Western Carolina University

LEGAL COUNSEL OFFICE

OFFICIAL COPY

March 10, 2011

FILED
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Clerk's Office
N.C Utilities Commission

Ms. Renne C. Vance
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325

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Full
Dist.

Re: Docket No. E-100, Sub 127

Dear Ms. Vance:

On Oct. 19, 2010, Western Carolina University (WCU) filed comments and proposed rates in the above proceeding. Since that filing, it has come to our understanding that a clarification was needed in our proposed Exhibits 1 and 2 as well as a correction was needed in Exhibit 2. The clarification in both Exhibits has to deal with the true-up procedure. That true-up payment or charge to avoided cost customers will take place only one time per year so as to line-up this avoided cost true-up with WCU's wholesale power true-up with Duke Energy. WCU has also changed, for clarification purposes, the definition of PPAER as found in Exhibit 2 to match the same definition as found in Exhibit 1.

The correction as noted in Exhibit 2 was to change the current month's energy supplied in the true-up process to the previous calendar years energy supplied. The purpose in this change is to synchronize the university's proposed avoided cost rates with its suppliers wholesale charges.

Attached are the redlined changes of the proposed changes to Exhibits 1 and 2 as well as clean versions of these exhibits.

Thank you for your attention to this matter.

Sincerely,

Mary Ann Lochner

Mary Ann Lochner
General Counsel

Enclosures
Cc: Parties of Record

520 HF Robinson | Cullowhee, NC 28723 | 828.227.7116 *tel* | 828.227.7047 *fax* | www.wcu.edu

EXHIBIT 1

WESTERN CAROLINA UNIVERSITY
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
FOR TOTAL AGGREGATE LOADS FOR WCU UP TO 1 MW
(WITH DEMAND CREDIT)

Rate SPP DEMAND



MPSS = ((CER X CES) + (CDR X CDA)) - $25.00

In June of each year, a true-up of estimated demand and energy will occur, thereby resulting in a charge or a credit to the small power supplier. The formula for this charge or credit will be applied in July of each year and is as follows:

True-Up = (PPAER X PES) + (PPADR x PDA)

*MPSS = Monthly payment to Small Power Production Supplier.*

CER = Current month Energy Rate per KWH, as shown on the University's current bill from its supplier, Duke Energy Carolinas.

CES = Current month Energy Supplied, in KWH, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

CDR = Current month Demand Rate per KW, as shown on the University's current bill from its supplier, Duke Energy Co.

CDA = Estimated 12-month demand avoided as a result of the KW supplied by the Small Power Production Supplier.

PPAER = the difference between the previous years monthly energy rate per kWh and the adjusted energy rate per kWh, as shown on annual workpapers provided by Duke Energy Company in June of each year.

PES = Previous calendar year energy supplied, in KWH, by the Small Power Production Supplier.

PPADR = = the difference between the previous years monthly demand rate per kW and the adjusted demand rate per kW, as shown on annual workpapers provided by Duke Energy Company in June of each year.

PDA = the difference between the estimated 12-month demand avoided (CDA) and the 12-*month actual demand for the previous calendar year.*

$25 = A charge of $25.00 for meter reading, billing and administrative overhead.

MONTHY PAYMENT

Company shall pay Seller the sum of the Energy Credit and the Demand Credit reduced by a special meter reading and billing of $25.00.

Any changes in the Duke Energy avoided cost rates will necessarily require a revision in the provisions of the above Schedule.

EXHIBIT 2

WESTERN CAROLINA UNIVERSITY
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
FOR TOTAL AGGREGATE LOADS FOR WCU UP TO 1 MW
(WITHOUT DEMAND CREDIT)



Rate SPP NO DEMAND

MPSS= (CER x CES) ~~+ (PPAER x PES)~~ - $8.25

In June of each year, a true-up of estimated energy will occur, thereby resulting in a charge or a credit to the small power supplier. The formula for this charge or credit will be applied in July of each year and is as follows:

True-Up = (PPAER X PES)

MPSS = Monthly payment to Small Power Production Supplier.

CER = Current month Energy Rate per KWH, as shown on the University's current bill from its major supplier, Duke Energy Co.

CES = Current month Energy Supplied, in KWH, by the Small Power Production Supplier.

PPAER = the difference between the previous years monthly energy rate per kWh and the adjusted energy rate per kWh, as shown on annual workpapers provided by Duke Energy Company in June of each year. ~~Purchased Power Adjustment Energy Rate per KWH, as shown on annual workpapers provided by Duke Energy Company in June of each year.~~

PES = ~~Current month~~ Previous years Energy Supplied, in KWH, by the Small Power Production Supplier.

$8.25 = A charge of $8.25 for meter reading and administrative overhead.

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