



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

January 9, 2024

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket Nos. W-1259, Sub 5 and W-1328, Sub 6 – Application for Transfer of Public Utility Franchise from Meadowlands Development, LLC, to Red Bird Water and for Approval of Rates

Dear Ms. Dunston:

On October 9, 2020, as amended October 21, 2020, Meadowlands Development, LLC (Meadowlands), and Red Bird Utility Operating Company, LLC d/b/a Red Bird Water (Red Bird) filed a joint application for approval of transfer of the assets of the wastewater utility systems serving the Meadowlands subdivision in Davidson County, North Carolina, from Meadowlands to Red Bird and approval of rates (Application). Red Bird filed with the Commission supplemental and additional materials in support the Application on July 12 and August 2, 2021; December 7, 2022; and June 15, August 17, and December 15, 2023.

On December 29, 2023, the Public Staff filed a letter with the Commission opining that the Application was complete as of December 15, 2023.

On January 2, 2024, the Commission issued its Order Finding Application Complete and Requiring the Public Staff to Provide Specific Application Data (Order). The Order required the Public Staff to provide the Commission, within five business days, certain application data as provided in the following five enumerated paragraphs. In response thereto, the Public Staff provides as follows:

1. The number and type of customers currently served by Meadowlands;

Response: Meadowlands currently serves 558 residential flat rate sewer customers.

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(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
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Energy
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Legal
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2. The rates currently being charged to customers, including the docket number in which the current rates were approved by the Commission and the effective date for the current rates;

Response: In Docket Nos. W-1259, Sub 4 and M-100, Sub 138, the Commission approved a flat rate of \$45.31 per customer per month, which was effective April 2, 2015.

3. The proposed rates Red Bird seeks to charge if the Commission approves the transfer of the utility assets from Meadowlands to Red Bird;

Response: Red Bird does not propose to change rates until its first rate case.

4. If an increase in rates is proposed, provide the impact on the average monthly residential sewer bill under the proposed rates compared to current rates. For metered rates, indicate the average monthly usage used in your calculations; and

Response: Red Bird does not seek a rate increase.

5. Briefly summarize any pertinent points from the application such as a description of any planned capital improvements, the related dollar amounts, the estimated total impact on annual revenue requirement, and the estimated impact on the average monthly residential sewer bill.

Response: [BEGIN CONFIDENTIAL]

[END CONFIDENTIAL] and per Attachment L.1., the cost estimated system improvements (installation of remote monitoring at three lift stations, repairment of a valve vault, and installation of heating element in pump control panel) is \$33,000.

Based on Red Bird's estimated costs for improvements and due diligence costs, and the purchase price of the Meadowlands Development wastewater utility system, the approximate annual revenue requirement associated with the capital expenditure is \$74,325 or \$11.10 per customer per month for 25 years, subject to true-up.

If you have any questions, please do not hesitate to contact me.

Sincerely,
Electronically submitted
/s/ James Bernier, Jr.
Staff Attorney
James.Bernier@psncuc.nc.gov