

Grant, Lakisha

From: Michael R.Koser
Sent: Wednesday, February 14, 2024 4:32 PM
To: Statements
Subject: Statement of Position Submitted by Michael R. Koser

Statement of Position Submitted

Name

Michael R. Koser

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Docket

W-1259 Sub 5 and W-1328 Sug 6

Message

February 14, 2024 170 Heatherwood Drive Winston Salem, NC 27107 Mr. Christopher J. Ayers, Executive Director, Public Staff 4326 Mail Service Center Raleigh, NC 27699-4300 Subject: Docket No. W-1259, SUB 5 Docket No. W-1328, SUB 6 Mr. Ayers, I am writing to protest the unreasonably short amount of time that has been provided for public input into this application for Transfer of Public Utility Franchise of the wastewater utility system serving the Meadowlands Subdivision. As a resident of the Meadowlands Subdivision and therefore a customer affected by this action, I am greatly disappointed that this kind of proceeding, with such a major impact on us and any homeowner in a similar situation, could be allowed to be carried out with so little consideration of us the public. I fully understand that recent legislation may be behind the expedited scheduling of these matters, so that this may not be completely the Commission's fault, but the public should be given more consideration to allow them to participate in such a significant process. In addition to the issue of time constraints and no option or time for public education on the matter, my objections to what I have seen in the docket documents are to costs and service and are provided below: 1. Since the system has been fully depreciated by the current owner to a book value of \$0, (see February 8, 2024, testimony of Josia Cox to the North Carolina Utilities Commission) I oppose any rate capture of any premium purchase price that will be paid by Red Bird to acquire the system. 2. I would oppose the consolidation of the Meadowlands Subdivision with other systems for the basis of consolidating rates (see page 30 line 11 and 12 of February 8, 2024, testimony of Josia Cox to the North Carolina Utilities Commission) unless it would reduce future Meadowlands costs and lower the rates charged to Meadowlands system customers. 3. I oppose the anticipated rate recovery by Red Bird for due diligence costs presented on Exhibit 5 and discussed on page 30, 31 and 32 in the February 8, 2024, testimony of Josia Cox to the North Carolina Utilities Commission. It is my observation that their costs have been heavily inflated, mostly due to a lack of knowledge of North Carolina law and process and because they were not qualified for providing these services in North

Carolina until recently. This has resulted in their application being processed for over 3 plus years. An added cost that should not be a consumer burden is the cost of changing legal counsel during the process. 4. Based on the operating budget presented by Red Bird on August 2, 2021, their plan at that time was to increase the sewer rates from \$45.13 to \$92.46. I question how they are willing to now commit to holding the current rates for "approximately 33 months post-acquisition" and sacrifice the almost \$400,000 profit that the \$92.46 rate was shown to provide them during that time. 5. My last concern is with level of service and emergency response. There is no indication in the docket materials indicating who will be providing the O&M and emergency response services which Red Bird indicates will be a "local, non-affiliated third-party". The prevention of sanitary sewer overflows that could occur from pump failure, pipe blockage, or other issues will be completely dependent on the competency and reliability of this contractor. Thank you for your consideration in this very important matter. Sincerely, Michael R. Koser