLP stated that DEP and DEC did not appear to have included avoided transmission and distribution costs in their filings in this proceeding.

In light of the arguments in the NRLP Reply Comments, the ongoing cost of service study, the absence of avoided transmission and distribution costs in past avoided cost rates approved by the Commission for NRLP, the very modest amount of money at issue with only 12 small power provider customers (plus Appalachian State University), and the opportunity for the parties to raise this issue in the general rate case that NRLP anticipates filing this summer with a proposed net billing tariff, there should not be an incorporation of avoided transmission and distribution costs into NRLP's avoided cost rates for its small power providers. The issue should be open for consideration in NRLP's upcoming general rate case.

3. Proposed order wording specific to NRLP.

NRLP proposes that the Commission's order on the utilities' avoided cost rate proposals in this proceeding include the following wording for NRLP.

FINDING OF FACT NO. ____

It is reasonable and appropriate that the NRLP avoided cost rates not incorporate avoided transmission and distribution costs in this proceeding.

FINDING OF FACT NO. ____

It is appropriate to require NRLP to offer all QFs contracting to sell 1 MW or less variable rates based upon their wholesale cost of power and to offer long-term fixed price

rates that track CPP's wholesale charges to NRLP, as set forth in the New River Light and Power Amended Proposed Rates and Contracts filed on March 1, 2022.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NOS. ____

The evidence supporting these findings of fact is found in the Joint Comments filed by WCU and NRLP, the initial and reply comments of the Public Staff, the initial comments and response letter of Appalachian Voices, and the entire record herein. In the Joint Comments NRLP proposed to pay variable rates based on its wholesale cost of power from CPP. NRLP further proposed to offer long-term fixed price rates based on its contract with CPP. The amended rates and contracts filed on March 1, 2022, by NRLP removed the \$8.25 and \$25.00 administrative fees that were proposed in its initial Joint Comments, and supported Appalachian's right to have an opportunity to intervene and provide public comments with regard to any subsequent avoided costs rates and net billing rates proposed by NRLP.

The Public Staff does not object to the proposed rates for NRLP.

Appalachian Voices is the only party that filed objections to NRLP's proposals. The removal of the \$8.25 and \$25.00 administrative fees by NRLP is a reasonable resolution of Appalachian Voices' objection to those fees. The Commission agrees that Appalachian Voices should have an opportunity to intervene and provide public comments with regard to any subsequent avoided costs rates and net billing rates proposed by NRLP.

The remaining request or objection by Appalachian Voices concerns avoided transmission and distribution costs, and that issue has not been resolved between the parties. Avoided transmission and distribution costs have not been included in the avoided cost rates of NRLP in the past. The issue is not well-developed in the present proceeding. There is no evidence as to what NRLP's avoided transmission and distribution costs are,

and prolonging the present proceeding for additional discovery, testimony, and hearing on this issue would introduce unwarranted delay. The parties will have an opportunity to address the issue in the upcoming general rate case of NRLP if they so desire.

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

4. Conclusion

THEREFORE, New River Light & Power respectfully requests that the Commission approve its filing in this docket as amended on March 1, 2022.

This the 1st day of July, 2022.

FOX ROTHSCHILD LLP

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*Attorney for New River Light &
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CERTIFICATE OF SERVICE

I hereby certify that all parties of record as shown on the Commission's Service List for the docket, have been served a copy of the foregoing Statement and Proposed Order of New River Light & Power, either by electronic mail or by depositing the same in the U.S. Mail, first class delivery, postage prepaid.

This the 1st day of July, 2022.

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