

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-34, SUB 46

In the Matter of)	
)	
)	
Application of Appalachian State)	APPLICATION TO ADJUST
University, d/b/a New River Light)	RETAIL RATES
and Power Company For Adjustment)	
of Rates and Charges Applicable to)	
Electric Service in North Carolina)	

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Jul 28 2017

Pursuant to the N.C. Gen. Stat. §§ 62-133 and 62-134 and North Carolina Utilities Commission ("Commission") Rules R1-5, R1-17, and R8-27, Appalachian State University, d/b/a New River Light and Power Company ("NRLP " or "Company") makes this Application for authority to adjust and increase its retail electric rates and charges effective September 1, 2017. In the event the Commission suspends rates in this proceeding, the Company respectfully requests rates be effective as of February 1, 2018. In support of this Application, NRLP respectfully shows the Commission the following:

1. Its general offices are at 146 Faculty Street Extension, Boone, North Carolina, and its mailing address is:

New River Light and Power Company
220 Winklers Creek Rd.
Boone, NC 28607

2. The name and address of Applicant's attorney are:

Michael S. Colo
Poyner Spruill LLP
130 South Franklin Street
Rocky Mount North Carolina 27804
252-972-7105
mscolo@poynerspruill.com

Attorney for New River Light and Power Company

3 Copies of all pleadings, testimony, orders and correspondence in this proceeding should be served upon the attorney listed above.

4. NRLP is an operating unit of Appalachian State University (“ASU”); it serves the electric power needs of ASU and retail customers in the Town of Boone and its surrounding areas. NRLP’s rates and charges are subject to the jurisdiction of the North Carolina Utilities Commission (the “NCUC”) and NRLP submits annual reports and updates of its Purchased Power Adjustment to the NCUC for approval. NRLP has a total of 8,500 metered customers and had a peak load in 2015 of 50.2 MW and total revenues of \$16,073,666 in 2016. Approximately 28% of NRLP’s load is represented by ASU, with the balance being represented by residential and commercial customers. NRLP no longer has any industrial customers.

5. NRLP purchases 100% of its power supply requirements and its transmission pursuant to an agreement with Blue Ridge Electric Membership Corporation (“BREMCO”) pursuant to which BREMCO passes through its costs from its wholesale power supply arrangement with Duke Energy Carolinas (“DEC”) to NRLP. This arrangement with BREMCO will continue through 2021, at which time NRLP will purchase its generation requirements from a different wholesale power supplier. BREMCO, however, will continue to provide NRLP’s transmission requirements.

6. NRLP has not requested a change to its base rates since 1996. Since that time, a number of factors have combined to make it necessary for NRLP to request a base rate increase in its retail revenues of approximately 10.42%.

a) From 1996 to 2015, NRLP’s net revenues declined 11%, while the net value of

its fixed properties rose 69%. NRLP's last industrial customer terminated service in 2013. While metered customers have increased by 20%, kilowatt-hour sales have only increased 16%. Use per customer, which increased to its highest point in 2010, has declined thereafter. In 2015, NRLP experienced the lowest use per customer (residential and commercial combined) of 26,252 kilowatt-hours since a 1997 low of 26,238 kilowatt-hours. In 2015, NRLP's kilowatt-hour sales were 208,074,000, the lowest since 2001.

- b) The loss of NRLP's last industrial load in 2013 resulted in a loss of revenue of approximately \$500,000 a year. From 2011 to 2012, industrial revenues dropped from \$517,988 to \$317,177, then declined to only \$16,715 in 2013 before completely terminating. Industrial sales had averaged 6,390,341 kilowatt-hours from 2009 to 2011, then dropped to 3,527,400 in 2012 before completely terminating in 2013.
- c) Since the last rate increase request in 1996, NRLP has invested in advancing technology and upgrades for its system, including a Supervisory Control and Data Acquisition system ("SCADA"), a new substation and upgrades to the existing substations, a new phone system, a Geographical Information System ("GIS"), upgrades to the customer service and billing software and creation of a new Local Area Network ("LAN") that is separate from ASU's network that is used for other administrative functions, distribution system expansions and upgrades, an AutoCad design program for system design and drawings, and renovation of NRLP's main office building. In addition to the costs associated

with adding the foregoing, the new systems have added operating costs such as monthly support and network services licensing, annual Oracle licensing, credit card processing, portal expenses, and personal computers and servers that must be replaced every 3 to 5 years. These investments and added costs have been absorbed by NRLP for the past several years.

- d) NRLP also is in the process of transitioning its meters to Advanced Metering Infrastructure (“AMI”). This process will be complete in August 2017. AMI will provide numerous benefits to NRLP and its customers, including faster outage detection and restoration of service, consumer information that will allow customers to reduce electricity use during peak demand periods and take advantage of rates and programs designed to reduce costs for the consumer and NRLP.
- e) ASU has been subsidizing NRLP in the area of administrative costs, including legal, human resources, finance, and facilities management. NRLP’s rates must cover ASU’s costs of providing service and other university functions are not funding these costs.
- f) In addition, ASU is continuing to reduce energy consumption through conservation. It has entered into an energy savings performance contract and has installed energy efficient lighting throughout the campus. It has created an Office of Sustainability to further address conservation and the use of renewable energy. ASU’s efforts have resulted in a significant decline in energy use, from 58,510,948 kWh in 2013 to 48,094,074 kWh in 2016, for a total reduction of

10,416,874 kWhs, or 17.8%. While there are some cost reductions associated with reduced energy use, NRLP must still recover its fixed costs of providing service.

- g) NRLP's supplier, BREMCO has entered into a coal ash costs settlement agreement with Duke pursuant to Blue Ridge agreed to pay DEC's coal ash costs from January 2015 forward with retail parity on the total costs to be recovered and options for the timing of payments. Under this agreement, Blue Ridge will pass-through any costs it incurs for coal ash. It is estimated that NRLP's allocated share of these costs will be approximately \$3.1, and The intended result of this agreement appears to be simply accepting the NCUC's decision on DEC's recovery of coal ash costs for retail customers and allowing the same level of cost recovery from Blue Ridge, with options to use the same methodology for the timing of payments. While NRLP cannot predict the outcome of the NCUC proceedings or the ultimate costs to NRLP, Blue Ridge has indicated that NRLP's allocated share of these costs has been estimated to be approximately \$3.1 million and NRLP estimates its allocated share of DEC's Asset Retirement Obligation using the 20 coincident peak methodology could be in excess of \$3.6 million. These are substantial costs to NRLP and its customers. Under the terms of the DEC/Blue Ridge agreement, these costs would be incurred from 2018 through 2021 and NRLP would be financially harmed if there is no mechanism to pass these costs on to NRLP's customers.

7. NRLP also seeks to have its rate structure modified. The ASU campus is currently

served under an energy only rate structure. An energy only rate sends the wrong pricing signal to ASU when it is considering energy efficiency or renewable generation projects. ASU's current retail rate is just over 8 cents per kWh which provides a significant incentive of avoided costs with these types of projects, but it also translates to an under recovery of NRLP fixed costs. NRLP wants to continue to assist ASU with its sustainability efforts by providing an appropriate rate structure that allows NRLP to recovery its fixed costs and provides all real avoided cost benefits to ASU. The rate structure NRLP is seeking in this rate case utilizes a master meter that currently is used for wholesale purchases at the substation that serves only the ASU campus. The proposed rate structure will have a demand charge to recover all distribution and customer specific costs in serving the ASU campus. It will also have a demand charge and energy charge to recover the purchased power costs associated with serving the ASU campus. This type of structure will allow ASU to continue its sustainability efforts and receive their true avoided costs directly from the purchased power costs. It also allows NRLP to fairly recover its fixed costs for distribution service.

8. NRLP is also in the process of phasing in the use of LED lighting. LED lamps will be installed as the traditional, mercury-vapor, sodium-vapor and metal halide lamps reach the end of their useful lives. As a result, NRLP is seeking a new LED lighting rate schedule for all new installations and will close the existing Outdoor Lighting rate schedule to new installs.

9. Copies of the rates now in effect are attached as **Exhibit A**. The proposed schedule of rates and charges, attached as **Exhibit B**, are filed in accordance with N.C.G.S. 62-134 and Commission Rule R1-17(b)(2).

11. The rates set forth **Exhibit A** are unjust and unreasonable because they do not allow NRLP the opportunity to earn a fair rate of return. During the 12-month period ending December 31, 2016, the rate of return on NRLP's retail rate base, as shown on **Exhibit B**, was -1.46%.

12. As required by Commission Rule R1-17(b)(9)f, Appendix 1 of this Application contains a one-page summary of the proposed increases and changes affecting customers.

13. The exhibits attached to this Application are as follows:

a) **Exhibit A.** The schedule of the Company's electric rates and charges in effect and on file with the Commission at the time of filing this Application which the Company seeks to increase, as required by Commission Rule R1-17(b)(1).

b) **Exhibit B.** The schedule of electric rates and charges the Company proposes to put into effect as soon as possible, as required by Commission Rule R1-17(b)(2).

c) **Exhibit C.** The financial data for the 12-month period ended December 31, 2016, filed in compliance with Commission Rule R1-17(b)(3)-(10).

d) **Exhibit D.** A statement of the probable effect of the proposed rates on peak demand, as required by N.C. G. S. 62-155(e).

NRLP's Commission Form E-1 is filled with this Application in compliance with Commission Rule R1-17(b)(12)a and is incorporated herein by reference.

WHEREFORE, NRLP requests that the Commission approve the rates filed as Exhibit B, effective August 1, 2017. In the event the Commission suspends this proceeding, the NRLP respectfully requests rates be effective February 1, 2018.

Respectfully submitted, this the 28th day of July, 2017.



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EXHIBIT A

Current Electric Rates and Charges
(see attached)

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Jul 28 2017

New River Light and Power Company
Residential Service
Schedule "R"

Availability

Available only to customers who are classified as residential customers; these being individual residential customers in residences, mobile homes, or individually metered apartments.

This schedule is not available for (1) breakdown, standby, or supplementary service, (2) for resale, or (3) for temporary service.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208Y/120 volts, or
Three Phase	120/240 volts

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of 5 hp or less shall be of single phase service unless three phase service is already available.

Monthly Rate Schedule "R"

Customer Charge	\$6.29 per month
Energy Charge	\$0.087595 per KWH

Minimum Bill

The minimum monthly bill for service shall be \$6.29 (Customer Charge).

Payment

Bills under this schedule are due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are past due or delinquent twenty-five (25) days after billing date. Past due accounts are subject to disconnection after expiration of past due procedures.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light and Power Company
Residential Service
Schedule "G"

Availability

Available to customers who having commercial, general, or temporary service whose monthly usage demand is less than 30 KW. In the event customers billed on this schedule incur a demand of 30 KW or more two months during a twelve month period, they will be billed on the "Commercial Demand Retail Rate – Schedule GL"

All churches shall be billed under this schedule of rates regardless of monthly demand

This schedule is not available for (1) breakdown, standby, or supplementary service, (2) for resale, or (3) for temporary service.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208Y/120 volts, or 480Y/277 volts, or
Three Phase	240, 480 volts

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of less than 5 hp may be single phase. All motors of more than 5 hp must be equipped with starting compensators and all motors of more than 25 hp must be of the slip ring type except that the Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

Monthly Rate Schedule "G"

Customer Charge	\$8.71 per month
Energy Charge	\$0.082859 per KWH

Minimum Bill

The minimum monthly bill for service shall be \$8.71 (Customer Charge).

Payment

Bills under this schedule are issued on the last working day of the month, and due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are past due or delinquent on the 15th day of the month following the billing date. Past due accounts are subject to disconnection after expiration of past due notice.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light and Power Company
Residential Service
Schedule "GL"

Availability

Available to customers who having commercial, general, or temporary service who have had a usage demand of 30 KW during any two months of the preceding twelve months. Customers will be removed from this Demand Rate and placed on the Commercial energy rate "Schedule G" after twelve consecutive months of usage less than 30 KW per month. This schedule is not available for (1) breakdown, standby, or supplementary service, (2) for resale, or (3) for temporary service.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208y/120 volts, or 480Y/277 volts, or
Three Phase	240, 480 volts

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of less than 5 hp may be single phase. All motors of more than 5 hp must be equipped with starting compensators and all motors of more than 25 hp must be of the slip ring type except that the Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

Monthly Rate Schedule "GL"

Customer Charge	\$11.61 per month
Demand Charge	\$8.27 per KW
Energy Charge	\$0.048006 per KWH

Minimum Bill

The minimum monthly bill for service shall be \$11.61 (Customer Charge).

Payment

Bills under this schedule are issued on the last working day of the month, and due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are past due or delinquent on the 15th day of the month following the billing date. Past due accounts are subject to disconnection after expiration of past due notice.

Re-connection of service after disconnection will be made upon payment of bill in full. A

reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light and Power Company
Residential Service
Schedule "I"

Availability

Available only to establishments classified as "Manufacturing Industries" by the Standard Industrial Classification Manual, 1957 or later revision, published by the Bureau of the Budget, United States Government, and only where 85% or more of the total energy consumption of such establishment is used for its manufacturing process.

Service under this Schedule shall be used solely by the contracting customer in a single enterprise, located entirely on a single, contiguous premises.

This schedule is not available for auxiliary or breakdown service, and power delivered hereunder shall not be used for resale or exchange or in parallel with other electrical power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the Company in regard to supplying power are dependent upon its securing and retaining all necessary right-of-way, privileges, franchises, and permits, for the delivery of such power, and the Company shall not be liable to any Customer or Applicant for power in the event that it is delayed in, or is prevented from furnishing the power by its failure to secure and retain such right-of-way, rights, privileges, franchises, and permits.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208Y/120 volts, or 480Y/277 volts, or
Three Phase	3 wire, 240, 480, or
Three Phase	12470Y/7200, or

Three Phase voltages other than the foregoing, but only at the Company's option, and provided that the size of the Customer's contract warrants a substation solely to serve that Customer, and further provided that the Customer furnish suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the Company's specifications.

Type of Service(cont'd)

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of less than 5 hp may be single phase. All motors of more than 5 hp must be

equipped with starting compensators and all motors of more than 25 hp must be of the slip ring type except that the Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

Monthly Rate Schedule "I"

Customer Charge	\$14.52 per month
Demand Charge	\$11.13 per KW
Energy Charge	\$0.050672 per KWH

Determination of Billing Demand

The Company will install a permanent demand meter for all Customers served under this Schedule. The demand for billing purposes each month shall be the maximum integrated thirty-minute demand for the month for which the bill is rendered, but not less than 50 percent of the contract demand, not less than 30 KW.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent, and dividing by the average power factor in percent for that month.

Contract Period

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days previous notice of such termination in writing; but the Company may require a contract of longer original term of years where the requirement is justified by the circumstances.

Minimum Bill

The minimum monthly bill for service shall be \$14.52 (Customer Charge).

Payment

Bills under this schedule are issued on the last working day of the month, and due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are past due or delinquent on the 15th day of the month following the billing date. Past due accounts are subject to disconnection after expiration of past due notice.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light and Power Company
Residential Service
Schedule "A"

Availability

This schedule is available only to single points of delivery for Appalachian State University, located on ASU Campus.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208Y/120 volts, or 480Y/277 volts, or
Three Phase	240, 480 volts
Three Phase	4160Y/2400, 12470Y/7200

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of less than 5 hp may be single phase. All motors of more than 5 hp must be equipped with starting compensators and all motors of more than 25 hp must be of the slip ring type except that the Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

Monthly Rate Schedule "A"

Customer Charge	\$11.61 per month
Energy Charge	\$0.080019 per KWH

Minimum Bill

The minimum monthly bill for service shall be \$11.61 (Customer Charge).

Payment

Bills under this schedule are due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are past due or delinquent twenty-five (25) days after billing date. Past due accounts are subject to disconnection after expiration of past due notice.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light and Power Company
Residential Service
Schedule "OL"

Availability

This service is available to all customers of the Company to be used to light outdoor areas, private streets, and driveways. The lighting units may be mercury vapor, sodium vapor, or metal halide bracket mounted on Company owned poles.

Service

Company shall provide all materials and install, operate, maintain, and provide energy required for illumination of the lighting units from dusk to dawn. The Company will offer as standard units the following lamps installed on wooden poles at the monthly rate approved by the North Carolina Utilities Commission:

Fixtures

175 Watt Mercury Vapor
400 Watt Mercury Vapor
150 Watt Sodium Vapor
250 Watt Sodium Vapor
400 Watt Metal Halide

Mounting Arm

Gooseneck
Cobra Head
Cobra Head
Cobra Head
Short Arm

Monthly charge per fixture identified by Schedule "OL" Tariff approved by Commission

Condition of Service

All facilities necessary to provide this service including fixtures, lamps, controls, poles, other structures, hardware, transformers, and conductors will be owned and maintained by the Company. The Company will replace burned-out lamps and otherwise maintain the luminaries during regular working hours as soon as practicable following notification by the Customer of the necessity.

All Customers must enter into a contract with the Company prior to the Company providing requested service.

All Customers will provide deposit security of 50% of the charges, based on the current retail rate, for the contract period unless Customer owns the premises, provide a guarantor and/or has through payment history established a good credit rating as defined by having no more than two (2) delinquent payments during preceding twelve (12) months.

Company will pay interest on the deposit at an annual rate of 8% beginning with the 91st day of service.

Should Customer request termination of service prior to completing contract time, Customer will be responsible for payment of charges for the remaining months using the monthly rate at the time contract was signed. This payment is due in lump sum at the time of requesting discontinuance of service.

Temporary Service

Request for temporary lighting which includes seasonal customer, carnivals, flea markets, fairs, etc. will be available at the Company's option. The Customer will be subject to an in-an-out charge, which will consist of the labor to install and remove, material installed less the anticipated value at removal, to be paid in advance. No contract will be required for service.

Monthly Rate

<u>Fixtures</u>	<u>Monthly Charge</u>
175 Watt Mercury Vapor	\$ 8.95
400 Watt Mercury Vapor	\$ 16.40
150 Watt Sodium Vapor	\$ 8.60
250 Watt Sodium Vapor	\$ 12.50
400 Watt Metal Halide	\$ 18.88
250 Watt Metal Halide	\$ 14.81
100 Watt SV TOB	\$ 2.81
150 Watt SV TOB	\$ 4.24
175 Watt MV TOB	\$ 4.95
250 Watt SV TOB	\$ 7.06
400 Watt MV TOB	\$ 11.29
400 Watt SV TOB	\$ 11.29
750 Watt SV TOB	\$ 21.18

Payment

Bills under this schedule are due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are past due or delinquent twenty-five (25) days after billing date. Past due accounts are subject to disconnection after expiration of past due notice.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light & Power Company Retail Rate Schedule

Schedule R: (Residential)

customer charge per bill	\$6.29
energy charge per kwh	\$0.087595

Schedule G: (Commercial)

customer charge per bill	\$8.71
energy charge per kwh	\$0.082859

Schedule GL (Large Commercial)

customer charge per bill	\$11.61
energy charge per kwh	\$0.048006
demand charge per kw	\$8.27

Schedule I (Industrial)

customer charge per bill	\$14.52
energy charge per kwh	\$0.050672
demand charge per kw	\$11.13

Schedule A: (Appalachian State University)

customer charge per bill	\$11.61
energy charge per kwh	\$0.080019

Schedule OL (Outdoor lighting)

Flat Charge per lamp per bill	
175 Watt Mercury Vapor	\$8.95
400 Watt Mercury Vapor	\$16.40
150 Watt Sodium Vapor	\$8.60
250 Watt Sodium Vapor	\$12.50
400 Watt Metal Halide	\$18.88
250 Watt Metal Halide	\$14.81
100 Watt SV TOB	\$2.81
150 Watt SV TOB	\$4.24
175 Watt MV TOB	\$4.95
250 Watt SV TOB	\$7.06
400 Watt MV TOB	\$11.29
400 Watt SV TOB	\$11.29
750 Watt SV TOB	\$21.18

Rate Basis: Monthly
Effective Date: February 1, 2017
Authority Docket No. E-34, Sub 45

Miscellaneous Charges:

\$3.00	Connect Charge
\$15.00	Connect Charge Commercial Temporary
\$25.00	Reconnect Fee during regular working hours (8 am - 5 pm M-F except holidays)
\$60.00	Reconnect Fee after regular working hours (nights, weekends, holidays)
\$20.00	Returned Check Charge

All tariffs subject to 7% sales tax except returned check charge

EXHIBIT B

Proposed Electric Rates and Charges
(see attached)

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Jul 28 2017

New River Light and Power Company
Residential Service
Schedule "R"

Availability

Available only to customers who are classified as residential customers; these being individual residential customers in residences, mobile homes, or individually metered apartments.

This schedule is not available for (1) breakdown, standby, or supplementary service, (2) for resale, or (3) for temporary service.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208Y/120 volts, or
Three Phase	120/240 volts

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of 5 hp or less shall be of single phase service unless three phase service is already available.

Monthly Rate Schedule "R"

Basic Facilities Charge	\$12.58 per month
Energy Charge	\$0.095567 per KWH

Minimum Bill

The minimum monthly bill for service shall be \$12.58 (Basic Facilities Charge).

Riders

The following riders are applicable to service supplied under this schedule. The currently approved KWH charges (increment or decrement) for the following riders will be added to the KWH Energy Charge shown above in the determination of the monthly bill.

PPAC Purchased Power Adjustment Clause
CACR Coal Ash Cost Recovery

Payment

Bills under this schedule are due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are considered past due twenty-five (25) days after the billing date. Past due accounts will be assessed a Late Fee of \$5.00. Bills are considered delinquent forty-five (45) days after the billing date and are subject to disconnection after expiration of delinquency procedures. Bills that are delinquent will be assessed an additional Delinquent Fee of \$15.00. If any bill is not paid, the Company has the right to suspend service.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

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New River Light and Power Company
Commercial General Service
Schedule "G"

Availability

Available to customers who have commercial, general, or temporary service with a monthly usage demand less than 30 KW. In the event a customer billed on this schedule incurs a demand of 30 KW or more for two months during a twelve-month period, the customer will be served under the "Commercial Demand Service – Schedule GL"

All churches shall be billed under this schedule of rates regardless of monthly demand.

This schedule is not available for (1) breakdown, standby, or supplementary service, or (2) for resale.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208Y/120 volts, or 480Y/277 volts, or
Three Phase	240, 480 volts

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of less than 5 hp may be single phase. All motors of more than 5 hp must be equipped with starting compensators and all motors of more than 25 hp must be of the slip ring type except that the Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

Monthly Rate Schedule "G"

Basic Facilities Charge	\$17.42 per month
Energy Charge	\$0.084381 per KWH

Minimum Bill

The minimum monthly bill for service shall be \$17.42 (Basic Facilities Charge).

Riders

The following riders are applicable to service supplied under this schedule. The currently approved KWH charges (increment or decrement) for the following riders will be added to the KWH Energy Charge shown above in the determination of the monthly bill.

PPAC Purchased Power Adjustment Clause

CACR Coal Ash Cost Recovery

Payment

Bills under this schedule are issued on the last working day of the month, and due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are considered past due on the 15th day of the month following the billing date. Past due accounts will be assessed a Late Fee of \$5.00. Bills are considered delinquent forty-five (45) days after the billing date and are subject to disconnection after expiration of delinquency procedures. Bills that are delinquent will be assessed an additional Delinquent Fee of \$15.00. If any bill is not paid, the Company has the right to suspend service.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light and Power Company
Commercial Demand Service
Schedule "GL"

Availability

Available to customers who have commercial, general, or temporary service with a monthly usage demand more than 30 KW. In the event a customer billed on this schedule has a demand less than 30 KW for twelve consecutive months, the customer will be served under the "Commercial General Service –Schedule G".

This schedule is not available for (1) breakdown, standby, or supplementary service, or (2) for resale.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208y/120 volts, or 480Y/277 volts, or
Three Phase	240, 480 volts

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of less than 5 hp may be single phase. All motors of more than 5 hp must be equipped with starting compensators and all motors of more than 25 hp must be of the slip ring type except that the Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

Monthly Rate Schedule "GL"

Basic Facilities Charge	\$23.22 per month
Demand Charge	\$8.27 per KW
Energy Charge	\$0.058593 per KWH

Minimum Bill

The minimum monthly bill for service shall be \$23.22 (Basic Facilities Charge).

Riders

The following riders are applicable to service supplied under this schedule. The currently approved KWH charges (increment or decrement) for the following riders will be added to the KWH Energy Charge shown above in the determination of the monthly bill.

PPAC Purchased Power Adjustment Clause

CACR Coal Ash Cost Recovery

Payment

Bills under this schedule are issued on the last working day of the month, and due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are considered past due on the 15th day of the month following the billing date. Bills are considered delinquent twenty-five (25) days after the billing date and will be assessed a one percent (1%) late payment charge. If any bill is not paid, the Company has the right to suspend service.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light and Power Company
Industrial Service
Schedule "I"

Availability

Available only to establishments classified as "Manufacturing Industries" by the Standard Industrial Classification Manual, 1957 or later revision, published by the Bureau of the Budget, United States Government, and only where 85% or more of the total energy consumption of such establishment is used for its manufacturing process.

Service under this Schedule shall be used solely by the contracting customer in a single enterprise, located entirely on a single, contiguous premises.

This schedule is not available for auxiliary or breakdown service, and power delivered hereunder shall not be used for resale or exchange or in parallel with other electrical power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the Company in regard to supplying power are dependent upon its securing and retaining all necessary right-of-way, privileges, franchises, and permits, for the delivery of such power, and the Company shall not be liable to any Customer or Applicant for power in the event that it is delayed in, or is prevented from furnishing the power by its failure to secure and retain such right-of-way, rights, privileges, franchises, and permits.

Type of Service

The company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208Y/120 volts, or 480Y/277 volts, or
Three Phase	3 wire, 240, 480, or
Three Phase	12470Y/7200, or

Three Phase voltages other than the foregoing, but only at the Company's option, and provided that the size of the Customer's contract warrants a substation solely to serve that Customer, and further provided that the Customer furnish suitable outdoor space on the premises to accommodate a ground-type transformer

installation, or substation, or a transformer vault built in accordance with the Company's specifications.

Type of Service(cont'd)

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of less than 5 hp may be single phase. All motors of more than 5 hp must be equipped with starting compensators and all motors of more than 25 hp must be of the slip ring type except that the Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

Monthly Rate Schedule "T"

Customer Charge	\$14.52 per month
Demand Charge	\$11.13 per KW
Energy Charge	\$0.050672 per KWH

Determination of Billing Demand

The Company will install a permanent demand meter for all Customers served under this Schedule. The demand for billing purposes each month shall be the maximum integrated thirty-minute demand for the month for which the bill is rendered, but not less than 50 percent of the contract demand, not less than 30 KW.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent, and dividing by the average power factor in percent for that month.

Contract Period

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days previous notice of such termination

in writing; but the Company may require a contract of longer original term of years where the requirement is justified by the circumstances.

Minimum Bill

The minimum monthly bill for service shall be \$14.52 (Customer Charge).

Payment

Bills under this schedule are issued on the last working day of the month, and due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are past due or delinquent on the 15th day of the month following the billing date. Past due accounts are subject to disconnection after expiration of past due notice.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

New River Light and Power Company
ASU Campus Service
Schedule "A"

Availability

This schedule is available only for a single point of delivery for Appalachian State University's main campus location.

Type of Service

For the individual delivery points throughout the ASU Campus, the company will furnish 60 cycle service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single Phase	120/240 volts, or
Three Phase	208Y/120 volts, or 480Y/277 volts, or
Three Phase	240, 480 volts
Three Phase	4160Y/2400, 12470Y/7200

The type of service supplied will depend upon the voltage available. Prospective customers should ascertain the available supply voltage at the Company's office in Boone, NC, before purchasing equipment.

Motors of less than 5 hp may be single phase. All motors of more than 5 hp must be equipped with starting compensators and all motors of more than 25 hp must be of the slip ring type except that the Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

Monthly Rate Schedule "A"

Distribution Facilities Charge	\$8.89 per KW
Power Demand Charge	\$8.75 per KW
Power Energy Charge	\$0.040661 per KWH

Riders

The following riders are applicable to service supplied under this schedule. The currently approved KWH charges (increment or decrement) for the following riders will be added to the KWH Energy Charge shown above in the determination of the monthly bill.

PPAC Purchased Power Adjustment Clause
CACR Coal Ash Cost Recovery

Payment

Bills under this schedule are issued on the last working day of the month, and due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are considered past due on the 15th day of the month following the billing date. Bills are considered delinquent twenty-five (25) days after the billing date and will be assessed a one percent (1%) late payment charge. If any bill is not paid, the Company has the right to suspend service.

Re-connection of service after discontinuance will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects after regular working hours.

New River Light and Power Company
Security Lighting Service
Schedule "OL"

Availability

This service is available to all customers of the Company to be used to light outdoor areas, private streets, and driveways. The lighting units may be mercury vapor, sodium vapor, or metal halide bracket mounted on Company owned poles.

Service

Company shall provide all materials and install, operate, maintain, and provide energy required for illumination of the lighting units from dusk to dawn. The Company will offer as standard units the following lamps installed on wooden poles at the monthly rate approved by the North Carolina Utilities Commission:

<u>Fixtures</u>	<u>Mounting Arm</u>
175 Watt Mercury Vapor	Gooseneck
400 Watt Mercury Vapor	Cobra Head
150 Watt Sodium Vapor	Cobra Head
250 Watt Sodium Vapor	Cobra Head
400 Watt Metal Halide	Short Arm

Monthly charge per fixture identified by Schedule "OL" Tariff approved by Commission

Condition of Service

All facilities necessary to provide this service including fixtures, lamps, controls, poles, other structures, hardware, transformers, and conductors will be owned and maintained by the Company. The Company will replace burned-out lamps and otherwise maintain the luminaries during regular working hours as soon as practicable following notification by the Customer of the necessity.

All Customers must enter into a contract with the Company prior to the Company providing requested service.

All Customers will provide deposit security of 50% of the charges, based on the current retail rate, for the contract period unless Customer owns the premises, provide a guarantor and/or has through payment history established a good credit rating as defined by having no more than two (2) delinquent payments during preceding twelve (12) months. Company will pay interest on the deposit at an annual rate of 8% beginning with the 91st day of service.

Should Customer request termination of service prior to completing contract time, Customer will be responsible for payment of charges for the remaining months using the monthly rate at the time contract was signed. This payment is due in lump sum at the time of requesting discontinuance of service.

Temporary Service

Request for temporary lighting which includes seasonal customer, carnivals, flea markets, fairs, etc. will be available at the Company's option. The Customer will be subject to an in-and-out charge, which will consist of the labor to install and remove, material installed less the anticipated value at removal, to be paid in advance. No contract will be required for service.

Monthly Rate

<u>Fixtures</u>	<u>Monthly Charge</u>
175 Watt Mercury Vapor	\$ 8.95
400 Watt Mercury Vapor	\$ 16.40
150 Watt Sodium Vapor	\$ 8.60
250 Watt Sodium Vapor	\$ 12.50
400 Watt Metal Halide	\$ 18.88
250 Watt Metal Halide	\$ 14.81
100 Watt SV TOB	\$ 2.81
150 Watt SV TOB	\$ 4.24
175 Watt MV TOB	\$ 4.95
250 Watt SV TOB	\$ 7.06
400 Watt MV TOB	\$ 11.29
400 Watt SV TOB	\$ 11.29
750 Watt SV TOB	\$ 21.18

Riders

The following riders are applicable to service supplied under this schedule. The currently approved KWH charges (increment or decrement) for the following riders will be added to the monthly fixture charges based on the estimated KWH usage per light fixture.

PPAC Purchased Power Adjustment Clause
CACR Coal Ash Cost Recovery

Payment

Bills under this schedule are due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are considered past due twenty-five (25) days after the billing date. Past due accounts will be assessed a Late Fee of \$5.00. Bills are considered delinquent forty-five (45) days after the billing date and are subject to disconnection after expiration of delinquency procedures. Bills that are delinquent will be assessed an additional Delinquent Fee of \$15.00. If any bill is not paid, the Company has the right to suspend service.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

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New River Light and Power Company
Coal Ash Cost Recovery Rider
Schedule “CACR”

New River Light & Power Company (“NRLP”) receives wholesale power supply from Blue Ridge Electric Membership Corporation (“BREMCO”) which, in turn, receives power supply from Duke Energy Carolinas (“DEC”). The cost of wholesale power from DEC is passed through to NRLP from BREMCO.

Effective July 1, 2017, the power supply agreement between DEC and BREMCO was amended to allow recovery of costs to comply with (i) the North Carolina Coal Ash Management Act 2014 N. C. Sess. Laws 122; 2014 N.C. Ch. 122; 2013 N. C. SB 729, as amended June 2015 by the Mountain Energy Act, N. C. SB716 as further amended by the Drinking Water Protection/Coal Ash Cleanup Act, House Bill 603/S.L. 2016-95, and (ii) The Hazardous and Solid Waste Management System: Disposal of Coal Combustion Residuals from Electric Utilities promulgated by the United States Environmental Protection Agency and published on April 17, 2015, 80 Fed. Reg 21302, as may be amended from time to time (“Coal Ash Costs”).

This Coal Ash Cost Recovery Rider (“CACR”) provides for a monthly charge or credit to NRLP’s customers to recover charges from BREMCO for recovery of DEC’s Coal Ash Costs. This Schedule CACR is applicable to all NRLP Rate Schedules.

Monthly Rate

The Monthly Rate will be applied to all kilowatt-hours and shall be calculated monthly as follows:

$$\text{CACR} = ((\text{TCA}_{n-1}/\text{ES})/(1-\text{RCF}-\text{UA}))+ \text{TU}_{n-2}/\text{ES}$$

Where:

CACR is the monthly rate per kilowatt-hour to be applied to bills rendered from the 15th of the month following service from BREMCO in which Coal Ash Costs are billed to NRLP through the 14th of the following month (the “billing cycle”).

TCA_{n-1} is the Total Coal Ash costs billed by BREMCO for service in the prior month.

ES = The Estimated Sales in kilowatt-hours for the current billing cycle.

RCF= The Regulatory Commission Fee assessed by the North Carolina Utilities Commission per dollar of revenues, which is currently .14%.

UA= Uncollectible Accounts rate of .113%.

$TU_{n-2} = (CACRR_{n-2} - ACACR_{n-2})$

Where:

TU_{n-2} is the True-Up for CACR collections in the second preceding billing cycle.

$CACRR_{n-2}$ is the Coal Ash Cost Recovery Revenue needed in the second billing cycle preceding the current billing cycle. This amount is calculated as $CACR \times ES$ for the second billing cycle preceding the current billing cycle.

$ACACR_{n-2}$ is the actual recovery of coal ash costs under this Rider for the second billing cycle preceding the current billing cycle.

New River Light and Power Company
Miscellaneous Service Charges
Schedule "MS"

Deposit:

The Company may require a deposit before beginning service or before reestablishing service or in the event of a material change of circumstances as allowed by the Rules and Regulations of the North Carolina Utilities Commission (Commission). The amount of the deposit and the interest paid on deposits will be in accordance with the Rules and Regulations of the Commission. The Company may require an increase or allow a decrease in the deposit if changes occur in the amount of bills rendered to the Customer. The Company may refund a deposit at any time. When service is discontinued, the Company will refund the deposit plus any accumulated interest, less any unpaid bills.

Connect Charge:

When the Company first supplies electricity under a any rate schedule, the Customer shall pay the Company a connection charge of \$11.50. This charge shall become a part of the first bill rendered to Customer for electricity supplied at such premises. The connection charge applies to any new service set up which requires a field trip to read the meter, install a meter, connect a meter or install new facilities.

Connect Charge Commercial Temporary:

When the Company supplies temporary electricity under Schedule G or Schedule GL, the Customer shall pay the Company a connection charge of \$15.00. This charge shall become a part of the first bill rendered to Customer for electricity supplied at such premises. The connection charge applies to any commercial temporary service which requires a field trip to read the meter, install a meter, connect a meter or install new facilities.

Reconnect Fee:

In case of discontinuance of service for any reason except repairs or other necessary work by the Company, the Customer shall pay the Company a reconnect charge before service will be restored as follows:

Regular Working Hours – If reconnect service is between 8:00 a.m. and 5:00 p.m., Monday through Friday (except holidays), the fee will be \$25.00.

After Regular Working Hours – If reconnect service is during the evenings, weekends or holidays, the fee will be \$60.00.

Returned Payment Fee:

When a check, electronic check, bank draft, debit card or credit card tendered for payment of a Customer's account, is subsequently returned by a financial institution due to a failure of the issuer's financial institution to honor the payment for good and sufficient reason, a \$21.00 fee will be charged to the Customer for each such returned payment. The Company, at its option for good cause, may refuse to accept a check, electronic check, debit card, or credit card tendered as payment on a Customer's account.

Extra Facilities Charge:

At the request of the Customer, the Company will furnish, install, own and maintain facilities which are in addition to those necessary for delivery of service at one point, through one meter, at one voltage, in accordance with the applicable rate schedule. Such additional facilities will be in accordance with the following provisions:

1. "Extra Facilities" shall consist of the following as may be required: voltage regulators, circuit breakers, duplicate service, transformers, substations, connecting lines, off-site facilities or other equipment installed for the use of the contracting Customer, other than facilities which the Company would furnish to the Customer without cost under its applicable rate schedule.
2. The monthly "Extra Facilities Charge" shall be equal to 0.9% of the installed cost of the facilities, but not less than \$25, shall be billed to the Customer in addition to the billing for energy, or for demand plus energy, in accordance with the applicable rate schedule.
3. The "installed cost of extra facilities" shall be the original cost of material used, including spare equipment, if any, plus applicable labor, transportation, stores, tax, engineering and general expenses, all estimated if not known.

The Company shall have the option of refusing requests for extra facilities if, on its own determination, the requested facilities are not feasible, or may adversely affect the Company's service to other customers.

New River Light and Power Company
LED Lighting Service
Schedule "LEDL"

Availability

This service is available to all customers of the Company to be used to light outdoor areas, private streets, and driveways. The lighting units may be mercury vapor, sodium vapor, or metal halide bracket mounted on Company owned poles.

Condition of Service

All facilities necessary to provide this service including fixtures, lamps, controls, poles, other structures, hardware, transformers, and conductors will be owned and maintained by the Company. The Company will replace burned-out lamps and otherwise maintain the luminaries during regular working hours as soon as practicable following notification by the Customer of the necessity.

All Customers must enter into a contract with the Company prior to the Company providing requested service.

All Customers will provide deposit security of 50% of the charges, based on the current retail rate, for the contract period unless Customer owns the premises, provide a guarantor and/or has through payment history established a good credit rating as defined by having no more than two (2) delinquent payments during preceding twelve (12) months. Company will pay interest on the deposit at an annual rate of 8% beginning with the 91st day of service.

Should Customer request termination of service prior to completing contract time, Customer will be responsible for payment of charges for the remaining months using the monthly rate at the time contract was signed. This payment is due in lump sum at the time of requesting discontinuance of service.

Temporary Service

Request for temporary lighting which includes seasonal customer, carnivals, flea markets, fairs, etc. will be available at the Company's option. The Customer will be subject to an in-and-out charge, which will consist of the labor to install and remove, material installed less the anticipated value at removal, to be paid in advance. No contract will be required for service.

Monthly Rate Schedule “LEDL”

Type of Light	Existing Pole	New Pole	
		Wood	Decorative Fiberglass

Unmetered Service
(Photocell):

100 Watt Yard Light	\$5.39	\$8.94	\$12.51
150 Watt Flood Light	\$10.29	\$13.85	\$17.41
266 Watt Flood Light	\$15.64	\$19.20	\$22.76
162 Watt Cobra Head	\$10.72	\$14.27	\$17.84

Metered Service:

100 Watt Yard Light	\$3.39	\$6.94	\$10.51
150 Watt Flood Light	\$7.31	\$10.87	\$14.43
266 Watt Flood Light	\$10.39	\$13.95	\$17.51
162 Watt Cobra Head	\$7.53	\$11.08	\$14.64

Riders

The following riders are applicable to service supplied under this schedule. The currently approved KWH charges (increment or decrement) for the following riders will be added to the monthly fixture charges based on the estimated KWH usage per light fixture.

PPAC Purchased Power Adjustment Clause
CACR Coal Ash Cost Recovery

Payment

Bills under this schedule are due and payable as of the billing date, or, if not received by said billing date, upon receipt. Bills are considered past due twenty-five (25) days after the billing date. Past due accounts will be assessed a Late Fee of \$5.00. Bills are considered delinquent forty-five (45) days after the billing date and are subject to disconnection after expiration of delinquency procedures. Bills that are delinquent will be assessed an additional Delinquent Fee of \$15.00. If any bill is not paid, the Company has the right to suspend service.

Re-connection of service after disconnection will be made upon payment of bill in full. A reconnect charge of \$25.00 will be applied during regular working hours and \$60.00 per reconnect will be charged for reconnects made after regular working hours.

EXHIBIT C

Commission Rule R1-17(b)(3)-(10) Financial Data
(see attached)

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Jul 28 2017

Exhibit C
Page 1 of 17

New River Light and Power Company
COMPARATIVE STATEMENT OF OPERATIONS

Exhibit B

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
Operating Revenue (Schedule 1)	\$ 16,136,854.67	\$ 18,260,073.75	\$ (2,123,219.08)
<u>Expenses:</u>			
Purchased Power	12,833,738.40	13,467,041.40	(633,303.00)
Distribution Expense (Schedule 3)	1,113,605.12	1,241,028.93	(127,423.81)
Customer Accounts Expense (Schedule 4)	576,904.88	585,716.55	(8,811.67)
Administrative and General Expense (Schedule 5)	862,152.24	1,023,729.11	(161,576.87)
Depreciation Expense (Schedule 6)	902,971.32	896,874.10	6,097.22
(Gain) Loss on Disposition of Utility Property	2,525.52	(6,491.75)	9,017.27
Interest Expense	118,352.00	76,473.67	41,878.33
Total Expense	\$ 16,410,249.48	\$ 17,284,372.01	\$ (874,122.53)
Net Operating Revenue	\$ (273,394.81)	\$ 975,701.74	\$ (1,249,096.55)
Other Revenue (Schedule 2)	213,742.03	316,194.23	(102,452.20)
Net Income (To Exhibit A)	\$ (59,652.78)	\$ 1,291,895.97	\$ (1,351,548.75)

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

Exhibit C
Page 2 of 17

**New River Light and Power Company
OPERATING REVENUE**

Schedule 1

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
Residential Revenue	\$ 4,965,837.46	\$ 5,493,657.65	\$ (527,820.19)
Commercial Revenue	6,824,398.99	7,874,412.98	(1,050,013.99)
Town of Boone Security Lights and Traffic Light Revenue	96,876.78	108,921.71	(12,044.93)
Security Lights Revenue	238,560.69	255,079.98	(16,519.29)
Miscellaneous Services Revenue	32,619.76	17,843.07	14,776.69
Rent from Electric Property	30,568.55	34,769.45	(4,200.90)
ASU Power Academic and Auxiliary Revenue	3,947,992.44	4,475,388.91	(527,396.47)
Total Operating Revenue (To Exhibit B)	<u>\$ 16,136,854.67</u>	<u>\$ 18,260,073.75</u>	<u>\$ (2,123,219.08)</u>

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

Exhibit C
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New River Light and Power Company
OTHER REVENUE

Schedule 2

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
Revenue from Jobbing and Contract Work	\$ 31,110.29	\$ 108,009.91	\$ (76,899.62)
Deduct: Cost of Expense for Jobbing and Contract Work	30,344.14	66,377.55	(36,033.41)
Net Gain (Loss) from Jobbing and Contract Work	\$ 766.15	\$ 41,632.36	\$ (40,866.21)
Interest Income	90,009.39	78,802.94	11,206.45
Miscellaneous Non-Operating Income	51.24	(257.69)	308.93
Unrealized Holding Gain (Loss)	122,915.25	196,016.62	(73,101.37)
Total Other Revenue (To Exhibit B)	<u>\$213,742.03</u>	<u>\$ 316,194.23</u>	<u>\$(102,452.20)</u>

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

DRAFT

March 24, 2017

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Jul 28 2017

Exhibit C
Page 4 of 17

New River Light and Power Company
DISTRIBUTION EXPENSE

Schedule 3

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
Operation Supervision and Engineering	\$ 41,473.00	\$ 43,486.66	\$ (2,013.66)
Station Expense	11,427.05	12,351.61	(924.56)
Overhead Line Expense	1,722.20	295.95	1,426.25
Meter Expense	36,023.63	38,951.62	(2,927.99)
Customer Installation Expense	11,427.05	12,351.61	(924.56)
Miscellaneous Distribution Expense	249,890.05	258,094.94	(8,204.89)
Maintenance Supervision and Engineering	52,953.04	55,704.98	(2,751.94)
Maintenance of Structures	49,118.35	48,708.77	409.58
Maintenance of Station Equipment	34,137.21	31,200.18	2,937.03
Maintenance of Overhead Lines	349,344.96	394,815.90	(45,470.94)
Maintenance of Underground Lines	41,219.72	139,506.41	(98,286.69)
Maintenance of Line Transformers	16,451.65	10,284.43	6,167.22
Maintenance of Street Lighting and Signal Systems	44,677.46	21,833.08	22,844.38
Maintenance of Meters	94,593.78	70,410.04	24,183.74
Maintenance of Miscellaneous Distribution Plant	79,145.97	103,032.75	(23,886.78)
Total Distribution Expense (To Exhibit B)	<u>\$1,113,605.12</u>	<u>\$1,241,028.93</u>	<u>\$(127,423.81)</u>

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

Exhibit C
Page 5 of 17

**New River Light and Power Company
CUSTOMER ACCOUNTS EXPENSE**

Schedule 4

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
Supervision	\$ 51,307.27	\$ 53,176.35	\$ (1,869.08)
Meter Reading Expense	36,224.58	46,261.74	(10,037.16)
Customer Records and Collection Expense	471,172.85	467,534.25	3,638.60
Uncollectible Accounts	18,200.18	18,744.21	(544.03)
Total Customer Accounts Expense (To Exhibit B)	<u>\$ 576,904.88</u>	<u>\$ 585,716.55</u>	<u>\$ (8,811.67)</u>

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

Exhibit C
Page 6 of 17

New River Light and Power Company
ADMINISTRATIVE AND GENERAL EXPENSE

Schedule 5

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
Customer Assistance Expense	\$ 3,379.32	\$ 3,320.07	\$ 59.25
Informational Advertising Expense	4,572.31	3,320.07	1,252.24
Administrative and General-Salaries	251,152.98	290,496.42	(39,343.44)
Office Supplies and Expense	26,862.16	26,401.05	461.11
Outside Services Employed	120,974.86	179,731.28	(58,756.42)
Property Insurance	6,190.26	5,473.84	716.42
Injuries and Damages	145,027.17	83,421.70	61,605.47
Administrative and General-Benefits	136,259.69	236,338.59	(100,078.90)
Regulatory Commission Expense	30,094.45	30,381.99	(287.54)
Maintenance of General Plant	73,223.94	58,968.39	14,255.55
Institutional Advertising Expense	10,456.85	34,686.46	(24,229.61)
Miscellaneous General Expense	53,958.25	71,189.25	(17,231.00)
Total Administrative And General Expense	\$ 862,152.24	\$ 1,023,729.11	\$(161,576.87)
(To Exhibit B)			

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

Exhibit C
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New River Light and Power Company
SCHEDULE OF ASSETS AND ACCUMULATED PROVISION FOR DEPRECIATION
For the Year Ended December 31, 2016

Account Number	Description	<u>Electric Plant in Service</u>			Depreciable Balance December 31, 2016
		Balance December 31, 2015	Additions (Deductions)	Salvage Value	
360	Land and Land Rights	\$ 93,755.61	\$ -	\$ -	\$ 93,755.61
362	Station Equipment	5,937,688.24	-	-	5,937,688.24
364	Poles, Towers and Fixtures	1,648,221.10	53,521.29 (4,904.27)	-	1,696,838.12
365	Overhead Conductors and Devices	2,051,549.97	76,109.66 (7,104.25)	-	2,120,555.38
366	Underground Conduit	3,073,175.63	87,233.44 (14,478.63)	-	3,145,930.44
367	Underground Conductors and Devices	2,944,254.86	85,400.22 (5,990.05)	-	3,023,665.03
368	Transformers	3,352,229.22	90,858.56	-	3,443,087.78
369	Services	1,570,853.23	26,463.14 (2,400.60)	-	1,594,915.77
370	Meters	930,318.82	10,107.90	-	940,426.72
373	Area Lighting	709,853.05	38,263.80 (12,478.21)	-	735,638.64
384	Fiber	38,143.13	2,458.00	-	40,601.13
389	Land and Land Rights	91,916.14	-	-	91,916.14
390	Structures and Improvements	2,896,414.49	-	-	2,896,414.49
391	Office Furniture and Equipment	844,957.19	18,957.90 (84,268.56)	-	779,646.53
392	Transportation Equipment	1,145,828.67	104,757.00	125,058.57	1,125,527.10
393	Stores Equipment	68,806.64	-	-	68,806.64
394	Tools, Shops and Garage Equipment	56,937.87	2,333.50 (404.14)	-	58,867.23
395	Laboratory Equipment	69,084.93	-	-	69,084.93
396	Power Operated Equipment	287,852.49	-	28,785.25	259,067.24
397	Communications Equipment	213,002.41	- (14,218.31)	-	198,784.10
398	Miscellaneous Equipment	20,941.59	1,650.00 (1,875.04)	-	20,716.55
Totals		\$ 28,045,785.28	\$ 449,992.35	\$ 153,843.82	\$ 28,341,933.81

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

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Schedule 6

<u>Accumulated Provision for Depreciation</u>				
Balance December 31, 2015	Current Depreciation	(Deductions)	Balance December 31, 2016	Net Book Value December 31, 2016
\$ -	\$ -	\$ -	\$ -	\$ 93,755.61
2,457,425.02	178,130.64	-	2,635,555.66	3,302,132.58
750,777.63	58,362.43	(7,830.64)	801,309.42	895,528.70
818,713.94	54,133.38	(12,738.98)	860,108.34	1,260,447.04
821,845.83	63,408.86	(10,676.07)	874,578.62	2,271,351.82
861,880.01	72,511.43	(7,340.10)	927,051.34	2,096,613.69
2,126,963.94	100,623.84	-	2,227,587.78	1,215,500.00
1,065,910.39	52,185.59	(4,420.81)	1,113,675.17	481,240.60
754,828.46	30,366.72	-	785,195.18	155,231.54
(53,473.98)	23,287.60	(6,296.51)	(36,482.89)	772,121.53
22.13	15.92	-	38.05	40,563.08
-	-	-	-	91,916.14
928,017.57	74,380.56	-	1,002,398.13	1,894,016.36
588,030.91	72,511.77	(68,247.77)	592,294.91	187,351.62
770,699.71	76,275.88	-	846,975.59	403,610.08
38,259.74	2,036.52	-	40,296.26	28,510.38
32,850.58	2,045.28	(390.25)	34,505.61	24,361.62
27,602.01	3,362.52	-	30,964.53	38,120.40
177,874.04	23,963.28	-	201,837.32	86,015.17
73,536.67	14,403.82	(13,480.06)	74,460.43	124,323.67
17,717.10	965.28	(1,861.92)	16,820.46	3,896.09
<u>\$ 12,259,481.70</u>	<u>\$ 902,971.32</u>	<u>\$ (133,283.11)</u>	<u>\$ 13,029,169.91</u>	<u>\$ 15,466,607.72</u>

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**New River Light and Power Company
COMPARATIVE BALANCE SHEET**

Exhibit A

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
ASSETS			
<u>Fixed Properties:</u>			
Electric Plant in Service	\$ 28,495,777.63	\$ 28,045,785.28	\$ 449,992.35
Deduct: Accumulated Provision for Depreciation	13,029,169.91	12,259,481.70	769,688.21
Add: Retirement Work in Progress	2,092.83	5,040.91	(2,948.08)
Construction Work in Progress	893,581.76	157,769.30	735,812.46
Total Fixed Properties	\$ 16,362,282.31	\$ 15,949,113.79	\$ 413,168.52
<u>Investments - Restricted Funds:</u>			
Investments - Blue Ridge Electric Membership Corp.	\$ 6,973,505.98	\$ 7,024,531.90	\$ (51,025.92)
Investments - NC Electric Membership Corp.	407,837.00	405,368.00	2,469.00
Sinking Fund for Debt Retirement	754,000.00	423,000.00	331,000.00
Reserve for Equipment Replacement	3,848,999.46	4,363,800.29	(514,800.83)
Reserve for Customer Deposits	209,000.00	216,000.00	(7,000.00)
Reserve for Endowment Scholarship	705,000.00	636,000.00	69,000.00
Reserve for New River Light and Power Scholarship	70,000.00	74,000.00	(4,000.00)
Total Investments - Restricted Funds	\$ 12,968,342.44	\$ 13,142,700.19	\$ (174,357.75)

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**New River Light and Power Company
COMPARATIVE BALANCE SHEET**

Exhibit A

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
CURRENT ASSETS			
<u>Cash:</u>			
Cash in General Checking Account	\$ 322,296.38	\$ 318,460.54	\$ 3,835.84
Customer Refund Account	6,000.00	6,000.00	-
Good Neighbor Trust Account	2,241.25	4,179.24	(1,937.99)
Project Fund Account	2,233,768.78	-	2,233,768.78
Imprest Cash	1,000.00	1,000.00	-
Petty Cash	200.00	200.00	-
Total Cash	\$ 2,565,506.41	\$ 329,839.78	\$ 2,235,666.63
<u>Accounts Receivable:</u>			
Customer	\$ 1,321,221.96	\$ 1,385,658.99	\$ (64,437.03)
Appalachian State University	316,492.88	346,065.02	(29,572.14)
Other Accounts Receivable	30,444.38	928,305.58	(897,861.20)
	\$ 1,668,159.22	\$ 2,660,029.59	\$ (991,870.37)
Deduct: Accumulation Provision for Uncollectible Accounts	86,842.48	90,117.56	(3,275.08)
Total Accounts Receivable	\$ 1,581,316.74	\$ 2,569,912.03	\$ (988,595.29)
<u>Inventory:</u>			
Plant Materials and Operating Supplies	\$ 446,881.50	\$ 434,388.67	\$ 12,492.83
Other Materials and Supplies - Postage	2,885.45	2,793.88	91.57
Total Inventory	\$ 449,766.95	\$ 437,182.55	\$ 12,584.40
Prepaid Expenses	\$ 29,823.80	\$ 32,882.60	\$ (3,058.80)
Total Current Assets	\$ 4,626,413.90	\$ 3,369,816.96	\$ 1,256,596.94
TOTAL ASSETS	\$ 33,957,038.65	\$ 32,461,630.94	\$ 1,495,407.71

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March 24, 2017

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Exhibit C
Page 11 of 17New River Light and Power Company
COMPARATIVE BALANCE SHEET

Exhibit A

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
RETAINED EARNINGS & LIABILITIES			
<u>Retained Earnings:</u>			
Unappropriated Retained Earnings, January 1	\$ 26,898,895.08	\$ 27,824,294.65	\$ (925,399.57)
Add: Net Income for the Year (Exhibit B)	(59,652.78)	1,291,895.97	(1,351,548.75)
Deduct: Contributions to ASU Endowment Fund	375,326.54	2,144,295.54	(1,768,969.00)
Deduct: Contributions to New River Light and Power Company Scholarship Fund	70,000.00	73,000.00	(3,000.00)
Unappropriated Retained Earnings, December 31	\$ 26,393,915.76	\$ 26,898,895.08	\$ (504,979.32)
<u>Long - Term Liabilities</u>			
Compensated Absences	\$ 171,413.52	\$ 186,967.92	\$ (15,554.40)
Notes Payable (Schedules 7 & 8)	4,182,500.00	1,350,000.00	2,832,500.00
Total Long - Term Liabilities	\$ 4,353,913.52	\$ 1,536,967.92	\$ 2,816,945.60
<u>Current Liabilities:</u>			
Accounts Payable	\$ 1,652,789.71	\$ 1,296,084.14	\$ 356,705.57
Compensated Absences	15,583.06	16,997.06	(1,414.00)
Customer Deposits	208,872.47	215,352.47	(6,480.00)
Undeliverable Deposits and Refunds	4,889.53	2,802.06	2,087.47
Accrued Interest	26,551.31	15,206.52	11,344.79
Notes Payable (Schedules 7 & 8)	635,000.00	370,000.00	265,000.00
NC Sales Tax Payable	18,304.36	23,502.07	(5,197.71)
ASU Power Generation	580,638.56	2,018,431.77	(1,437,793.21)
Other Current Liabilities	66,580.37	67,391.85	(811.48)
Total Current Liabilities	\$ 3,209,209.37	\$ 4,025,767.94	\$ (816,558.57)
TOTAL RETAINED EARNINGS & LIABILITIES	\$ 33,957,038.65	\$ 32,461,630.94	\$ 1,495,407.71

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

Exhibit C
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New River Light and Power Company
COMPARATIVE STATEMENT OF OPERATIONS

Exhibit B

	Year Ended December 31,		Increase (Decrease)
	2016	2015	
Operating Revenue (Schedule 1)	\$ 16,136,854.67	\$ 18,260,073.75	\$ (2,123,219.08)
Expenses:			
Purchased Power	12,833,738.40	13,467,041.40	(633,303.00)
Distribution Expense (Schedule 3)	1,113,605.12	1,241,028.93	(127,423.81)
Customer Accounts Expense (Schedule 4)	576,904.88	585,716.55	(8,811.67)
Administrative and General Expense (Schedule 5)	862,152.24	1,023,729.11	(161,576.87)
Depreciation Expense (Schedule 6)	902,971.32	896,874.10	6,097.22
(Gain) Loss on Disposition of Utility Property	2,525.52	(6,491.75)	9,017.27
Interest Expense	118,352.00	76,473.67	41,878.33
Total Expense	\$ 16,410,249.48	\$ 17,284,372.01	\$ (874,122.53)
Net Operating Revenue	\$ (273,394.81)	\$ 975,701.74	\$ (1,249,096.55)
Other Revenue (Schedule 2)	213,742.03	316,194.23	(102,452.20)
Net Income (To Exhibit A)	\$ (59,652.78)	\$ 1,291,895.97	\$ (1,351,548.75)

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

Exhibit C
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New River Light and Power Company
SCHEDULE OF NOTE PAYABLE - BB&T
December 31, 2016

Schedule 7

Note dated December 22, 2011, payable to BB&T, Charlotte, North Carolina

Total Amount of Note (Loan #9512926042-00001) \$ 2,700,000.00

Interest Rate: 3.130%

Principal Payment: Semi-Annual - June 20, December 20

Interest Payment: Quarterly - March 20, June 20, September 20, December 20

<u>Payment Date</u>	<u>Amount Due</u>
June 20, 2017	\$ 135,000.00
December 20, 2017	135,000.00
June 20, 2018	135,000.00
December 20, 2018	135,000.00
June 20, 2019	135,000.00
December 20, 2019	135,000.00
June 20, 2020	135,000.00
December 20, 2020	135,000.00
June 20, 2021	135,000.00
December 20, 2021	135,000.00
Total Note Payable	<u><u>\$ 1,350,000.00</u></u>

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

Exhibit C
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New River Light and Power Company
SCHEDULE OF NOTE PAYABLE - BB&T
December 31, 2016

Schedule 8

Note dated May 5, 2016, payable to BB&T, Charlotte, North Carolina

Total Amount of Note (Loan #9512926042-00002) \$ 3,650,000.00

Interest Rate: 2.320%

Principal Payment: Semi-Annual - May 5, November 5

Interest Payment: Quarterly - February 5, May 5, August 5, November 5

<u>Payment Date</u>	<u>Amount Due</u>
May 5, 2017	\$ 182,500.00
November 5, 2017	182,500.00
May 5, 2018	182,500.00
November 5, 2018	182,500.00
May 5, 2019	182,500.00
November 5, 2019	182,500.00
May 5, 2020	182,500.00
November 5, 2020	182,500.00
May 5, 2021	182,500.00
November 5, 2021	182,500.00
May 5, 2022	182,500.00
November 5, 2022	182,500.00
May 5, 2023	182,500.00
November 5, 2023	182,500.00
May 5, 2024	182,500.00
November 5, 2024	182,500.00
May 5, 2025	182,500.00
November 5, 2025	182,500.00
May 5, 2026	182,500.00
Total Note Payable	<u><u>\$ 3,467,500.00</u></u>

NOTE: The comments contained in the letter of the Audit Report regarding the financial statements and the notes to the financial statements are an integral part of this statement.

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Exhibit_(SLB-1)
Page 1 of 2

**Docket No. E-34, Sub 46
Appalachian State University
d/b/a New River Light and Power Company
Revenue Requirement Unadjusted
For Twelve Months Ended December 31, 2016**

Line	Description	Revenue Requirement
Expenses:		
1	Purchased Power	\$ 12,833,738.40
2	Distribution	\$ 1,113,605.12
3	Customer Service	\$ 558,704.70
4	Administrative & General	\$ 832,057.79
5	ASU Administrative Support	\$ 201,580.00
6	Depreciation	\$ 902,971.32
7	(Gain)Loss on Disposition of Property	\$ 2,525.52
8	Interest Expense	\$ 12,933.20
9	Jobbing Expenses	\$ 30,344.14
10	Total Expenses	\$ 16,488,460.19
11	Less: Other Operating Revenues	\$ (104,181.07)
Rate Base Calculations:		
12	Electric Plant In Service	\$ 28,495,777.63
13	LESS: Accumulated Depreciation	\$ (13,029,169.91)
14	Net Plant in Service	\$ 15,466,607.72
15	Construction Work in Progress	\$ 893,581.76
16	Investments - Blue Ridge Electric Membership Corporation	\$ 6,973,505.98
17	Investments - North Carolina Electric Membership Corporation	\$ 407,837.00
18	Prepayments	\$ 29,823.80
19	Cash Working Capital	\$ 861,023.89
20	Total Rate Base	\$ 24,632,380.15
21	Rate of Return	6.97%
22	Return on Rate Base	\$ 1,715,645.28
23	Total Revenue Requirement	\$ 18,099,924.40
24	Uncollectible Accounts	\$ 18,200.18
25	Regulatory Commission Fee	\$ 30,094.45
26	Adjusted Revenue Requirement	\$ 18,148,219.03

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Exhibit_(SLB-1)
Page 2 of 2

**Docket No. E-34, Sub 46
Appalachian State University
d/b/a New River Light and Power Company
Revenue Requirement Unadjusted
For Twelve Months Ended December 31, 2016**

Line	Description	Revenue Requirement
<u>Rate Revenues:</u>		
27	Residential	\$ 4,965,837.46
28	Commercial	\$ 7,088,874.87
29	ASU Campus	\$ 3,683,516.56
30	Security Lighting	\$ 335,437.47
31	Total Rate Revenues	\$ 16,073,666.36
<u>Revenue Deficiency at Present Rates</u>		
32	Total Revenue Deficiency	\$ 2,074,552.67
33	Percent Revenue Deficiency	12.91%

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Exhibit C
Page 17 of 17

Docket No. E-34, Sub 46
Appalachian State University
d/b/a New River Light and Power Company
Net Operating Income Comparison
For Twelve Months Ended December 31, 2016

Line	Description	Current Rates				Proposed Rates	
		Per Books	Adjustments	Adj. No.	Per Application	Rate Increase	After Rate Increase
1	Operating Revenues:						
2	Rate Revenues	\$ 16,073,666	\$ 761,915	1	\$ 16,835,581	\$ 1,756,454	\$ 18,592,036
3	Other Revenues	\$ 104,181	\$ 119,304	2	\$ 223,485		\$ 223,485
4	Total Operating Revenues	\$ 16,177,847	\$ 881,219		\$ 17,059,067		\$ 18,815,521
5	Expenses						
6	Purchased Power	\$ 12,833,738	\$ 16,039	3	\$ 12,849,778		\$ 12,849,778
7	Distribution	\$ 1,113,605	\$ 183,735	4	\$ 1,297,340		\$ 1,297,340
8	Customer Service	\$ 558,705	\$ 18,823	5	\$ 577,528		\$ 577,528
9	Administrative and General	\$ 832,058	\$ 33,714	6	\$ 865,772		\$ 865,772
10	ASU Administrative Support	\$ 201,580	\$ -		\$ 201,580		\$ 201,580
11	Depreciation	\$ 902,971	\$ 148,841	7	\$ 1,051,812		\$ 1,051,812
12	(Gain)Loss on Disposition of Property	\$ 2,526	\$ -		\$ 2,526		\$ 2,526
13	Interest Expense	\$ 12,933	\$ -		\$ 12,933		\$ 12,933
14	Jobbing Expenses	\$ 30,344	\$ -		\$ 30,344		\$ 30,344
15	Uncollectible Accounts	\$ 18,200	\$ 2,985	8	\$ 21,185		\$ 21,185
16	Regulatory Commission Fee	\$ 30,094	\$ (3,901)	9	\$ 26,194		\$ 26,194
17	Total Expenses	\$ 16,536,755	\$ 400,238		\$ 16,936,992		\$ 16,936,992
18	Net Operating Income	\$ (358,907)			\$ 122,074		\$ 1,878,528
19	Rate Base	\$ 24,632,380	\$ 2,305,218	10	\$ 26,937,598		\$ 26,937,598
20	Rate of Return	-1.46%			0.45%		6.97%

Notes:

- 1 Revenues adjusted for PPAC rate adjustment effective February 1, 2017. See ASU witness Randall Halley's testimony for details.
- 2 Proposing an increase to certain miscellaneous service charges. See ASU witness Randall Halley's testimony for details.
- 3 Costs adjust for change in BREMCO purchased power rates. See ASU witness Sheree Brown's testimony for details.
- 4 Increase in salaries & related benefits and additional AMI expenses. See ASU witness Sheree Brown's testimony for details.
- 5 Increase in salaries & related benefits. See ASU witness Sheree Brown's testimony for details.
- 6 Increase in salaries & related benefits and a decrease in damages expense. See ASU witness Sheree Brown's testimony for details.
- 7 Adjustments related to office building, trucks, meters and dam removal. See ASU witness Sheree Brown's testimony for details.
- 8 Increased with the increase of total revenue requirement. See ASU witness Sheree Brown's testimony for details.
- 9 Decreased due to a reduction in NCUC's fee per revenue as of July 11, 2016.
- 10 Adjustments related to office building, trucks, meters and dam removal. See ASU witness Sheree Brown's testimony for details.

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EXHIBIT D

**Statement Regarding the Probable Effect
of Proposed Rates on Peak Demand and Sales**

The following forecast is for the 12-months ending Dec. 31 of each year and incorporates the effect of the proposed increase on forecasted peak demand and sales. Overall, NRLP expects this rate increase to have minimal impact on peak demand and sales.

Year	Energy (kWh)	Demand (kW)
2017	202,042,010	29,318
2018	203,052,220	29,464
2019	204,067,481	29,612
2020	205,087,819	29,760
2021	206,113,258	29,909
2022	207,143,824	30,058
2023	208,179,543	30,208
2024	209,220,441	30,359
2025	210,266,543	30,511
2026	211,317,876	30,664
2027	212,374,465	30,817

APPENDIX 1

**Docket No. E-34, Sub 46
Appalachian State University
d/b/a New River Light and Power Company
Summary of Proposed Rate Changes**

Line	Rate Class	Current Rate Revenue	Proposed Rate Revenue	Percent Change
1	Residential Service	\$ 5,133,268	\$ 6,025,013	17.4%
2	Commericla Non-Demand Service	\$ 2,128,008	\$ 2,320,398	9.0%
3	Commercial Demand Service	\$ 4,113,885	\$ 4,718,645	14.7%
4	Commercial Demand High Load Factor Service	\$ 1,253,370	\$ 1,381,283	10.2%
5	ASU Service	\$ 3,863,382	\$ 3,803,029	-1.6%
6	Security Lighting Service	\$ 343,668	\$ 343,668	0.0%
7	Total System	\$ 16,835,581	\$ 18,592,036	10.4%

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