

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-34, SUB 46

In the Matter of)	
Application of Appalachian State)	JOINT SUPPLEMENTAL
University, d/b/a New River Light and)	TESTIMONY OF
Power Company, for Adjustment of)	POORNIMA JAYASHEELA
Rates and Charges Applicable to)	AND MICHAEL C.
Electric Utility Service in North Carolina)	MANESS
)	PUBLIC STAFF – NORTH
)	CAROLINA UTILITIES
)	COMMISSION

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-34, SUB 46

Joint Supplemental Testimony of Poornima Jayasheela

and Michael C. Maness

On Behalf of the Public Staff

North Carolina Utilities Commission

January 26, 2018

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **PRESENT POSITION.**

3 A. My name is Poornima Jayasheela. My business address is 430
4 North Salisbury Street, Dobbs Building, Raleigh, North Carolina. I
5 am an Accountant with the Accounting Division of the Public Staff –
6 North Carolina Utilities Commission.

7 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
8 **PRESENT POSITION.**

9 A. My name is Michael C. Maness. My business address is 430 North
10 Salisbury Street, Dobbs Building, Raleigh, North Carolina. I am
11 Director of the Accounting Division of the Public Staff – North
12 Carolina Utilities Commission.

1 **Q. MS. JAYASHEELA, DID YOU FILE DIRECT TESTIMONY IN THIS**
2 **CASE ON DECEMBER 20, 2017?**

3 A. Yes, I did.

4 **Q. MR. MANESS, DID YOU FILE DIRECT TESTIMONY IN THIS CASE**
5 **ON DECEMBER 21, 2017?**

6 A. Yes, I did.

7 **Q. MS. JAYASHEELA AND MR. MANESS, WHAT IS THE PURPOSE**
8 **OF YOUR SETTLEMENT TESTIMONY IN THIS PROCEEDING?**

9 A. The purpose of our testimony is to support the Stipulation between
10 New River Light and Power Company (NRLP or the Company) and
11 the Public Staff (Stipulating Parties).

12 **Q. PLEASE BRIEFLY DESCRIBE THE STIPULATION.**

13 A. The Stipulation sets forth agreement between the Stipulating Parties
14 in the following areas:

- 15 1. Electric plant in service and accumulated depreciation;
- 16 2. Removal of construction work in progress;
- 17 3. Investment in capital credits;
- 18 4. Regulatory assets and liabilities included in rate base;
- 19 5. Materials and supplies inventory;
- 20 6. Prepaid expenses in rate base;
- 21 7. Customer deposits;
- 22 8. Working capital;

- 1 9. Total original cost rate base;
- 2 10. Operation and maintenance expenses;
- 3 11. Depreciation expense;
- 4 12. Amortization of regulatory assets and liabilities;
- 5 13. Regulatory fee expense;
- 6 14. Loss on sale of utility property;
- 7 15. Interest on customer deposits;
- 8 16. Total test year operating revenue deductions;
- 9 17. Test year operating revenues;
- 10 18. The weighted overall rate of return, including the capital
- 11 structure, debt cost rate, and cost of equity;
- 12 19. The overall recommended base revenue increase;
- 13 20. Base revenue and rate changes per customer class;
- 14 21. A capped regulatory asset for Payne Branch Dam
- 15 removal costs;
- 16 22. Continuation of the current Purchased Power
- 17 Adjustment (PPA) rider procedure, and an updated base
- 18 purchased power cost factor;
- 19 23. Establishment of a Coal Ash Cost Recovery (CACR)
- 20 rider;
- 21 24. Working together to develop language (a) related to the
- 22 resale of electric service by landlords and (b) describing

- 1 the criteria to be used for customer transition to Rate
2 Schedule GLH;
- 3 25. The update of load data in the cost of service study;
- 4 26. Development of an internal Advanced Metering
5 Infrastructure (AMI) opt-out policy;
- 6 27. Working together to reevaluate the Company's decision
7 not to utilize the automatic reconnect feature of its AMI
8 metering system; and
- 9 28. The Company's commitment to work to develop rate
10 schedules, as well as energy efficiency and demand-
11 side management programs, to take advantage in the
12 future of the capabilities of its AMI metering system.
- 13 The details of the agreements in these areas are set forth in the body
14 of the Stipulation.
- 15 **Q. PLEASE DESCRIBE WHICH WITNESSES ARE SUPPORTING**
16 **THE AGREEMENTS ITEMIZED ABOVE.**
- 17 A. Public Staff witness Maness is supporting items (22) and (23);
18 witness Hinton is supporting item (17) (in part) and item (18); and
19 witnesses Saillor and Lawrence are supporting item (17) (in part) and
20 items (20) and (24)-(28). Witness Jayasheela is supporting the
21 remainder of the items.

1 **Q. WHAT BENEFITS DOES THE STIPULATION PROVIDE FOR**
2 **RATEPAYERS?**

3 A. From the perspective of the Public Staff, the most important benefits
4 provided by the Stipulation are as follows:

5 a) A reduction in the \$1,931,296 base non-fuel revenue
6 increase requested in the Company's supplemental
7 filing, resulting from the adjustments agreed to by the
8 Stipulating Parties; and

9 b) The avoidance of protracted litigation between the
10 Stipulating Parties before the Commission and possibly
11 the appellate courts.

12 Based on these ratepayer benefits, as well as the other provisions of
13 the Stipulation, the Public Staff believes the Stipulation is in the
14 public interest and should be approved.

15 **Q. MS. JAYASHEELA, WHAT CHANGES FROM THE POSITIONS**
16 **YOU TOOK IN YOUR PRE-FILED DIRECT TESTIMONY ARE YOU**
17 **NOW RECOMMENDING?**

18 A. The only area in which I am recommending a change is related to
19 the removal of the Payne Branch Dam.

20 **Q. HAVE THE STIPULATING PARTIES AGREED ON THE**
21 **AMORTIZATION OF REGULATORY ASSETS AND LIABILITIES,**
22 **INCLUDING THOSE RELATED TO THE PAYNE BRANCH DAM?**

1 A. Yes. As detailed in the Stipulation, the Stipulating Parties have
2 agreed that the reasonable pro forma test year amount of
3 amortization of regulatory assets and liabilities in this proceeding is
4 \$41,339. This amount includes \$15,000 for the amortization of
5 NRLP's \$60,000 commitment to pay for preliminary design expenses
6 associated with the removal of the Payne Branch Dam along with
7 certain river bed restoration work.

8 **Q. HAVE THE STIPULATING PARTIES AGREED ON NRLP'S**
9 **FUTURE COST CONTRIBUTION TOWARDS THE REMOVAL OF**
10 **THE PAYNE BRANCH DAM?**

11 A. The Stipulating Parties have agreed that upon the completion of the
12 removal of the Payne Branch Dam (including certain associated river
13 bed restoration work), NRLP may record its cost contribution in a
14 regulatory asset account. This account will be set at ten percent of
15 the total cost, up to a cap of \$200,000. NRLP can recover only the
16 balance recorded in the regulatory asset account. It can maintain
17 the regulatory asset on its books until its next general rate case. If
18 the Company has not filed its next general rate case by June 1, 2022,
19 it shall begin amortizing the regulatory asset as of January 1, 2023,
20 using an amortization period no shorter than ten years. The recovery
21 of this regulatory asset is subject to further review by the Public Staff
22 and the Commission as to the appropriateness of the costs proposed

1 to be recovered from NRLP's ratepayers, as well as the prudence
2 and reasonableness of the specific costs as expended. Additionally,
3 until the project is completed, NRLP will provide to the Public Staff,
4 by July 31st and January 31st of each year, a report describing the
5 work completed and costs incurred by NRLP as of the immediately
6 preceding June 30th and December 31st.

7 **Q. MS. JAYASHEELA, WOULD YOU BRIEFLY DESCRIBE THE**
8 **PUBLIC STAFF'S PRESENTATION OF THE REVENUE**
9 **REQUIREMENT ASPECTS OF THE STIPULATION?**

10 A. Yes. The attached Jayasheela Settlement Exhibit 1 sets forth the
11 accounting and ratemaking adjustments, and the resulting rate base,
12 net operating income, return, and rate increase, to which NRLP and
13 the Public Staff have agreed.

14 **Q. MR. MANESS, WHAT CHANGES FROM THE POSITIONS YOU**
15 **TOOK IN YOUR PRE-FILED DIRECT TESTIMONY ARE YOU**
16 **NOW RECOMMENDING?**

17 A. The only area in which I am recommending a substantive change is
18 related to the proposed Coal Ash Cost Recovery (CACR) rider;
19 however, the Stipulation reflects certain agreements regarding the
20 Purchased Power Adjustment (PPA) rider, as well as a change to the
21 schedule for the 2018 PPA rider.

1 **Q. PLEASE BRIEFLY DESCRIBE THE AGREEMENTS BETWEEN**
2 **THE STIPULATING PARTIES REGARDING THE PPA RIDER.**

3 A. As reflected in my initial direct testimony, the Stipulating Parties have
4 agreed to continue the current procedure and method used to
5 determine the annual PPA rider, without the need for an
6 accompanying annual earnings review. The Stipulating Parties have
7 also agreed that the base purchased power cost factor agreed to in
8 this proceeding is \$0.062846 per kWh (excluding the North Carolina
9 regulatory fee) and this base will be used for future PPA rider
10 proceedings.

11 **Q. PLEASE BRIEFLY DESCRIBE THE SALIENT FEATURES OF THE**
12 **AGREEMENT BETWEEN THE STIPULATING PARTIES**
13 **REGARDING THE CACR RIDER.**

14 A. The Public Staff and NRLP agree that:
15 1. Beginning in 2018, NRLP may begin recovering
16 reasonable and appropriate coal ash costs charged to it
17 by its current wholesale supplier (Blue Ridge Electric
18 Membership Corporation or BREMCO) through a
19 separate rider or separate component of NRLP's PPA
20 rider, structured and calculated in a manner equivalent
21 to that used for the PPA rider, except as otherwise set
22 forth herein.

- 1 2. The CACR rider shall be implemented concurrent with
2 the PPA rider proceeding established in the current
3 Commission Docket No. E-34, Sub 47.
- 4 3. To eliminate significant differences in annual coal ash
5 charges to ratepayers over the 2018 through 2021 time
6 period, NRLP may defer a portion of the coal ash
7 charges incurred in one or more of such years.
- 8 4. Any deferred charges will accrue interest at the Federal
9 Energy Regulatory Commission (FERC) interest rate as
10 set forth in Section 35.19a of the FERC Regulations and
11 published quarterly, but in no event at a rate greater than
12 the weighted overall rate of return approved in NRLP's
13 most recent general rate case at that time. Subsequent
14 CACR riders shall be designed to recover such deferred
15 coal ash charges and associated interest.
- 16 5. The Parties shall consult with each other regarding the
17 calculation and determination of the 2018 CACR rider,
18 and will also subsequently work together to take
19 reasonable and appropriate steps to attempt to minimize
20 the costs charged to NRLP by BREMCO, as they could
21 be affected by the Commission's Order in Duke Energy
22 Carolinas, LLC's currently ongoing general rate case
23 (Docket No. E-7, Sub 1146).

1 6. The base coal ash cost recovery cost factor reflected in
2 the agreed-to proposed base revenues and established
3 in this proceeding for use in future CACR rider
4 proceedings is \$0.000000 per kWh (excluding the North
5 Carolina regulatory fee).

6 **Q. PLEASE DESCRIBE HOW THE STIPULATING PARTIES HAVE**
7 **AGREED TO INTEGRATE THE CACR RIDER DETERMINATION**
8 **INTO THE ANNUAL PPA RIDER DETERMINATION PROCESS,**
9 **BEGINNING IN 2018.**

10 A. The Stipulating Parties have agreed to move the effective date for
11 the adoption of 2018 PPA rates from an anticipated effective date of
12 February 1, 2018 to an effective date of April 1, 2018, in order to
13 hopefully effectuate the PPA rider change, the change in base rates,
14 and the CACR rider at the same time. The true-up of PPA costs will
15 be determined in a manner that ensures that NRLP does not
16 inappropriately under- or overrecover its purchased power
17 expenses, including consideration of the experience modification
18 factor (EMF) left in effect for February and March 2018. The test
19 year for the 2018 PPA rider shall remain the most recently concluded
20 calendar year. The intent of the above-stated process is to
21 adequately capture any undercollection or overcollection as they
22 relate to the timing of billing and collecting NRLP's actual wholesale

1 costs of power as opposed to its projected wholesale costs of power
2 that were billed and collected.

3 **Q. MS. JAYASHEELA AND MR. MANESS, DOES THIS CONCLUDE**
4 **YOUR SETTLEMENT TESTIMONY?**

5 **A. Yes.**

NEW RIVER LIGHT AND POWER COMPANY

Docket No. E-34, Sub 46

INDEX TO JAYASHEELA SETTLEMENT EXHIBIT I

For the Test Year Ended December 31, 2016

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NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
RECONCILIATION OF COMPANY &
PUBLIC STAFF PROPOSED GROSS REVENUE INCREASE
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 1

Line No.	Item	Revenue Effect	
1.	Company's proposed increase	\$ 1,931,296	[1]
2.	<u>Public Staff adjustments:</u> [2]		
3.	Gross up Company proposed increase to revenue requirement level	4,895	
4.	Impact of reducing rate of return	(119,363)	
5.	Removal of CWIP	(4,075)	
6.	Adjust Payne Branch Dam unamortized balance	(491)	
7.	Removal of non-utility items	10,675	
8.	Include materials and supplies inventory	29,205	
9.	Adjust prepaid expenses	114	
10.	Adjustment to customer deposits	(13,882)	
11.	Adjustment to reduce AFUDC	(3,587)	
12.	Adjustment to working capital	(11,809)	
13.	Adjustment to correct billing determinants	(26,487)	
14.	Customer growth, usage, and weather normalization	(183,464)	
15.	Test year inflation	5,721	
16.	Adjustment to set base purchased power expense	148,214	
17.	Adjustment to amortization of gain on truck disposal	(3,229)	
18.	Adjustment to unamortized regulatory assets and liabilities	(2,604)	
19.	Adjustment to regulatory fee	(4,970)	
20.	Adjustment to depreciation expense	21,341	
21.	Rounding	6	
22.	Total Public Staff adjustments (Sum of Lines 3-21)	(153,790)	
23.	Public Staff recommended increase (L1 + L22)	\$ 1,777,506	[3]

[1] Per Company Exh bit SLB-7R.

[2] Calculated based on Jayasheela Settlement Exh bit I, Revised Schedules 2, 3, 4, 5 and back up schedules.

[3] Jayasheela Exh bit 1, Revised Schedule 5, Line 5.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
CALCULATION OF GROSS REVENUE EFFECT FACTORS

Jayasheela Settlement Exhibit I
Revised Schedule 1-1

Line No.	Item	Capital Structure (a)	[1]	Cost Rates (b)	[2]	Retention Factor (c)	Gross Revenue Effect (d)	[5]
1.	Rate Base Factor							
2.	Long-term debt	50.00%		3.80%		0.9974716	0.0190500	[3]
3.	Common equity	50.00%		9.25%		0.9974716	0.0463700	[4]
4.	Total (Sum of Lines 1-3)	<u>100.00%</u>					<u>0.0654200</u>	
5.	Net Income Factor							
6.	Total revenue			1.0000000				
7.	Gross receipts tax			-	[6]			
8.	Uncollectible rate			0.0011300	[7]			
9.	Balance			<u>0.9988700</u>				
10.	Regulatory fee (L6 x 0.0014)			0.0013984	[6]			
11.	Balance (L9 - L10)			<u>0.9974716</u>				
12.	N.C. state income tax			-	[6]			
13.	Balance (L10-L12)			0.9974716				
14.	Federal income tax			-	[6]			
15.	Retention factor (L13-L14)			<u>0.9974716</u>				

- [1] Per Public Staff witness Hinton.
[2] Per Public Staff witness Hinton.
[3] Line 13.
[4] Line 15.
[5] Column (a) x Column (b), divided by Column (c).
[6] Statutory rate.
[7] Per Company.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ORIGINAL COST RATE BASE
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 2

Line No.	Item	Per Application [1] (a)	Public Staff Adjustments [2] (b)	After Public Staff Adjustments [3] (c)
1.	Electric plant in service	\$ 30,746,271	\$ (54,827)	\$ 30,691,443
2.	Accumulated depreciation	(12,266,604)	(65,367)	(12,331,971)
3.	Net plant in service (L1 + L2)	18,479,667	(120,194)	18,359,472
4.	Construction work in progress	62,292	(62,292)	-
5.	Investment in capital credits	7,381,343	-	7,381,343
6.	Regulatory assets and liabilities	205,589	(47,306)	158,283
7.	Materials and supplies	-	446,426	446,426
8.	Prepaid expenses	34,573	1,746	36,319
9.	Customer Deposits	-	(212,192)	(212,192)
10.	Accounts payable - plant in service	-	-	-
11.	Cash working capital on purchased power expense	528,073	(189,779)	338,294
12.	Cash working capital for other O&M expenses	367,908	9,261	377,169
13.	Total original cost rate base (Sum of Lines 3-12)	\$ 27,059,445	\$ (174,330)	\$ 26,885,114

[1] Per Company Exhibit SLB-7R.

[2] Jayasheela Settlement Exhibit I, Revised Schedule 2-1.

[3] Column (a) plus Column (b).

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
SUMMARY OF PUBLIC STAFF
RATE BASE ADJUSTMENTS
For the Test Year Ended December 31, 2016

Jayasheel Settlement Exhibit I
Revised Schedule 2-1

Line No.	Item	Remove CWIP [1] (a)	Adjust Payne Branch Dam Costs [2] (b)	Include Materials and Supplies [3] (c)	Adjust Prepaid Expenses [4] (d)	Deduct Customer Deposits [5] (e)	Adjustment To Reduce AFUDC [6] (f)	Annualize Accumulated Depreciation [7] (g)	Working Capital [8] (h)	Adjust Unamortized Balances [9] (i)	Total Rate Base Adjustment [10] (j)
1.	Electric plant in service (net of cost-free capital)						\$ (54,827)				\$ (54,827)
2.	Accumulated depreciation							(65,367)			(65,367)
3.	Net plant in service (L1 + L2)	-	-	-	-	-	(54,827)	(65,367)	-	-	(120,194)
4.	Construction work in progress	(62,292)									(62,292)
5.	Investment in capital credits										-
6.	Regulatory assets and liabilities		(7,500)							(39,806)	(47,306)
7.	Materials and supplies			446,426							446,426
8.	Prepaid expenses				1,746						1,746
9.	Customer Deposits					(212,192)					(212,192)
10.	Accounts payable - plant in service										-
11.	Cash working capital on purchasd power expense								(189,779)		(189,779)
12.	Cash working capital for other O&M expenses								9,261		9,261
13.	Total original cost rate base (Sum of Lines 3-12)	<u>\$ (62,292)</u>	<u>\$ (7,500)</u>	<u>\$ 446,426</u>	<u>\$ 1,746</u>	<u>\$ (212,192)</u>	<u>\$ (54,827)</u>	<u>\$ (65,367)</u>	<u>\$ (180,518)</u>	<u>\$ (39,806)</u>	<u>\$ (174,330)</u>
14.	Revenue requirement impact	<u>\$ (4,075)</u>	<u>\$ (491)</u>	<u>\$ 29,205</u>	<u>\$ 114</u>	<u>\$ (13,882)</u>	<u>\$ (3,587)</u>	<u>\$ (4,276)</u>	<u>\$ (11,809)</u>	<u>\$ (2,604)</u>	<u>\$ (11,405)</u>

[1] Jayasheel Settlement Exhibit I, Schedule 2-1(a).

[2] Jayasheel Settlement Exhibit I, Revised Schedule 2-1(b).

[3] Jayasheel Settlement Exhibit I, Schedule 2-1(c).

[4] Jayasheel Settlement Exhibit I, Schedule 2-1(d).

[5] Jayasheel Settlement Exhibit I, Schedule 2-1(e).

[6] Jayasheel Settlement Exhibit I, Revised Schedule 2-1(f).

[7] Jayasheel Settlement Exhibit I, Revised Schedule 2-1(g).

[8] Jayasheel Settlement Exhibit I, Schedule 2-1(h).

[9] Jayasheel Settlement Exhibit I, Schedule 2-1(i).

[10] Sum of columns (a) - (i).

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NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO REMOVE
CONSTRUCTION WORK IN PROGRESS
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 2-1(a)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1.	Adjustment to remove CWIP	<u>\$ (62,292) [1]</u>

[1] Per Company exhibit SLB-7R

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO UNAMORTIZED PAYNE BRANCH DAM COSTS
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 2-1(b)

Line No.	Item	Amount	
1.	New River portion of Payne Branch Dam removal design costs	\$ 60,000	[1]
2.	First year amortization	15,000	[2]
3.	Unamortized balance, per Public Staff (L1 - L2)	45,000	
4.	Unamortized balance, per Company	52,500	[2]
5.	Public Staff adjustment (L3 - L4)	\$ (7,500)	

[1] Per testimony of Company witness Brown.

[2] Per Company Exhibit SLB-7R.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
CALCULATION OF MATERIALS AND SUPPLIES
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 2-1(c)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> [1]
1.	December 2015	\$ 437,183
2.	January 2016	441,858
3.	February	448,730
4.	March	446,465
5.	April	438,356
6.	May	449,895
7.	June	441,170
8.	July	444,791
9.	August	450,871
10.	September	440,356
11.	October	460,331
12.	November	453,762
13.	December 2016	<u>449,767</u>
14.	Total Sum of (L1 thru L13)	<u>5,803,537</u>
15.	Thirteen month average (L14 / 13 months)	446,426
16.	Amount included by Company	<u>-</u>
17.	Public Staff adjustment (L15 - L16)	<u>\$ 446,426</u>

[1] Per examination of E-1, Item 5c.

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NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
CALCULATION OF PREPAYMENTS
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 2-1(d)

Line No.	Item	Prepaid Insurance (a)	Other Prepayments (1) (b)	Total Prepayments (2) (c)
1.	December 2015	\$ 16,649	\$ 16,234	\$ 32,883
2.	January 2016	15,252	29,998	45,249
3.	February	13,854	27,471	41,325
4.	March	12,386	24,312	36,698
5.	April	10,918	33,681	44,599
6.	May	9,450	31,179	40,629
7.	June	7,982	31,294	39,277
8.	July	16,857	22,410	39,267
9.	August	14,449	18,658	33,107
10.	September	12,041	14,458	26,499
11.	October	9,633	24,392	34,025
12.	November	8,165	20,612	28,777
13.	December 2016	<u>6,697</u>	<u>23,127</u>	<u>29,824</u>
14.	Total Sum of (L1 thru L13)	<u>154,334</u>	<u>317,825</u>	<u>472,159</u>
15.	Thirteen month average (L14 / 13 months)	<u>\$ 11,872</u>	<u>\$ 24,448</u>	36,319
16.	Amount included by Company			<u>34,573</u> [3]
17.	Public Staff adjustment (L15 - L16)			<u>\$ 1,746</u>

[1] Per examination of E-1, Item 3, Account 165.

[2] Column (a) plus Column (b).

[3] Per Company Exhibit SLB-7R.

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Jan 26 2018

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
CALCULATION OF CUSTOMER DEPOSITS
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 2-1(e)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> [1]
1.	December 2015	\$ (215,352)
2.	January 2016	(212,302)
3.	February	(212,743)
4.	March	(211,918)
5.	April	(212,244)
6.	May	(211,185)
7.	June	(211,600)
8.	July	(218,447)
9.	August	(214,776)
10.	September	(209,223)
11.	October	(210,562)
12.	November	(209,272)
13.	December 2016	<u>(208,872)</u>
14.	Total Sum of (L1 thru L13)	<u>(2,758,501)</u>
15.	Thirteen month average (L14 / 13 months)	(212,192)
16.	Amount included by Company	<u>-</u>
17.	Public Staff adjustment (L15 - L16)	<u>\$ (212,192)</u>

[1] E-1, Item 6.

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Jan 26 2018

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO REDUCE AFUDC TO REFLECT
ACTUAL IN-SERVICE DATES AND RECOMMENDED ROR
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 2-1(f)

Line No.	Month	AMI Expenditures [1] (a)	AFUDC on AMI Expenditures (b)	General Office Expenditures [2] (c)	AFUDC on General Office Expenditures (d)
1	Jun-13	\$ 4,350	\$ 1,334	\$ -	\$ -
2	Jul-13	2,400	719	-	-
3	Aug-13	2,700	791	-	-
4	Sep-13	3,600	1,029	-	-
5	Oct-13	-	-	-	-
6	Nov-13	5,500	1,497	-	-
7	Dec-13	2,800	743	-	-
8	Jan-14	-	-	-	-
9	Feb-14	5,800	1,461	-	-
10	Mar-14	4,126	1,012	-	-
11	Apr-14	2,225	531	-	-
12	May-14	4,555	1,057	-	-
13	Jun-14	3,116	703	-	-
14	Jul-14	2,756	603	-	-
15	Aug-14	750	159	-	-
16	Sep-14	1,800	371	-	-
17	Oct-14	900	180	-	-
18	Nov-14	525	101	-	-
19	Dec-14	-	-	-	-
20	Jan-15	-	-	-	-
21	Feb-15	-	-	-	-
22	Mar-15	-	-	-	-
23	Apr-15	-	-	-	-
24	May-15	1,200	187	-	-
25	Jun-15	-	-	-	-
26	Jul-15	-	-	-	-
27	Aug-15	-	-	-	-
28	Sep-15	-	-	-	-
29	Oct-15	-	-	-	-
30	Nov-15	-	-	-	-
31	Dec-15	-	-	-	-
32	Jan-16	-	-	-	-
33	Feb-16	-	-	-	-
34	Mar-16	861	82	1,360	98
35	Apr-16	21,646	1,935	12,240	812
36	May-16	3,922	328	33,984	2,060
37	Jun-16	7,413	577	12,470	685
38	Jul-16	-	-	12,196	602
39	Aug-16	-	-	21,690	949
40	Sep-16	4,300	261	4,882	186
41	Oct-16	20	1	67,323	2,196
42	Nov-16	300	15	85,759	2,325
43	Dec-16	1,054	46	490,767	10,617
44	Jan-17	-	-	4,540	73
45	Feb-17	49,250	1,607	72,318	778
46	Mar-17	119,608	3,243	17,557	94
47	Apr-17	769,707	16,651	5,302	N/A
48	May-17	841,931	13,624	67,569	N/A
49	Jun-17	123,065	1,324	(4,500)	N/A
50	Jul-17	104,314	560	-	N/A
51	Aug-17	15,961	N/A	-	N/A
52	Sep-17	6,584	N/A	-	N/A
53	Oct-17	3 178	N/A	-	N/A
54	Total	\$ 2,122,214	52,732	\$ 905,457	21,476
55	AFUDC per Company		95 306		33 729
56	Public Staff adjustments		\$ (42 574)		\$ (12 253)
57	Total Public Staff adjustment				\$ (54 827)

[1] Per Company Exhibit SLB-2R.
[2] Per Company Exhibit SLB-4.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO AFUDC RATE
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 2-1(f)(1)

Line No.	Item	Amount
1.	Overall annual rate of return recommended by Public Staff	<u>6.53%</u> [1]
2.	Monthly rate to produce semiannual compounding	<u>0.0053650</u> [2]

[1] Jayasheela Settlement Exhibit I, Revised Schedule 4.

[2] Equivalent to the 6th root of one-half the annual rate.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 2-1(g)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1.	Annualized depreciation expense at 12/31/16, updated for certain items	\$ 1,040,114 [1]
2.	Per book depreciation expense at 12/31/16	<u>902,971 [2]</u>
3.	Adjustment to accumulated depreciation for annualization (L2 - L1)	(137,143)
4.	Per books accumulated depreciation, 12/31/16, less post-test year retirements	<u>(12,194,828) [2]</u>
5.	Annualized accumulated depreciation (L3 + L4)	(12,331,971)
6.	Accumulated depreciation per Company	<u>(12,266,604) [2]</u>
7.	Adjustment to accumulated depreciation	<u><u>\$ (65,367)</u></u>

[1] Per Jayasheela Settlement Exhibit I, Revised Schedule 3-1(h).

[2] Per Company Exhibit SLB-7R.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO WORKING CAPITAL
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 2-1(h)

Line No.	Item	Amount
1.	Working capital per Public Staff:	
2.	O&M expense, excluding purchased power	\$ 3,017,354 [1]
3.	Working capital factor	<u>0.125</u> [2]
4.	Working capital subtotal (L2 x L3)	<u>\$ 377,169</u>
5.	Estimated revenue lag days	<u>40.00</u> [3]
6.	Estimated purchased power expense lag days	<u>30.50</u> [4]
7.	Net lag days (L5 - L6)	<u>9.50</u>
8.	Adjusted purchased power expense	<u>\$ 12,997,617</u> [5]
9.	Average daily amount (L8/365)	<u>35,610</u>
10.	Working capital related to purchased power (L7 x L9)	<u>338,294</u>
11.	Total working capital per Public Staff (L4 + L10)	715,463
12.	Working capital per University	<u>895,981</u> [6]
13.	Adjustment to working capital (L11 - L12)	<u>\$ (180,518)</u>

[1] Jayasheela Settlement Exhibit I, Revised Schedule 3, Column (c), Lines 13-20.

[2] Traditional one-eighth working capital formula.

[3] Based on a 15.25-day half service period, a 4-day lag in billing, and a 20-day lag in payment.

[4] Based on Company testimony that purchased power bills are paid one month after midpoint of calendar month.

[5] Jayasheela Settlement Exhibit I, Revised Schedule 3, Line 12, Column (c).

[6] Jayasheela Settlement Exhibit I, Revised Schedule 2, Sum of lines 11 and 12, Column (a).

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO UNAMORTIZED BALANCES
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 2-1(i)

Line No.	Item	Amount
1.	Beginning balance of regulatory asset related to legacy meters	\$ 155,232 [1]
2.	Beginning balance of regulatory liability related to truck disposal	(14,124) [2]
3.	First-year amortization of regulatory asset	(31,046) [1]
4.	First-year amortization of regulatory liability	<u>3,221 [3]</u>
5.	Net unamortized balance for ratemaking purposes	113,283 [4]
6.	Net unamortized balance proposed by Company	<u>153,089 [5]</u>
7.	Public Staff adjustment	<u><u>\$ (39,806)</u></u>

[1] Per Company Exhibit SLB-3.

[2] Per Company Exhibit SLB-6R.

[3] Jayasheela Settlement Exhibit I, Schedule 3-1(f)

[4] Sum of Lines 1 - 4.

[5] Per Company Exhibits SLB-3 and 6R.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
NET OPERATING INCOME FOR RETURN
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 3

Line No.	Item	Present Rates		
		Per Revised Application [1] (a)	Public Staff Adjustments [2] (b)	Per Public Staff [3] (c)
1.	<u>Electric operating revenues</u>			
2.	Electric sales revenues	\$ 16,835,581	\$ 218,206	\$ 17,053,787
3.	Temporary construction revenue	21,974	-	21,974
4.	Miscellaneous service revenue	10,645	-	10,645
5.	Ren from electric property	30,569	-	30,569
6.	Jobbing and contracting	31,110	(31,110)	-
7.	Miscellaneous non-operating income	51	(51)	-
8.	Other interest income	9,831	(9,831)	-
9.	Total operating revenues (sum of Lines 2-8)	<u>16,939,761</u>	<u>177,214</u>	<u>17,116,975</u>
10.	<u>Operating revenue deductions</u>			
11.	Operations and maintenance (O&M) expense:			
12.	Purchased power	12,849,778	147,839	12,997,617
13.	Distribution expenses	1,313,908	13,941	1,327,849
14.	Customer accounts expense	594,626	-	594,626
15.	Uncollectibles	21,250	(1,979)	19,271
16.	Administrative and general expense	<u>1 075 608</u>	<u>-</u>	<u>1 075 608</u>
17.	Total O&M expense (Sum of Lines 12-16)	15,855,170	159,801	16,014,971
18.	Depreciation expense	1,014,563	25,552	1,040,115
19.	Amortization of regulatory assets and liabilities	44,560	(3,221)	41,339
20.	Payroll taxes	-	-	-
21.	Regulatory fee	26,274	(2,426)	23,848
22.	(Gain)/Loss on sale of utility property	2,526	-	2,526
23.	Interest expense on customer deposits	12,933	-	12,933
24.	Jobbing and contracting expenses	<u>30,344</u>	<u>(30,344)</u>	<u>-</u>
25.	Total operating revenue deductions (Sum of Lines 17-24)	<u>16 986 370</u>	<u>149 362</u>	<u>17 135 732</u>
26.	Net operating income for a return (L9 - L25)	<u>\$ (46 609)</u>	<u>\$ 27 852</u>	<u>\$ (18 757)</u>

[1] Per Company Exhibit SLB-7R.

[2] Jayasheela Settlement Exhibit I, Revised Schedule 3-1, Column (j).

[3] Column (a) plus (b).

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NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
SUMMARY OF PUBLIC STAFF
NET OPERATING INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 3-1

Line No.	Item	Remove Non-Utility items [1] (a)	Remove Payne Branch Dam Costs [2] (b)	Customer Growth, Usage, And Weather [3] (c)	Test Year Inflation Adjustment [4] (d)	Adjust Purchased Power Expense [5] (e)	Adjust Gain Amortization [6] (f)	Adjust Uncoll. And Reg Fee [7] (g)	Annualize Depreciation Expense [8] (h)	Correct Billing Determinants [9] (i)	Total Public Staff Adjustments [10] (j)
1.	Electric operating revenues										
2.	Electric sales revenues			\$ 191,719						\$ 26,487	\$ 218,206
3.	Temporary construction revenue										-
4.	Miscellaneous service revenue										-
5.	Ren from electric property										-
6.	Jobbing and contracting	(31,110)									(31,110)
7.	Miscellaneous non-operating income	(51)									(51)
8.	Other interest income	(9,831)									(9,831)
9.	Total operating revenues (sum of Lines 2-8)	<u>(40,992)</u>	<u>-</u>	<u>191,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,487</u>	<u>177,214</u>
10.	Operating revenue deductions										
11.	Operations and maintenance (O&M) expense:										
12.	Purchased power					147,839					147,839
13.	Distribution expenses			8,234	5,707						13,941
14.	Customer accounts expense										-
15.	Uncollectibles			217				(2,226)		30	(1,979)
16.	Administrative and general expense										-
17.	Total O&M expense (Sum of Lines 12-16)	<u>-</u>	<u>-</u>	<u>8,451</u>	<u>5,707</u>	<u>147,839</u>	<u>-</u>	<u>(2,226)</u>	<u>-</u>	<u>30</u>	<u>159,801</u>
18.	Depreciation expense								25,552		25,552
19.	Amortization of regulatory assets and liabilities		-				(3,221)				(3,221)
20.	Payroll taxes										-
21.	Regulatory fee			268				(2,731)		37	(2,426)
22.	(Gain)/Loss on sale of utility property										-
23.	Interest expense on customer deposits										-
24.	Jobbing and contracting expenses	<u>(30,344)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,344)</u>
25.	Total operating revenue deductions (Sum of Lines 17-24)	<u>(30,344)</u>	<u>-</u>	<u>8,719</u>	<u>5,707</u>	<u>147,839</u>	<u>(3,221)</u>	<u>(4,957)</u>	<u>25,552</u>	<u>67</u>	<u>149,362</u>
26.	Net operating income for a return (L9 - L25)	<u>\$ (10,648)</u>	<u>\$ -</u>	<u>\$ 183,000</u>	<u>\$ (5,707)</u>	<u>\$ (147,839)</u>	<u>\$ 3,221</u>	<u>\$ 4,957</u>	<u>\$ (25,552)</u>	<u>\$ 26,420</u>	<u>\$ 27,852</u>
27.	Revenue requirement impact	<u>\$ 10,675</u>	<u>\$ -</u>	<u>\$ (183,464)</u>	<u>\$ 5,721</u>	<u>\$ 148,214</u>	<u>\$ (3,229)</u>	<u>\$ (4,970)</u>	<u>\$ 25,617</u>	<u>\$ (26,487)</u>	<u>\$ (27,922)</u>

[1] Jayasheela Settlement Exhibit I, Schedule 3-1(a).

[2] Jayasheela Settlement Exhibit I, Revised Schedule 3-1(b).

[3] Jayasheela Settlement Exhibit I, Schedule 3-1(c).

[4] Jayasheela Settlement Exhibit I, Schedule 3-1(d).

[5] Jayasheela Settlement Exhibit I, Schedule 3-1(e).

[6] Jayasheela Settlement Exhibit I, Schedule 3-1(f).

[7] Jayasheela Settlement Exhibit I, Schedule 3-1(g).

[8] Jayasheela Settlement Exhibit I, Revised Schedule 3-1(h).

[9] Jayasheela Settlement Exhibit I, Schedule 3-1(i).

[10] Sum of columns (a) - (i).

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO REMOVE
NON-UTILITY ITEMS
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 3-1(a)

Line No.	Item	Amount [1]
1.	Removal of non-electric service items:	
2.	Revenues	
3.	Jobbing and contracting	\$ (31,110)
4.	Miscellaneous non-operating income	\$ (51)
5.	Other interest income	\$ (9,831)
6.	Expenses:	
7.	Jobbing and contracting expenses	\$ (30,344)

[1] Per Company Exhibit SLB-7R.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO REMOVE
AMORTIZATION OF PAYNE BRANCH DAM COSTS
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 3-1(b)

Line No.	Item	Amount
1.	Adjustment to remove amortization of Payne Branch Dam costs	\$ -

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
CUSTOMER GROWTH, USAGE, AND WEATHER ADJUSTMENTS
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 3-1(c)

Line No.	Item	kWh Adjustment [1] (a)	Applicable Rate (\$/kWh) [1] (b)	Adjustment [4] (c)
1.	Operating revenues:			
2.	Customer growth:			
3.	Residential	741,803	\$ 0.09580	\$ 71,065
4.	Commercial	52,968	\$ 0.08880	4,704
5.	Commercial - Demand	1,591,341	\$ 0.07220	114,895
6.	ASU	338,542	\$ 0.07980	27,016
7.	Usage:			
8.	Residential	(1,025,803)	\$ 0.08700	(89,245)
9.	Commercial	98,008	\$ 0.08230	8,066
10.	Commercial - Demand	(38,442)	\$ 0.07170	(2,756)
11.	ASU	(837,126)	\$ 0.07950	(66,552)
12.	Weather Normalization:			
13.	Residential	<u>1,431,331</u> [2]	\$ 0.08700	<u>124,526</u>
14.	Total adjustment to revenues (L2 + L3)	<u>2,352,622</u>		<u>\$ 191,719</u>
15.	O&M expenses (Not annualized for usage else where)	<u>2,352,622</u> [1]	\$ 0.00350 [3]	<u>8,234</u>

[1] Provided by the Public Staff witness Saillor.

[2] Provided by Public Staff witness Hinton.

[3] Jayasheela Exhibit I, Schedule 3-1(c)(1).

[4] Column (a) x Column (b).

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
O&M EXPENSES TO ADJUST
FOR GROWTH IN KWH SALES
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 3-1(c)(1)

Line No.	Item	Amount	[1]
1	Per books O&M expenses net of labor, consulting fees, and purchased power:		
2	Account 580	\$ 2,977	
3	Account 582	823	
4	Account 583	1,722	
5	Account 586	5,769	
6	Account 587	823	
7	Account 588	11,139	
8	Account 590	3,792	
9	Account 592	3,068	
10	Account 593	170,426	
11	Account 594	8,206	
12	Account 595	16,180	
13	Account 596	18,554	
14	Account 597	11,882	
15	Account 598	6,666	
16	Account 901	3,681	
17	Account 902	3,693	
18	Account 903	202,704	
19	Account 910	3,379	
20	Account 911	4,572	
21	Account 921	26,862	
22	Account 924	6,190	
23	Account 925 (net of one-time payout)	68,569	
24	Account 930	64,415	
25	Account 932	69,681	
26	Total expenses for growth adjustment	\$ 715,773	
27	Test year kWh usage	204,333,228	[2]
28	Expenses per kWh for growth adjustment	\$ 0.00350	[3]
29	Additional expenses for inflation adjustment:		
30	Account 923	120,975	[1]
31	ASU Administrative support	201,580	[1]
32	Total expenses for inflation adjustment	\$ 1,038,328	[4]

[1] Per Company Exhibit SLB-7R.

[2] Per Public Staff witness Lawrence.

[3] Line 26 divided by Line 27.

[4] Line 26 plus Line 30 plus Line 31.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
TEST YEAR INFLATION ADJUSTMENT
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 3-1(d)

Line No.	Item	Amount
1.	CPI-U index - December 2015	230.147 [1]
2.	CPI-U index - December 2016	232.692 [1]
3.	Mid point index (L1 + L2, divided by 2)	<u>231.420</u>
4.	Half-year inflation factor (L2/L3, minus 1)	0.005496
5.	Total expenses for inflation adjustment	<u>1,038,328 [2]</u>
6.	Test year inflation adjustment (L4 x L5)	<u>\$ 5,707</u>

[1] Per monthly CPI-U Detailed Reports, Table 1.

[2] Jayasheela Exhibit I, Schedule 3-1(c)(1) Line 32.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO PURCHASED POWER EXPENSE
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 3-1(e)

Line No.	Item	Amount
1.	Purchased power expense per Company	\$ 12,841,540 [1]
2.	Corrected per books kWh sales per Public Staff	<u>204,333,228 [2]</u>
3.	Recommended base purchased power expense factor (L1/L2)	<u>\$ 0.062846</u>
4.	Pro forma kWh sales:	
5.	Per books	204,333,228
6.	Customer growth, usage, and weather adjustments	<u>2,352,622 [3]</u>
7.	Total pro forma kWh sales (L5 + L6)	<u>206,685,850</u>
8.	Adjusted purchased power expense (L3 x L7)	12,989,379
9.	Purchased power expense per Company	<u>12,841,540 [1]</u>
10.	Adjustment to purchased power expense (L8 - L9)	<u><u>\$ 147,839</u></u>

[1] Per Company Exhibit SLB-7R.

[2] Per Public Staff witness Lawrence.

[3] Jayasheela Exhibit I, Schedule 3-1(c), Line 15.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO AMORTIZATION OF GAIN ON TRUCK DISPOSAL
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 3-1(f)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1.	Gain on trade-in of trucks, per Company	\$ 14,124 [1]
2.	Public Staff recommended amortization period	3
3.	Public Staff recommended amortization of gain (L1 / L2)	(4,708)
4.	Amortization amount proposed by Company	(1,487) [1]
5.	Adjustment to amortization of gain (L3 - L4)	<u>\$ (3,221)</u>

[1] Per Company Exhibit SLB-6R.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO UNCOLLECTIBLES EXPENSE
AND REGULATORY FEE
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 3-1(g)

<u>Line No.</u>	<u>Item</u>	<u>Current Rates</u> (a)
1.	Total pro forma sales revenue per Company	\$ 16,835,581 [1]
2.	Uncollectibles rate	0.1130% [2]
3.	Uncollectibles expense on Company present revenues	19,024
4.	Uncollectibles expense per Company	21,250
5.	Adjustment to uncollectibles expense (L3 - L4)	\$ (2,226)
6.	Revenues net of uncollectibles expense (L1 - L3)	\$ 16,816,557
7.	Regulatory fee rate	0.1400% [3]
8.	Regulatory fee on Company present revenues (L6 x L7)	23,543
9.	Regulatory fee per Company	26,274
10.	Adjustment to regulatory fee (L8 - L9)	\$ (2,731)

[1] Public Staff Exhibit I, Schedule 3, Column (a), Line 2.

[2] Jayasheela Exhibit I, Schedule 1-1, Line 8.

[3] Statutory rate.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO DEPRECIATION EXPENSE
For the Test Year Ended December 31, 2016

Jayasheel Settlement Exhibit I
Revised Schedule 3-1(h)

Line No.	Account	Item	Depreciable Balance Updated (a)	Depreciation Rate (b)	Depreciation Expense Per Public Staff (c)	NRLP Proposed Depreciation Expense (d)	Public Staff Adjustment (e)
			[1]	[1]	[2]	[1]	[3]
1.	360	Land & Land Rights	\$ 93,756	0.000%	\$ -	\$ -	\$ -
2.	362	Station Equipment	5,937,688	3.000%	178,131	178,131	0
3.	364	Poles, Towers and Fixtures	1,696,838	3.500%	59,389	58,362	1,027
4.	365	Overhead Conductors and Devices	2,120,555	2.600%	55,134	54,133	1,001
5.	366	Underground Conduit	3,145,930	2.050%	64,492	63,409	1,083
6.	367	Underground Conductors & Devices	3,023,665	2.450%	74,080	72,511	1,569
7.	368	Transformers	3,443,088	2.950%	101,571	100,624	947
8.	369	Services	1,594,916	3.300%	52,632	52,186	446
9.	370	AMI Meters, including Public Staff AFUDC adjustment	2,174,946	5.000%	108,747	110,876	(2,129)
10.	370	Meters	0	3.250%	0	0	0
11.	373	Area Lighting	735,639	3.250%	23,908	23,288	620
12.	384	Fiber	40,601	0.040%	16	16	0
13.	389	Land & Land Rights	91,916	0.000%	0	0	0
14.	390	Structures & Improvements, including Public Staff AFUDC adjustment	3,823,348	2.572%	98,337	98,533	(196)
15.	391	Office Furniture & Equipment	779,647	10.000%	77,964	72,512	5,452
16.	392	Transportation Equipment	1,191,361	7.426% [4]	88,470	83,206	5,264
17.	393	Stores Equipment	68,807	5.000%	3,441	2,037	1,404
18.	394	Tools, Shops and Garage Equipment	58,867	5.000%	2,944	2,045	899
19.	395	Laboratory Equipment	69,085	5.345%	3,692	3,363	329
20.	396	Power Operated Equipment	259,067	11.897%	30,821	23,963	6,858
21.	397	Communications Equipment	198,784	7.180%	14,273	14,404	(131)
22.	398	Miscellaneous Equipment	20,717	10.000%	2,072	965	1,107
23.		Total depreciation expense (Sum of Lines 1 - 22)	<u>\$ 30,569,218</u>		<u>\$ 1,040,114</u>	<u>\$ 1,014,562</u>	<u>\$ 25,552</u>

[1] Audit Report plus Company adjustments per Company books.

[2] Column (a) multiplied by Column (b).

[3] Column (c) minus Column (d).

[4] Depreciation rate based on review of 2014 and 2015 depreciation expense.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
ADJUSTMENT TO REFLECT CORRECTION OF
BILLING DETERMINANTS AND PPA RATE
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Schedule 3-1(i)

Line No.	Item	KwH Sales (a)	Electric Sales Revenue (b)
1.	kWh sales and revenues as corrected by Public Staff	204,333,228 [1]	\$ 16,862,068 [1]
2.	kWh sales and revenues as filed by Company	202,215,273 [2]	16,835,581 [2]
3.	Public Staff adjustment (L1 - L2)	<u>2,117,955</u>	<u>\$ 26,487</u>

[1] Per Public Staff witness Lawrence
[2] Per Company Exhibit REH-4R.

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
RETURN ON ORIGINAL COST NET INVESTMENT
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 4

		Before Public Staff Proposed Increase					
Line No.	Item	Capitalization Ratio	Original Cost Rate Base	Cost Rates	Weighted Cost Rates	Net Operating Income	
		(a)	(b)	(c)	(d)	(e)	
1.	Long-term debt	50.00% [1]	\$ 13,442,557 [3]	3.80% [1]	1.900% [4]	\$ 510,817 [6]	
2.	Common equity	50.00% [1]	13,442,557 [3]	-3.94% [8]	-1.970% [4]	(529,574) [7]	
3.	Total (L1 + L2)	100.00%	\$ 26,885,114 [2]		-0.070%	\$ (18,757) [5]	
		After Public Staff Proposed Increase					
Line No.	Item	Capitalization Ratio	Original Cost Rate Base	Cost Rates	Weighted Cost Rates	Net Operating Income	
		(a)	(b)	(c)	(d)	(e)	
4.	Long-term debt	50.00% [1]	\$ 13,442,557 [9]	3.80% [1]	1.900% [4]	\$ 510,817 [6]	
5.	Common equity	50.00% [1]	13,442,557 [9]	9.25% [1]	4.625% [4]	1,243,437 [6]	
6.	Total (L4 + L5)	100.00%	\$ 26,885,114 [2]		6.525%	\$ 1,754,254	

[1] Per Public Staff witness Hinton.

[2] Jayasheela Settlement Exhibit I, Revised Schedule 2, Line 13, Column (c).

[3] Line 3, Column (b) x Column (a).

[4] Column (a) x Column (c).

[5] Jayasheela Settlement Exhibit I, Revised Schedule 3, Line 26, Column (c).

[6] Column (b) x Column (c).

[7] Line 3 - Line 1.

[8] Column (e) divided by Column (b).

[9] Line 6, Column (b) x Column (a).

NEW RIVER LIGHT AND POWER COMPANY
Docket No. E-34, Sub 46
CALCULATION OF PUBLIC STAFF'S
ADDITIONAL REVENUE REQUIREMENT
For the Test Year Ended December 31, 2016

Jayasheela Settlement Exhibit I
Revised Schedule 5

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Line No.	Item	Amount
1.	Required net operating income	\$ 1,754,254 [1]
2.	Net operating income before proposed increase	<u>(18,757) [2]</u>
3.	Additional net operating income required (L1 - L2)	1,773,011
4.	Retention factor	<u>0.9974716 [3]</u>
5.	Public Staff recommended increase in overall revenue requirement (L3 / L4)	1,777,506
6.	Amount to be recovered through increase in fees	<u>34,304 [4]</u>
7.	Amount to be recovered through increase sales revenues (L5 - L6)	<u><u>\$ 1,743,202</u></u>

[1] Jayasheela Settlement Exhibit I, Revised Schedule 4, Line 6.

[2] Jayasheela Settlement Exhibit I, Revised Schedule 4, Line 3.

[3] Jayasheela Settlement Exhibit I, Revised Schedule 1-1, Line 15.

[4] Per Company SLB-7R.