



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

January 12, 2024

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

Re: Docket No. W-1328, Sub 11 – Application by Red Bird Utility Operating Company, LLC d/b/a Red Bird Water for a Certificate of Public Convenience and Necessity and for Approval of Rates for Pine Mountain Lakes

Dear Ms. Dunston:

On September 30, 2021, Red Bird Utility Operating Company, LLC, d/b/a Red Bird Water (Red Bird) filed with the Commission an Application for a Certificate of Public Convenience and Necessity (Application) seeking to provide water and sewer utility service to Pine Mountain Lakes subdivision in Burke County, North Carolina and approval of rates. Red Bird filed with the Commission supplemental and additional materials in support of the Application on November 3, 2021, and February 3, October 19, and December 15, 2023.

On January 3, 2024, the Public Staff filed a letter with the Commission opining that the Application was complete as of December 15, 2023.

On January 5, 2024, the Commission issued its Order Finding Application Complete and Requiring the Public Staff to Provide Specific Application Data (Order). The Order requires 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 to be served by Red Bird;

Response: 95 Residential, flat rate water and 2 commercial flat rate water customers and 34 sewer customers.

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

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

Response: Pine Mountain Lakes is not currently regulated by the Commission. The water and sewer utility systems are currently owned and operated by the property owners association (POA). Current POA rates are:

- Residential water flat-rate per month: \$35.56;
- Commercial water flat-rate per month: \$400;
- Sewer rate: \$27.72 per toilet per month.

3. The proposed rates Red Bird seeks to charge if the Commission approves the issuance of a CPCN to Red Bird for the provision of water and sewer service to the Pine Mountain Lakes subdivision;

Response: Red Bird does not propose changing rates until the first rate case.

4. If an increase in rates is proposed, provide the impact on the average monthly residential water and 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 average monthly residential water and sewer bill.

Response: Per Attachment D to the Application **[Begin Confidential]**



[End Confidential]

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Based on Red Bird's estimated costs for these improvements, due diligence costs, and the purchase price of the Pine Mountain Lakes water and wastewater utility systems, the approximate annual revenue requirement associated with the capital expenditure is \$188,431 or \$119.87 per customer (with a total of 131 customers) 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