

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Docket No. E-35, Sub 51

In the Matter of:

Application of Western Carolina University)
 For an Adjustment of Rates and Charges) Amendment to Application
 For the Provision of Electric Service)

Pursuant to North Carolina Utilities Commission ("Commission") Rule RI-5(f), Western Carolina University ("WCU" or the "University") hereby files this Amendment to its Application for authority to adjust and increase its retail electric rates and charges for the provision of electric service, filed on March 9, 2020 (the "Application"), as follows:

1. Numbered paragraph 8 of the Application is amended to read as follows:

Copies of the current rates and charges in place are attached in **Exhibit A**. The proposed rates and charges are in **Exhibit B** and are filed in accordance with the provisions of N.C. General Statute 62-134 and Rule RI-17 of the Commission's Rules and Regulations and have an effective date of April 8, 2020, in accordance with N. C. General Statute 62-134 (a). The proposed rates set forth in **Exhibit B** are designed to increase annual revenues from WCU electric sales operation revenues by \$625,500 as shown in **Exhibit C**.

2. Numbered paragraph 9 of the Application is amended to read as follows:

The proposed revenue increase consists of the following rate increases by customer class:

- 13.7% for the residential class
- 12.5% for the commercial class
- 69.5% in area lights

3. Numbered paragraph 10 of the Application is amended to read as follows:

The rates set forth in **Exhibit A** are unjust and unreasonable because they do not allow the University the opportunity to earn a fair rate of return. During the twelve-month period ending June 30, 2019, as adjusted for known changes, the rate of return on WCU's rate base, as shown in **Exhibit C**, was -9.86%.

4. **Exhibit A**, **Exhibit B**, and **Exhibit C** from the Application are hereby deleted in their entirety, and, in lieu thereof, the attached **Exhibit A**, **Exhibit B**, and **Exhibit C** are inserted in place thereof.

5. Except as herein amended, the remaining portions of the Application for authority to adjust and increase its retail electric rates and charges for the provision of electric service, filed on March 9, 2020, shall remain unchanged.

WHEREFORE, WCU requests that the Commission approve the rates as filed in **Exhibit B**, as amended hereby, effective no later than January 3, 2021 in accordance with the Commission's April 6, 2020 Order suspending rates.

Respectfully submitted this 23rd day of June, 2020.



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Current Rates
Western Carolina University
Docket No. E-35, Sub 51

	Base Rates	Current PPA Forec-Only	Total Current Rates
Residential			
Customers	\$8.89		\$8.89
Energy			
1st 750 kWhs	\$0.10279	\$0.00074	\$0.10353
All over 750 kWhs	\$0.09279	\$0.00074	\$0.09353
Commercial			
Customers	\$10.00		\$10.00
Demand	\$4.40		\$4.40
Energy			
1st 750 kWhs	\$0.10279	\$0.00074	\$0.10353
Next 750 kWhs	\$0.09279	\$0.00074	\$0.09353
All Over 1500 kWhs	\$0.07501	\$0.00074	\$0.07575
Area Lights	\$8.85		\$8.85

**Proposed Rates
Western Carolina University
Docket No. E-35, Sub 51**

	Total Prop Rates
Residential	
Customers	\$12.00
Energy	
1st 750 kWhs	\$0.11489
All over 750 kWhs	\$0.10489
Commercial	
Customers	\$12.00
Demand	\$5.10
Energy	
1st 750 kWhs	\$0.11489
Next 750 kWhs	\$0.10489
All Over 1500 kWhs	\$0.08474
Area Lights	\$15.00

WESTERN CAROLINA UNIVERSITY
Docket No. E-35, Sub 51
NET OPERATING INCOME FOR A RETURN
For the Test Year Ended June 30, 2019

Item	Present Rates					Proposed Rates	
	Per Books (a)	Adjustment Adj. #	Adjustment Adj. #	Adjustment Adj. #	Adjustment Adj. #	Rate Increase	Subsequent to Rate Increase
Operating revenues:							
Electric sales revenues	4,399,758	35,747 [1]	(58,748) [4]	33,456 [5]	103,600 [6]	625,500	5,139,313
Other Licenses and Fees	36,388						36,388
P-card Rebate	23						23
Recovery of Bad Debts	621						621
STIF Interest	-						-
Sales of Surplus Prop	-						-
Late Fees	7,740						7,740
Investment Income	5,491	(5,491) [2]					-
Total operating revenues (Sum of Lines 1-8)	\$ 4,450,021						\$ 5,184,085
Operating revenue deductions:							
O&M expenses:							
Purchases for resale	3,159,192						3,260,609
Salaries and fringe benefits	784,939	(42,183) [4]	143,600 [6]				784,939
Depreciation	218,700						218,700
Repairs and maintenance	301,104						301,104
G&A Distribution	64,935						64,935
Insurance expense	-						-
G&A Administrative	251,773						251,773
Tree Trimming	-						-
Rate Case Expenses	-	8,333 [3]					8,333
Total O&M expenses (Total Lines 11-20)	\$ 4,780,642						\$ 4,890,392
Earnings Before Income Taxes (Line 9 - Line 20)	(330,622)						293,693
Federal Taxes	-						61,675
State Taxes	-						6,961
Net operating income for return (Line 21 - Line 22 - Line 23)	\$ (350,622)						\$ 225,057
Rate Base	3,363,779	Exhibit WRO-2					3,363,779
Rate of Return (Line 24 / Line 25)	-9.83%	Rx					6.69%

[1] University accrual of \$35,747
[2] Elimination of investment income
[3] Annual Rate Case Expense Amortization
[4] Weather normalization
[5] Reduction to eliminate PPA Experience Modification Factor
[6] Forecasted purchase power expense to account for higher forecasted sales multiplied by \$ 0.07759/kWh for 2020 PPA