

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-34, SUB 46

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Appalachian State University,)	ORDER ESTABLISHING A
d/b/a New River Light and Power Company)	GENERAL RATE CASE,
for an Adjustment of Rates and Charges for)	SUSPENDING RATES,
Electric Service in North Carolina)	SCHEDULING HEARINGS, AND
)	REQUIRING CUSTOMER NOTICE

BY THE COMMISSION: On July 28, 2017, Appalachian State University, d/b/a New River Light and Power Company (NRLP or Company) filed an application with the Commission pursuant to G.S. §§ 62-133 and 62-134, and Commission Rules R1-5, R1-17, and R8-27, seeking authority to increase its rates for electric service in its service area in Watauga County, North Carolina. On August 7, 2017, NRLP filed an amendment to its application, which replaced Schedules GLH, I and LEDL contained in Exhibit B. On August 14, 2017, NRLP filed a second amendment to its application, which replaced Exhibit B in its entirety.

NRLP operates an electric distribution system that serves approximately 8,500 retail customers. The proposed rate increase is expected to produce \$1,577,821 in additional base rate, purchased power, and miscellaneous service fee revenue, a net overall increase of approximately 9.2% over current revenues, including purchased power revenue. The present base rates have been in effect since 1996, with annual purchased power adjustments (PPAs).

The Commission is of the opinion that the application constitutes a general rate case, that the proposed new rates should be suspended pending investigation, that the matter should be scheduled for hearings, and that NRLP shall be required to provide public notice of its application.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for the filing of Public Staff and other intervenor testimony. A notice of deposition shall be served on all parties at least seven business days prior to the taking of the deposition.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for the filing of the Public Staff and other intervenor testimony, shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. G.S. 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day of the filing of such motion.

3. Formal discovery requests related to the application and the Company's prefiled direct testimony shall be served on the Company by hand delivery, facsimile, or electronic delivery (with the Company's agreement), no later than 14 calendar days prior to the filing of Public Staff and other intervenor testimony. The Company shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten calendar days prior to the deadline for the filing of Public Staff and other intervenor testimony.

4. Formal discovery requests of the Public Staff or other intervenors shall be served by hand delivery, facsimile, or electronic delivery (with the agreement of the receiving party), no later than five calendar days after the filing of that party's testimony. The party served shall have up to three business days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than nine calendar days after the filing of that party's testimony.

5. Formal discovery requests related to pre-filed rebuttal testimony shall be served by hand delivery or facsimile no later than two business days after the filing of such testimony. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three business days after the filing of such rebuttal testimony. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to compel, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party by hand delivery, facsimile, or electronic delivery (with the agreement of the receiving party), at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner and to attempt to accommodate discovery within the time available. The Commission recognizes that in the past most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

Finally, the Commission will require the Company to consult with all other parties and file, no later than January 4, 2018, a list of witnesses to be called at the hearing, the order of witnesses, and the estimated time for cross-examination. If the parties cannot agree, the remaining parties shall, no later than January 5, 2018, make a filing indicating their points of disagreement with the Company's filing.

IT IS, THEREFORE, ORDERED as follows:

1. That this proceeding is declared a general rate case pursuant to G.S. 62-137.

2. That the proposed new rates are suspended for up to 270 days pursuant to G.S. 62-134.

3. That the hearings on the application be scheduled as indicated below:

Boone: Tuesday, October 24, 2017, at 7:00 p.m. in the
Watauga County Courthouse, 842 West King Street,
Boone, North Carolina 28607

Raleigh: Tuesday, January 9, 2018, at 10:00 a.m. in
Commission Hearing Room 2115, Dobbs Building, 430
North Salisbury Street, Raleigh, North Carolina 27603

4. That the hearing on October 24, 2017, will be for the purpose of receiving the testimony of public witnesses only. The hearing will resume in Raleigh on January 9, 2018, at 10:00 a.m. and continue as required for testimony and cross-examination of witnesses for the Company, the Public Staff, and other intervenors.

5. That the test period is established as the 12-month period ended December 31, 2016.

6. That the Notice to Customers, attached as Appendix A, be mailed with sufficient postage or mailed as bill inserts by NRLP to all customers no later than 30 days after the date of this Order.

7. That NRLP shall, at its expense, publish in newspapers having general coverage in its service area the Notice to Customers attached hereto as Appendix A once a week for two consecutive weeks, the first notice appearing at least 30 days in advance of the public hearing date set herein, with said notice covering no less than one-fourth of a page.

8. That the Company shall file an affidavit of publication and certificate of service no later than the first day of the evidentiary hearing.

9. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than Wednesday, December 6, 2017.

10. That direct testimony and exhibits of intervenors and the Public Staff shall be filed on or before Friday, December 15, 2017, and that the rebuttal testimony and exhibits of the Company, if any, shall be filed on or before Tuesday, January 2, 2018.

ISSUED BY ORDER OF THE COMMISSION.

This the 28th day of August, 2017.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Linnetta Threatt".

Linnetta Threatt, Acting Deputy Clerk

Commissioner Jerry C. Dockham did not participate in this decision.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. E-34, SUB 46
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that Appalachian State University, d/b/a New River Light and Power Company (NRLP) has filed an application with the North Carolina Utilities Commission for authority to increase rates for electric service in its service area in Watauga County, North Carolina, as follows:

	<u>Existing</u>	<u>Proposed</u>
<u>Monthly Residential Rates (Schedule R):</u>		
Basic Facilities Charge	\$ 6.29	\$12.58
Energy Charge		
Base Energy, per kWh	\$ 0.072616	\$ 0.095567
PPA estimated component, per kWh	\$ 0.014419	N/A ¹
<u>Monthly Commercial Rates – Demands Less than 30 kW (Schedule G):</u>		
Basic Facilities Charge	\$ 8.71	\$17.42
Energy Charge		
Base Energy, per kWh	\$ 0.06788	\$ 0.084381
PPA estimated component, per kWh	\$ 0.014419	N/A ¹
<u>Monthly Large Commercial Rates – Demands Greater than 30 kW (Schedule GL):</u>		
Basic Facilities Charge	\$11.61	\$23.22
Demand Charge, per kW	\$ 8.27	\$ 8.27
Energy Charge		
Base Energy, per kWh	\$ 0.033027	\$ 0.058593
PPA estimated component, per kWh	\$ 0.014419	N/A ¹

¹ For purposes of the application, recovery of total purchased power cost is accomplished through the base per kWh energy charge rates; therefore no “PPA estimated component” is included in the proposed rates.

Monthly High Load Factor Commercial Rates – Demands Greater than 30 kW and Load Factor Greater than 65% (Schedule GLH):

Basic Facilities Charge	N/A ²	\$23.22
Demand Charge, per kW	N/A ²	\$10.00
Energy Charge		
Base Energy, per kWh	N/A ²	\$ 0.051144
PPA estimated component, per kWh	N/A ²	N/A ¹

Monthly Industrial Rates (Schedule I):

Basic Facilities Charge	\$14.52	N/A ³
Demand Charge, per kW	\$11.13	N/A ³
Energy Charge		
Base Energy, per kWh	\$ 0.035693	N/A ³
PPA estimated component, per kWh	\$ 0.014419	N/A ³

Monthly ASU Campus Rates (Schedule A):

Basic Facilities Charge	\$11.61	N/A ⁴
Distribution Facilities Charge, per kW	N/A ⁵	\$ 8.89
Demand Charge, per kW	N/A ⁵	\$ 8.75
Energy Charge		
Base Energy, per kWh	\$ 0.06504	\$ 0.040661
PPA estimated component, per kWh	\$ 0.014419	N/A ¹

Monthly Outdoor Lighting Rates (Schedule OL):

175 Watt MV	\$ 8.95	\$ 8.95
400 Watt MV	\$16.40	\$16.40
150 Watt SV	\$ 8.60	\$ 8.60
250 Watt SV	\$12.50	\$12.50
400 Watt SV	\$18.88	\$18.88
250 Watt MH	\$14.81	\$14.81
100 Watt SV TOB	\$ 2.81	\$ 2.81
150 Watt SV TOB	\$ 4.24	\$ 4.24

² NRLP is proposing a new rate for large commercial customers with load factors at or above 65%.

³ Per the first and second amendments to the application, NRLP is proposing to close Schedule I.

⁴ Not included in proposed Schedule A.

⁵ Not currently included in Schedule A.

175 Watt MV TOB	\$ 4.95	\$ 4.95
250 Watt SV TOB	\$ 7.06	\$ 7.06
400 Watt MV TOB	\$11.29	\$11.29
400 Watt SV TOB	\$11.29	\$11.29
750 Watt SV TOB	\$21.18	\$21.18

LED Lighting Rates (Schedule LEDL):

Monthly Unmetered Light Cost		
100 Watt Yard Light	N/A ⁶	\$ 5.39
150 Watt Flood Light	N/A ⁶	\$10.29
265 Watt Flood Light	N/A ⁶	\$15.64
162 Watt Cobra Head	N/A ⁶	\$10.72
Monthly Metered Light Cost		
100 Watt Yard Light	N/A ⁶	\$ 3.39
150 Watt Flood Light	N/A ⁶	\$ 7.31
265 Watt Flood Light	N/A ⁶	\$10.39
162 Watt Cobra Head	N/A ⁶	\$ 7.53
Monthly New Pole Cost		
30' Wood Pole	N/A ⁶	\$ 3.56
Decorative Fiberglass Pole	N/A ⁶	\$ 7.12

Fee Schedule (Schedule MS):

New Service	\$ 3.00	\$11.50
Temporary Commercial Service	\$15.00	\$15.00
Business Hours Reconnection	\$25.00	\$25.00
Non-Business Hours Reconnection	\$60.00	\$60.00
Returned Check Charge	\$20.00	\$21.00

Customers are also currently paying a purchased power adjustment factor of \$0.014979 per kWh, which includes a purchased power experience modification factor of \$0.00056 per kWh, as granted by the Commission on January 17, 2017, in Docket No. E-34, Sub 45. The rates set forth above exclude the \$0.00056 per kWh experience modification factor, as it is not affected by the proposed change in rates.

NRLP's application also includes several changes to its rate schedules. NRLP proposes to close its industrial Schedule I, and offer a new outdoor lighting schedule for light emitting diode fixtures (Schedule LEDL). Schedule I would effectively be replaced by new rate Schedule GLH. NRLP also proposes to shift Schedule A from a rate based only on energy consumption, to one with separate demand and energy components.

⁶ NRLP is proposing a new LED lighting rate schedule for all new installations and will close the existing Outdoor Lighting rate schedule to new installs.

NRLP's application also proposes a new late fee of \$5.00 and a new delinquent fee of \$15.00.

In addition, NRLP proposes a new Coal Ash Cost Recovery Rider, which is designed to recover the costs of any coal ash charges passed on to NRLP from its wholesale supplier Blue Ridge Electric Membership Corporation (BREMCO). The rider provides for a monthly charge or credit based on the prior month's coal ash charges billed by BREMCO to NRLP.

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by NRLP. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES:

The average monthly residential bill for 1,000 kWh usage would increase from \$93.33 to \$108.15 or 15.9% after adjusting for purchased power charges.

PROCEDURE FOR PUBLIC HEARING:

The Commission has scheduled the application for public hearing beginning at 7:00 p.m. on Tuesday, October 24, 2017, in the Watauga County Courthouse, 842 West King Street, Boone, North Carolina 28607. The purpose of this initial portion of the hearing shall be for the receiving of non-expert public witness testimony only.

The hearing shall resume on Tuesday, January 9, 2018, at 10:00 a.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the purpose of receiving testimony and cross-examination of expert witnesses for NRLP, the Public Staff, and other intervenors.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and these statements should be addressed to Mr. Christopher Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300. Written statements can also be faxed to (919) 733-4744 or e-mailed to scott.saillor@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Written statements are not evidence unless those persons submitting the statements appear at the public hearing in Boone and testify concerning the information contained in their written statements.

Persons desiring to present testimony concerning their opinion on this application, or on any service problems they may be experiencing, may appear at the public hearing in Boone and give such testimony.

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-5 and R1-19 no later than Wednesday, December 6, 2017. The direct testimony and exhibits of expert witnesses to be presented by intervenors should be filed with the Commission on or before Friday, December 15, 2017. Motions, testimony and exhibits should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. Persons desiring to send non-evidentiary written statements to the Commission may send them to the same address, specifying that the statement concerns Docket No. E-34, Sub 46.

The details of the proposed new rates have been filed with the North Carolina Utilities Commission. A copy of the application and all filings in this matter are available for review by the public at the Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina 27603. Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding.

This the 28th day of August, 2017.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Linnetta Threatt".

Linnetta Threatt, Acting Deputy Clerk