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OFFICIAL COPY

December 22, 2020

Ms. Kim Campbell
Chief Clerk
NC Utilities Commission
430 North Salisbury St.
Raleigh, NC

Dec 22 2020

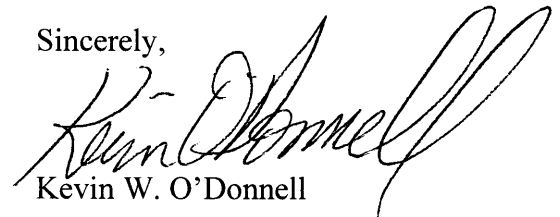
Re: Filing in E-100 Sub 167

Dear Ms. Campbell:

Attached is the Avoided Cost filing of Western Carolina University (WCU) and New River Light and Power (NRLP). Due to unforeseen circumstances, WCU and NRLP were recently alerted to the fact that this filing was past due to be filed with your office. We, herein, request that the Commission accept the late filing as timely filed. The Public Staff has informed us that it would not have any objection with our request for this filing to be accepted as timely filed.

If you have any questions, please contact me.

Sincerely,



Kevin W. O'Donnell

Enclosure

DOCKET E-100, SUB 167

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

**IN THE MATIER OF
BIENNIAL DETERMINATION OF AVOIDED
COST RATES FOR ELECTRIC UTILITY PURCHASES
FROM QUALIFYING FACILITIES – 2020**

**JOINT COMMENTS AND PROPOSED RATES OF
WESTERN CAROLINA UNIVERSITY AND NEW RIVER LIGHT AND POWER**

December 21, 2020

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I. Procedural History

On or about February 6, 1984, Western Carolina University ("WCU") filed with the North Carolina Utilities Commission an application setting forth proposed rates, terms and conditions to be offered to small power producers and cogenerators. That filing was in Docket No. E-100, Sub 41A. Every two years since then Western Carolina University has filed with the North Carolina Utilities Commission the same proposed rates, terms and conditions to be offered small power producers and cogenerators. Those filings were in Docket No. E-100, Sub 53; Docket No. E-100, Sub 57; Docket No. E-100, Sub 59; Docket No. E-100, Sub 66; Docket No. E-100, Sub 74; Docket No. E-100, Sub 79; Docket No. E-100, Sub 81; Docket No. E-100, Sub 87, Docket No. E-100, Sub 96; Docket No. E-100, Sub 100, Docket No. E-100, Sub 106, Docket No. E-100, Sub 117; Docket No. E-100, Sub 127; Docket No. E-100, Sub 136; Docket No. E-100, Sub 140; Docket No. E-100, Sub 148; and Docket No. E-100, Sub 158

New River Light and Power Company ("NRLP") filed comments in the last three avoided cost dockets: Docket No. E-100, Sub 127; Docket No. E-100; Sub 136; Docket No. E-100, Sub 140, Docket No. E-100, Sub 148; and Docket No. E-100, Sub 158.

In the last avoided cost rate proceeding, which was Docket No. E-100, Sub 158 the Commission granted the rates proposed by WCU and NRLP.

As proposed herein, WCU will continue to pay variable renewable rates based on its wholesale cost of power. NRLP will continue to offer variable avoided cost rates based on the Duke PP(NC) but will not recover the administrative charge to suppliers that is found in Schedule PP(NC). For fixed price long-term renewable rates, WCU will pay the Duke Energy Carolinas LLC ("Duke") fixed price avoided cost rates as set out in Duke Schedules PP(NC). NRLP is also seeking to follow the Duke Schedule PP(NC) but, as stated above, it will not charge the administrative charge associated with those rates. For both variable costs and fixed price costs, WCU and NRLP will seek to recover its

generation costs through its annual Purchased Power Adjustment (PPA) filing with the Commission.

II. Avoided Cost Calculation and Proposed Rate Design

Wholesale Power Supply Contract Limits

Both WCU and NRLP will be changing their power suppliers on Jan. 1, 2022. WCU is taking generation supplies from Duke Energy Carolinas (DEC) through the end of 2021, but will switch to Carolina Power Partners (CPP), which operates a 450 MW gas-fired plant in Kings Mountain, NC, in 2022 and beyond. NRLP currently takes power supplies from Blue Ridge EMC (BREMCO), but it will also switch to CPP at the start of 2022.

In respect to the current DEC agreement with WCU and the BREMCO agreement with NRLP, there are limits as to the amount of renewable generation that can be placed on the system with billing offsets from wholesale power. As long as WCU and NRLP have renewable generation less than the limits as set out in their respective agreements, the renewable generation is a complete offset to the billing demand of their suppliers. Once those renewable limits are exceeded, the excess capacity (demand) for new renewable generating units is added back to the billing demand of the suppliers. Upon exceeding the renewable limits, the WCU and NRLP wholesale suppliers will then provide a credit to WCU and NRLP, respectively, of Duke's avoided cost rates as approved by this Commission. The reason that the renewable energy is added back to the billing demand is that each contract (WCU and NRLP) has a set amount of renewable capacity that can be used as an offset to the Duke billing demand. Any amount in excess of the stated contractual limits reduces the economic valuation of the contract and must, therefore, be added back to the billable demand to offset the loss in economic value. The power WCU and NRLP sell to their customers through their respective resale electric distribution systems is power that they purchase from other suppliers, Duke and Blue Ridge Electric Membership Corporation ("BREMCO"), respectively. Since WCU and NRLP do not generate any power, their respective avoided cost, in the context of cogeneration/small power production, is purchased power services from their respective suppliers.

Per an agreement with Duke, WCU can allow up to one (1) megawatt (MW) of Qualified Facility ("QF") power or renewable energy power as an offset to its annual billable demand. However, for cumulative WCU loads that exceed 1 MW, WCU will receive Duke's avoided cost.

Per an agreement with BREMCO, NRLP can allow up to its pro rata share of two (2) megawatts (MWs) of QF power or renewable energy power as an offset to its annual billable demand from BREMCO. However, for cumulative NRLP loads that exceed NRLP's prorata share of 2 MWs, NRLP will receive Duke's avoided cost. Currently, NRLP estimates that its prorata share of the 2 MW of QF power or renewable energy will be roughly 330 kW.

As for the new agreements between CPP and WCU and NRLP, any renewable power that WCU/NRLP are required to take under PURPA requirements are an offset to the billing demand up to the minimum billing demands as set out in the purchased power agreements.

Proposed Variable Rates

The wholesale rate that WCU and NRLP pays to its supplier varies by year. As a result, it is impractical to herein specify a single set of rates that WCU will pay Duke in 2021 and CPP in 2022 for power supply service over the next two years. The attached formulas, as found in Exhibit WCU-1 through WCU-3 encompass the avoided costs of WCU with respect to small power producers and cogenerators wishing to provide service at variable rates. The costs on which these WCU rates are based are the actual wholesale costs of power that WCU will avoid by not purchasing a like amount from its supplier, Duke, 2021 and from CPP, in 2022. To be specific, Exhibit WCU-1 sets out the formula to be used by WCU when calculating the credit to be paid to small power producers or cogenerators that wish to receive the demand credit and the total small power producing load is less than 1 MW. Exhibit WCU-2 provides the formula for aggregate WCU customer loads of less than 1 MW where the customer foregoes the demand credit. Exhibit WCU-3

establishes the formula for WCU customer loads where the aggregate small power load is in excess of 1 MW. In the case of loads in excess of 1 MW, all energy is priced at the Duke avoided cost rates as found in Schedule PP(NC). It is the intent of WCU to mirror the currently enforced PP(NC) for all loads in excess of 1 MW.

The deletion of the \$25.00 administrative service charge in Exhibit WCU-2 is in accordance with the Commission's April 12, 1985 Order where the Commission required WCU to eliminate the account servicing charge to a qualifying facility when such qualifying facility agrees to forego capacity credits. If the qualifying facility contracts to receive demand credit, a meter capable of reading hourly demands is required to accurately measure the demand supplied by the renewable/cogenerator power supplier during the interval in which Duke incurs a peak demand. The maintenance cost of electronic meters is greater than the cost of maintaining standard meters. In Docket No. E-100, Sub 41A, the Utilities Commission approved the use of an electronic meter to the extent that it is the same demand metering equipment required for other customers of WCU under similar operating conditions. If the monthly administrative charge is not set to cover all the costs associated with an account, the additional costs will have to be passed on to the other retail customers of the system. These additional costs would actually increase WCU's costs of providing service to its other retail customers as a result of WCU's purchase of power from a cogenerator or small power producer. If a cogenerator or small power producer is willing to forego a demand credit, WCU will forego the \$25 administrative fee since it will not have to pay demand credits. The decision as to whether or not to contract for demand credits is made solely by the cogenerator or small power producer. The \$8.25 monthly charge for meter reading and administrative overhead is based on a reasonable estimate of the monthly administrative charges of WCU.

Exhibit NRLP-1 presents the variable energy costs NRLP is proposing for acceptance by this Commission. Since the prorata share of the amount of power that NRLP can procure under the capped renewable energy limits in its contract with BREMCO is relatively small, NRLP is seeking approval to offer Duke Energy PP(NC) rates to all renewable

generators for all types of service. Exhibit NRLP-1 sets out the formula to be used by NRLP when calculating the credit to be paid to small power producers or cogenerators that wish to receive the variable energy rate. As stated above, NRLP will not recover the administrative charge as part of the cost recovery associated with either its variable or long-term contracts.

Long Term Fixed Project Rates

For long-term fixed price rates, WCU is proposing in this proceeding to track the Duke 5, 10, and 15-year long-term avoided cost rates approved by the Commission for connection to the NRLP distribution system. To be specific, WCU will offer long-term renewable energy rates that Duke offers to its own customers connected to its distribution system. At the present time, Duke offers 5, 10, and 15-year rates to non-hydroelectric generating units through its Schedule PP(NC). It is the intent of WCU to offer these same distribution-connected rates to its own customers through Schedules WCU PP(NC), which will be identical in respect to the corresponding Duke rate. These rate schedules can be found in Exhibit WCU-4

NRLP will also follow the Duke 5, 10, and 15-year Duke PP(NC) rates with the understanding that NRLP is not recovering the administrative charge associated with these rate schedules. These rates will be titled NRLP PP(NC) as found in Exhibit NRLP-1.

WCU and NRLP are distribution utilities that own no transmission lines. As a result, WCU and NRLP cannot offer any renewable generation rates for service delivered at transmission voltage because neither system has any transmission lines.

WCU and NRLP will account for the cost of the fixed-price long-term renewable generation rates in the same manner that it accounts for variable cost renewable generation costs. WCU and NRLP propose to include the cost of the fixed-price long-term renewable generation rates in the wholesale cost of power that they charge through their respective Purchased Power Adjustment (PPA). To be specific, any cost of

renewable generation, whether the cost is derived from a variable rate or a long-term fixed price rate, will be included in each Company's wholesale cost of power for bookkeeping purposes. For regulatory purposes, these renewable energy charges will be separated on each Company's annual PPA filing and included in the wholesale cost of power to be recovered from all customers.

Standard Contracts:

The standard contract used for a small generator when the total WCU small power load is less than 1 MW is attached hereto as Exhibit No. WCU-5 and entitled "Purchase Power Agreement for Aggregate WCU loads Totaling Less than One MW." The standard contract used to calculate the credits for a generator where the aggregate WCU load is greater than 1 MW is found in Exhibit WCU-6 and is entitled "Purchased Power Agreement for Aggregate WCU Loads totaling More than One MW."

The standard contract used for a small generator when the total NRLP small power load is less than NRLP's prorata share of 2 MWs is attached hereto as Exhibit No. NRLP-2 and entitled "Purchase Power Agreement for Renewable and PURPA Qualified Electric Generation."

By-All/Sell-All

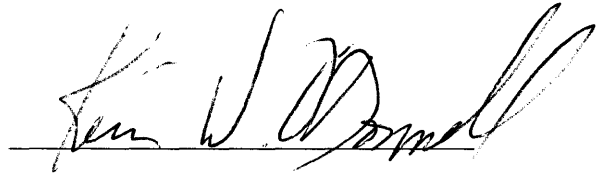
At the time of this filing, neither WCU nor NRLP offer net metering. All of our arrangements are buys-all/sell-all arrangements.

III. Status of QFs on WCU and NRLP System

WCU entered into one renewable energy contract with a qualified supplier on January 20, 1986. That supplier has offered no electricity for sale to WCU in over twenty years. In 2010, WCU entered into an agreement to allow a residential consumer to install a small rooftop solar application (8 kW) on his house. WCU has 3 solar customers.

NRLP is currently working with several renewable suppliers interested in placing renewable energy on its system.

Respectfully submitted this the 21st day of December 2020.

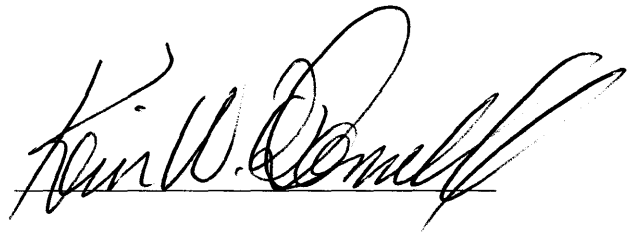
A handwritten signature in black ink, appearing to read "Ken W. Donald", is written over a horizontal line. The signature is cursive and somewhat stylized.

STATE OF NORTH CAROLINA)
COUNTY OF WAKE)

VERIFICATION

Kevin W. O'Donnell, being first duly sworn, deposes and says:

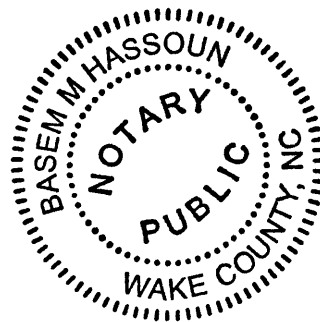
He is a consultant for Nova Energy Consultants, Inc. and he has read the foregoing Initial Statement and knows the contents thereof, that the same is true except as to the matters stated therein on information and belief, and as to those matters, he believes it to be true.



Sworn to and subscribed before me
This 22 day of December 2020



Notary Public



My Commission Expires: My Commission Expires 08/17/2025

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

Rate SPP DEMAND

$$\text{MPSS} = ((\text{CER} \times \text{CES})) - \$25.00$$

In June of each year through 2022, 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:

$$\text{True-Up} = (\text{PPAER} \times \text{PES}) + (\text{PPADR} \times \text{PDA})$$

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 in 2021 and CPP in 2022 and thereon.

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.

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

CDR = Current month Demand Rate per KW, as shown on the University's current bill from its supplier, Duke Energy Carolinas (DEC) in 2021 and CPP in 2022 and beyond.

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 Carolinas in June of each year for 2021. There is no true-up with CPP so the amount of PPAER credited in each month is the amount provided to the customer.

The above-stated true-up is applicable only through 2021 and will be trueed up in July 2022 as WCU's contract with DEC ends on Jan. 1, 2022. CPP does not have an annual true-up.

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. There is no true-up with CPP so the amount of PPADR credited in each month is the amount provided to the customer.

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.

MONTHLY 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 or the CPP wholesale cost of power will necessarily require a revision in the provisions of the above Schedule.

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

Rate SPP NO DEMAND

$$\text{MPSS} = (\text{CER} \times \text{CES}) - \$8.25$$

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:

$$\text{True-Up} = (\text{PPAER} \times \text{PES})$$

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. for 2021, and CPP for 2022 and beyond.

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

The above-stated true-up is applicable only through 2021 and will be trueed up in July 2022 as WCU's contract with DEC ends on Jan. 1, 2022. CPP does not have an annual true-up.

PPAER = Purchased Power Adjustment Energy Rate per KWH, as shown on annual workpapers provided by Duke Energy Company in June of each year.

PES = 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.

MONTHLY PAYMENT

Company shall pay Seller the sum of the Energy Credit reduced by a meter reading and billing charge of \$8.25.

Any changes in the Duke Energy wholesale cost of power or the CPP wholesale cost of power will necessarily require a revision in the provisions of the above Schedule.

WESTERN CAROLINA UNIVERSITY
SMALL POWER PRODUCTION SUPPLIER REIMBURSEMENT FORMULA
FOR TOTAL AGGREGATE LOADS FOR WCU OVER 1 MW SEEKING VARIABLE
RATES

For all renewable or PURPA-qualified loads in excess of a cumulative total of 1 MW on the WCU system, the university will adopt the then-current Duke Energy PP(NC) rates. The attached rates represent the Duke Energy PP(NC) rates in place at the time of the filing. If/when the PP(NC) rates change, the rates for small power production for WCU cumulative loads over 1 MW will correspondingly change as well.

WESTERN CAROLINA UNIVERSITY
SMALL POWER PRODUCTION SUPPLIER REIMBURSEMENT FORMULA
FOR TOTAL AGGREGATE LOADS FOR WCU OVER 1 MW SEEKING LONG-
TERM FIXED RATES

For all renewable or PURPA-qualified loads in which the renewable generator wishes to obtain fixed long-term rates, the university will adopt the then-current Duke Energy PP(NC) rates. The attached rates represent the Duke Energy PP(NC) rates in place at the time of the filing. If/when the PP(NC) rates change, the rates for small power production for WCU cumulative loads over 1 MW will correspondingly change as well.

PURCHASED POWER AGREEMENT FOR AGGREGATE WCU LOADS
TOTALLING LESS THAN ONE MW

THIS AGREEMENT executed in duplicate is made this _____ day of _____, 20___, by between WESTERN CAROLINA UNIVERSITY, Cullowhee, North Carolina (the "University"), a party of the first part, and _____ (the "Supplier"), party of the second part.

In consideration of the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby agree that, subject to the following conditions, the Supplier shall sell and deliver electric power to the University, and the University shall purchase, receive, use and pay for the same:

1. Service Requirements. The electric power to be delivered hereunder shall be made in Jackson County at or near Cullowhee, North Carolina at a delivery point described as follows: _____. The maximum amount of electric power to be delivered under this agreement under normal operating conditions shall be kilowatts.
2. MONTHLY PAYMENTS. University shall pay the Supplier the sum of the energy credit and the demand credit reduced by a charge of \$25 or \$8.25 (depending on the rate schedule under which service is provided) for meter reading, billing, and administrative overhead.
3. Energy Credit. The energy credit shall consist of the sum of the energy rate per KWH, as determined in Rates SPP DEMAND or SPP NO DEMAND, for all KWH purchased from the Supplier during the current billing period and the purchased power adjustment per KWH, if any, for all KWH purchased from the Supplier during the current billing period.

Demand Credit. The demand credit, if any, shall consist of the sum of the demand rate per KW, as found in Rates SPP DEMAND for the estimated KW output of the Supplier's generator in the 12-month billing period, and the purchased power adjustment per KW for the metered KW output of the Supplier's generator during the aforementioned 12-month billing period.

4. General Requirements for Parallel Generation Operation. The Supplier understands and agrees to comply with the General Requirements for Parallel Generator Operation which are attached hereto and incorporated by reference. The provisions stated therein become terms and conditions signed by the Supplier is attached hereto and incorporated by reference. In reliance upon the accuracy of the information stated therein, the University has agreed to enter into the Agreement. Therefore, if the information is not true, such shall constitute a

breach and the University's remedy shall be to cease all payments to Supplier and disconnect the small power production facility from the WCU grid.

5. **Contract Period.** The initial term of this agreement shall be for a period for five (5) years with automatic renewal each year thereafter. The University reserves the right to terminate the contract at any time upon written notice to the Supplier in the event that the Supplier violates any of the terms or conditions of this agreement or operates his generation facilities in a manner which is detrimental to the University or any of its customers. Supplier may terminate the contract on thirty (30) days written notice to the University. In the event of early termination of a contract, the Supplier will be required to pay to the University to purchase power from Supplier at times when such power is not required on University's system or when such purchase would detrimentally impact the University's other customers.

6. **Assignability.** The parties agree that this contract is not assignable.

IN WITNESS WHEREOF, on the day and year first above written, the parties hereto have caused their names to be hereunto subscribed.

SUPPLIER

WESTERN CAROLINA UNIVERSITY

PURCHASED POWER AGREEMENT FOR AGGREGATE WCU LOADS
TOTALLING MORE THAN ONE MW

THIS AGREEMENT executed in duplicate is made this day of _____, 20___, by and between WESTERN CAROLINA UNIVERSITY, Cullowhee, North Carolina (the "University"), party of the first part and _____ ("Supplier"), party of the second part.

In consideration of the mutual covenants herein contained, the parties hereto, for themselves only, do hereby agree that, subject to the following conditions, the Supplier shall sell and deliver electric power to the University, and the University shall purchase, receive, use and pay for the same:

1. Service Requirements. The electric power to be delivered hereunder shall be generated in the University's electric service area in Jackson County at or near Cullowhee, North Carolina at a delivery point described as follows:

The maximum amount of electric power to be delivered under this agreement under normal operation conditions shall be _____ kilowatts.

2. MONTHLY PAYMENT. University shall pay the Supplier the sum of the energy recorded during the on-peak and off-peak times as listed in the Duke Energy Schedules PP-N and PP-H times the rate as found in the corresponding term length as found in Schedule PP-N and PP-H.
3. General Requirements for Parallel Generation Operation. The Supplier understands and agrees to comply with the General Requirements for Parallel Generator Operation which are attached hereto and incorporated by reference. The provisions stated therein become terms and conditions of this agreement. Additionally, the Application for Parallel Operation completed and signed by the Supplier is attached hereto and incorporated by reference. In reliance upon the accuracy of the information stated therein, the University has agreed to enter into the Agreement. Therefore, if the information is not true, such shall constitute a breach of this agreement and the University's remedy shall be to cease all payments to Supplier and disconnect the small power production facility from the WCU grid. The Supplier agrees to allow the University, its employees or agents to enter upon Supplier's property at any time to conduct inspections of the Supplier's generation equipment and interconnection equipment.
4. Contract Period. The initial term of this agreement shall be dependent on the contract service term as chosen by the renewable energy supplier but, at no point,

will be for a term longer than specified in the Duke Energy Schedules PP-N and PP-H. This agreement will remain in place until replaced by a new contract or termination by the University or Supplier. The University reserves the right to terminate the contract at any time upon written notice to the Supplier in the event that the Supplier violates any of the terms or conditions of this agreement or operates his generation facilities in a manner which is detrimental to the University or any of its customers or if the University sells the off-campus electric distribution system. Supplier may terminate the contract on thirty (30) days written notice to the University. In the event of early termination of a contract, the Supplier will be required to pay to the University all costs occasioned by such early cancellation. Nothing in this agreement shall be construed to require the University to purchase power from the Supplier at times when such power is not required on University's system or when such purchase would detrimentally impact the University's other customers.

5. Assignability. The parties agree that this contract is not assignable.

IN WITNESS WHEREOF, on the day and year first above written, the Parties hereto have caused their names to be thereunto subscribed.

SUPPLIER

WESTERN CAROLINA UNIVERSITY

EXHIBIT NRLP-1

NEW RIVER LIGHT AND POWER SMALL POWER
PRODUCTION SUPPLIER REIMBURSEMENT FORMULA
SCHEDULE NRLP PP(NC)

For all renewable or PURPA-qualified loads, NRLP will adopt the then-current Duke Energy PP(NC) rates but NRLP will not charge the administrative charge associated with the rate. The attached Schedule NRLP PP(NC) represents the Duke Energy PP(NC) rates in place at the time of the filing without the administrative charge. If/when the PP(NC) rates change, the rates for small power production for NRLP will change as well.

PURCHASED POWER AGREEMENT FOR RENEWABLE ENERGY
OR PURPA-QUALIFIED ELECTRIC GENERATION

THIS AGREEMENT executed in duplicate is made this day of _____, 20___, by and between NEW RIVER LIGHT AND POWER, Boone, North Carolina (the "Company"), party of the first part and ("Supplier"), party of the second part.

In consideration of the mutual covenants herein contained, the parties hereto, for themselves only, do hereby agree that, subject to the following conditions, the Supplier shall sell and deliver electric power to the Company, and the Company shall purchase, receive, use and pay for the same:

1. Service Requirements. The electric power to be delivered hereunder shall be generated in the Company's electric service area in or near Boone, North Carolina at a delivery point described as follows:

The maximum amount of electric power to be delivered under this agreement under normal operation conditions shall be ___ kilowatts.

2. MONTHLY PAYMENT. Company shall pay the Supplier the sum of the energy recorded during the on-peak and off-peak times as listed in the Duke Energy Schedules PP-N and PP-H times the rate as found in the corresponding term length as found in Schedule PP-N and PP-H. NRLP agrees not to charge Supplier the Administrative Charge associated with either Duke Schedule PP(NC).
3. General Requirements for Parallel Generation Operation. The Supplier understands and agrees to comply with the General Requirements for Parallel Generator Operation which are attached hereto and incorporated by reference. The provisions stated therein become terms and conditions of this agreement. Additionally, the Application for Parallel Operation completed and signed by the Supplier is attached hereto and incorporated by reference. In reliance upon the accuracy of the information stated therein, the Company has agreed to enter into the Agreement. Therefore, if the information is not true, such shall constitute a breach of this agreement and the Company's remedy shall be to cease all payments to Supplier and disconnect the small power production facility from the NRLP grid. The Supplier agrees to allow the Company, its employees or agents to enter upon Supplier's property at any time to conduct inspections of the Supplier's generation equipment and interconnection equipment.
4. Contract Period. The initial term of this agreement shall be dependent on the contract service term as chosen by the renewable energy supplier but, at no point, will be for a term longer than specified in the Duke Energy Schedules PP (NC).

This agreement will remain in place until replaced by a new contract or termination by the Company or Supplier. The Company reserves the right to terminate the contract at any time upon written notice to the Supplier in the event that the Supplier violates any of the terms or conditions of this agreement or operates his generation facilities in a manner which is detrimental to the Company or any of its customers or if the Company sells the off-campus electric distribution system. Supplier may terminate the contract on thirty (30) days written notice to the Company. In the event of early termination of a contract, the Supplier will be required to pay to the Company all costs occasioned by such early cancellation. Nothing in this agreement shall be construed to require the Company to purchase power from the Supplier at times when such power is not required on Company's system or when such purchase would detrimentally impact the Company's other customers.

5. Assignability. The parties agree that this contract is not assignable.

IN WITNESS WHEREOF, on the day and year first above written, the Parties hereto have caused their names to be thereunto subscribed.

SUPPLIER

NEW RIVER LIGHT AND POWER