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October 10, 2023

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Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, North Carolina

Re: Transfer of Crosby Utilities, Inc. to Red Bird Utility Operating Company, LLC, d/b/a
Red Bird, Docket Nos.: W-992, Sub 8 and W-1328, Sub 9

Dear Ms. Dunston:

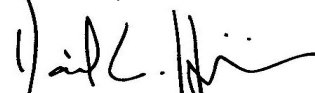
Enclosed find the Certificate of Service executed on behalf of Red Bird reflecting service of the Order Approving Stipulation, Approving Bond, Approving Transfer And Rates, and Requiring Customer Notice as required by that Order.

Please contact me if you or the Commission have any questions regarding this filing.

With best regards, we remain

Sincerely yours,

BURNS, DAY & PRESNELL, P.A.



Daniel C. Higgins

Email: dhiggins@bdppa.com

cc: Public Staff
Red Bird

CERTIFICATE OF SERVICE

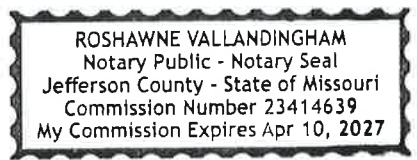
I, Aaron Silas, mailed with sufficient postage or hand delivered to all affected customers copies of the attached Order and Appendix B issued by the North Carolina Utilities Commission in Docket Nos. W-992, Sub 8 and W-1328, Sub 9, and the Order and Appendix B were mailed or hand delivered by the date specified in the Order.

This the 9th day of October, 2023.

By: [Signature]
Signature
Red Bird UOC
Name of Utility Company

The above named Applicant, Aaron Silas, personally appeared before me this day and, being first duly sworn, says that the required Order and Appendix B were mailed or hand delivered to all affected customers, as required by the Commission Order dated 8-29-2023 in Docket Nos. W-992, Sub 8 and W-1328, Sub 9.

Witness my hand and notarial seal, this the 9th day of October, 2023.



Rosshawne Vallandingham
Notary Public
1630 Des Peres Rd., STE 140
Des Peres, MO 63131
Address

(SEAL) My Commission Expires: April 10, 2027
Date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-992, SUB 8
DOCKET NO. W-1328, SUB 9

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Red Bird Utility Operating Company, LLC, and Crosby Utilities, Inc., for Authority to Transfer the Baywood Forest Subdivision Water and Wastewater Utility Systems and the Cottonwood Subdivision Wastewater Utility System and Public Utility Franchise in Wake County, North Carolina, and for Approval of Rates)	ORDER APPROVING STIPULATION, APPROVING BOND, APPROVING TRANSFER AND RATES, AND REQUIRING CUSTOMER NOTICE

BY THE COMMISSION: On October 22, 2020, Red Bird Utility Operating Company, LLC (Red Bird or Company), and Crosby Utilities, Inc. (Crosby), filed a joint application for authority to transfer the assets of the water and wastewater utility system serving the Baywood Forest Subdivision, the wastewater utility system serving the Cottonwood Subdivision, and the public utility franchise serving all of Crosby's service areas in Wake County, North Carolina, from Crosby to Red Bird and for approval of rates (Application). Red Bird filed with the Commission supplemental and additional materials in support of the Application on May 27, May 28, and October 8, 2021; June 14 and July 18, 2022; and February 2, 2023.

On September 22, 2022, the Commission issued its Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice (Scheduling Order) setting this matter for a public witness hearing on January 23, 2023, and an expert witness hearing on April 4, 2023. The Notice to Customers attached to the Scheduling Order as Appendix A stated that the public witness hearing was subject to cancellation if no significant customer protests were received by January 9, 2023.

On October 3, 2022, Red Bird filed a certificate of service stating that the Notice to Customers was mailed or hand delivered to all affected customers by the date specified in the Scheduling Order.

Due to lack of significant customer protest, on January 11, 2023, the Public Staff filed a Motion for Order Canceling Public Witness Hearing and Requiring Customer Notice.

On January 17, 2023, the Commission issued an Order Canceling Public Witness Hearing and Requiring Customer Notice.

On January 19, 2023, Red Bird filed a certificate of service stating that the Notice to Customers required by the January 17, 2023 Order was mailed or hand delivered by the date specified in the Order.

After the filing of Red Bird's Application in this docket, the Public Staff engaged in substantial discovery of Red Bird regarding the matters addressed by the Company's Application and the supplemental and additional materials filed by Red Bird in support of the Application.

On February 2, 2023, Red Bird filed the direct testimony of Josiah Cox, President of Red Bird and CSWR, LLC (CSWR), a Missouri limited liability company formed to provide managerial, technical, and financial support to its utility operating affiliates, including Red Bird.

On February 23, 2023, the Public Staff filed the testimony of D. Michael Franklin, Public Utilities Engineer with the Public Staff's Water, Sewer, and Telephone Division, and the testimony and exhibits of Lynn Feasel, Financial Manager of the Water, Sewer, and Telecommunications Sections with the Accounting Division.

On March 15, 2023, Red Bird filed the rebuttal testimony of Josiah Cox and Brent Thies, Vice President and Corporate Controller for CSWR.

On March 30, 2023, the Public Staff and Red Bird filed a Joint Motion to Cancel Evidentiary Hearing, wherein the parties stated that they had reached a settlement resolving all the disputed issues in this matter.

On March 31, 2023, Red Bird and the Public Staff (collectively, the Stipulating Parties) filed a Settlement Agreement and Stipulation (Stipulation) setting forth their agreement on settlement.

On April 3, 2023, the Commission issued an Order Excusing Witnesses, Accepting Testimony, Canceling Expert Witness Hearing, and Requiring Proposed Orders. In that Order, the Commission found good cause to receive into evidence the witnesses' prefiled testimony and exhibits and the Stipulation.

Based upon the foregoing, including the Application and the testimony and exhibits of the expert witnesses received into evidence, the Stipulation, prior dockets regarding Crosby, and the entire record in this proceeding, the Commission makes the following

FINDINGS OF FACT

1. Crosby serves the Baywood Forest and Cottonwood Subdivisions pursuant to the Certificate of Public Convenience and Necessity (CPCN) issued to it in Docket No. W-992, Sub 0.

2. Crosby operates its water system as North Carolina Department of Environmental Quality (NCDEQ), Division of Water Resources System No. NC0392218, and Crosby's wastewater system is operated under NCDEQ permits NC0065706 for the wastewater treatment plant (WWTP) and WQCSD0542 for the collection system.

3. Crosby's service area is located near the Town of Knightdale in Wake County. Crosby's water service area consists of the developed parcels covering 37.8 acres in the Baywood Forest Subdivision providing potable water for approximately 210 customers. Crosby's wastewater service area includes the developed parcels in the Baywood Forest Subdivision as well as the developed parcels in the Cottonwood Subdivision for a total wastewater collection service area of 54.8 acres. Crosby serves approximately 290 wastewater service customers.

4. On September 18, 2019, Crosby and Central States Water Resources, Inc. (CSWR, Inc.), a Red Bird affiliate, entered into an Agreement for Sale of Utility System (APA) whereby, subject to Commission approval, CSWR, Inc. agreed to acquire the utility assets, land, easements, customers, and service areas of Crosby described in the APA. On October 16, 2020, CSWR, Inc. executed an amendment to the APA whereby it assigned its rights under the APA to Red Bird. The APA is a confidential attachment to the Application.

5. Red Bird seeks Commission approval to acquire the Crosby water and wastewater utility systems and public utility franchise.

6. Red Bird is a North Carolina limited liability company in good standing. Red Bird is a wholly owned subsidiary of its sole member, Red Bird Utility Holding Company, LLC (RBUH), which is also a North Carolina limited liability company in good standing. RBUH is a wholly owned subsidiary of its sole member, North Carolina Central States Water Resources, LLC, which is also a North Carolina limited liability company in good standing and a wholly owned subsidiary of CSWR.

7. Red Bird presently holds two utility franchises in North Carolina. On December 8, 2021, in Docket No. W-1328, Sub 7, the Commission issued an order granting Red Bird a wastewater utility franchise for the Ocean Terrace and Pine Knoll Townes I, II, and III townhome communities in Carteret County, North Carolina. On February 7, 2023, in Docket Nos. W-1328, Sub 4, and W-1040, Sub 10, the Commission issued an order approving the transfer of the Bear Den Acres Development water system and issuing a franchise to Red Bird for that system.

In addition to the two systems for which Red Bird has been granted franchises in North Carolina, Red Bird's indirect corporate parent, CSWR, has acquired and currently operates over 800 water or wastewater utility systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, Tennessee, Mississippi, Arizona, Florida, and South Carolina, providing utility service to more than 200,000 wastewater customers and over 130,000 water customers.

8. Upon acquisition of the Crosby systems, Red Bird plans to make capital improvements. At this point, Red Bird estimates that the cost of the improvements to the Crosby systems will be approximately \$262,300, consisting of (a) approximately \$160,300 for work on the wastewater system and (b) approximately \$102,000 for the work on the water production system.

9. Crosby's presently approved monthly rates pursuant to the Commission's order issued on December 7, 2016, in Docket Nos. W-992, Sub 7 and M-100, Sub 138, which Red Bird proposes to adopt, and which are uncontested by the Public Staff, are as follows:

<u>Monthly Metered Residential Water Service:</u>	<u>Present and Proposed</u>
Base Charge, zero usage	\$9.60
Usage Charge, per 1,000 gallons	\$1.92
<u>Monthly Flat Rate for Wastewater Service:</u>	\$44.03
<u>Reconnection Charge:</u>	
If water service is cut off by utility for good cause	\$33.57
If water service is discontinued at customer's request	\$33.57
If wastewater service is cut off by utility for good cause by any method other than above	Actual cost
Returned Check Charge	\$23.99
Finance Charge for Late Payment	1% per month

10. As supplemented, Red Bird has filed all required exhibits with its Application.

11. The Stipulation filed by the Stipulating Parties in these dockets resolved all contested issues related to the transfer of the Crosby systems to Red Bird, except for the issue identified in f. below. The terms of the Stipulation are as follows:

- a. Red Bird agrees to post a bond in the amount of \$100,000 for the Crosby service areas on or before April 28, 2023.
- b. The transfer of the Crosby systems to Red Bird should be approved.

- c. Red Bird agrees not to pursue an acquisition adjustment related to the Crosby systems in this or any future proceeding.
- d. The Stipulating Parties agree that rate base for the Crosby systems should be \$188,801, plus up to \$10,000 for closing costs. The actual amount of the closing costs should be determined in Red Bird's next general rate case.
- e. The Stipulating Parties agree that Red Bird may request recovery of the remaining costs associated with the transfer of the Crosby systems to Red Bird up to \$80,000 for engineering due diligence work in its next general rate case, provided that the resulting work results in reasonable and prudent capital investments to improve the Crosby systems. Any portion of the \$80,000 associated with reasonable and prudent improvements should be included as utility plant in service in the Company's next general rate case filed after the improvements become used and useful in providing service.
- f. The Stipulating Parties agree that there is an open issue regarding amortization of contribution in aid of construction (CIAC) balances used by the Public Staff in calculating Crosby's rate base, which CIAC is related to infrastructure contributed to Crosby in or around 1992. The Stipulating Parties anticipate that they will resolve this issue through consultations between accounting personnel, and they agree that in its first rate case, Red Bird shall have the opportunity to investigate and determine the correct CIAC balance and to seek an adjustment to rate base that reflects the proper amortization or evaluation of the CIAC balance from 2008 to Red Bird's closing date on the Crosby systems.
- g. Red Bird agrees not to seek recovery of any additional costs associated with the transfer, including due diligence, transactional, and regulatory costs, other than those listed in paragraphs d, e, and f above.

12. The Stipulation is the product of give-and-take in settlement negotiations between the Public Staff and Red Bird, is material evidence in this proceeding, and is entitled to be given appropriate weight in this case, along with other evidence from the Company and the Public Staff.

13. On April 28, 2023, Red Bird posted the \$100,000 bond agreed to in the Stipulation and filed the appropriate bond documents. All filing requirements for a bond secured by a commercial surety have been met.

14. Red Bird has the technical, managerial, and financial capacity to own and operate the Crosby water and wastewater systems.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 1

This finding is based on the Commission's records in Docket No. W-992, Sub 0, wherein the Commission issued a CPCN to Crosby for its water and wastewater utility systems serving the Baywood Forest and Cottonwood Subdivisions and is uncontested.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 2

This finding is based on the testimony of Public Staff witness Franklin and the Commission's records in these and other dockets relating to Crosby and is uncontested.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 3

This finding is based on the Commission's records in these and other dockets related to Crosby and the testimony of Red Bird witness Cox and Public Staff witness Franklin and is uncontested.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 4

This finding is based on filings in these dockets, including the Agreement for Sale of Utility System with Crosby dated September 18, 2019, and the First Amendment to that Agreement, which is dated October 16, 2020, whereby CSWR, Inc., assigned its rights under the Agreement for Sale of Utility System to Red Bird as the buyer.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 5

This finding is based on the Application in the present dockets; the Commission's records in Docket No. W-992, Sub 0, wherein the Commission issued a CPCN to Crosby for its water and wastewater utility systems serving the Baywood Forest and Cottonwood Subdivisions; and the testimony of Red Bird witness Cox and is uncontested.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 6

The evidence for this finding of fact is contained in Attachment K of the Application, which includes the "Central States Water Resources Corporate Entity Organizational Chart" showing the corporate structure of Red Bird and its Affiliates. This finding is also based on the supplemental filings made by Red Bird in these dockets on June 14, 2022, of Certificates of Good Standing from the North Carolina Secretary of State as to Red Bird; as to its sole member, RBUH; and as to RBUH's sole member, North Carolina Central States Water Resources, LLC.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 7

This finding is based on the Commission's records in Docket Nos. W-1328, Sub 7; W-1328, Sub 4; and W-1040, Sub 10; and in the Commission's Order Accepting and

Approving Bond, Granting Franchise, Approving Rates, and Requiring Customer Notice issued in each of these dockets.

This finding is also based on the direct testimony of Red Bird witness Cox that CSWR's operating subsidiaries have acquired and operate over 800 water and/or wastewater utility systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, Tennessee, Mississippi, North Carolina, Arizona, Florida, and South Carolina. See Cox Direct Testimony at 3-4 and Cox Rebuttal Testimony at 25, and 31-32.

This finding is also based on the testimony of Public Staff witness Franklin that Red Bird has the financial, technical, and managerial ability to own and operate the Baywood Forest water and wastewater and Cottonwood wastewater systems. See Franklin Testimony at 9.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 8

The evidence for this finding is found in the Application and supplemental supporting materials filed by Red Bird as well as the testimony of Red Bird witness Cox and Public Staff witness Franklin. Witness Cox testified regarding the deficiencies and needs of the Crosby systems identified by McGill Associates, Red Bird's North Carolina consulting engineers. Witness Cox testified that McGill's revised recommendations for the initial work on the Crosby systems was as follows:

(a) For the water system:

- Replace 10 HP pump, install monitoring at Well 2
- Replace 15 HP pump, install monitoring at Well 3
- Upgrade Well Controls for Automatic Alternation
- Clean, repair, and repaint 10,000-gallon tank

(b) For the wastewater system:

- Purchase and install 30 kW Portable Diesel Generator for Use at Lift Station 2
- Purchase and install 40 kW Standby Generator at Lift Station 1
- Replace Pump Guide Rails at Lift Station 1
- Replace Valve Vault Drain at Lift Station 1
- Install Hoist for Trash Basket Retrieval
- Replace Aeration and Sludge Holding Tank Diffusers and Drop Pipes
- Replace Electrical Equipment at Flow Equalization Tank
- Partially Rehabilitate and Recoat Main Aeration Tank

See Cox Direct Testimony at 22-24.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 9

Because Red Bird proposes to adopt Crosby's existing rates approved pursuant to the Commission's Order issued on December 7, 2016, in Docket Nos. W-992, Sub 7 and M-100, Sub 138, this finding is based on the Commission's records in prior Crosby dockets and is uncontested. As reflected in the Application, the direct testimony of Red

Bird witness Cox, and the testimony of Public Staff witness Franklin, Red Bird proposes to adopt Crosby's existing rates and is not seeking a rate increase in connection with the request for approval of the transfer of the Crosby systems to Red Bird.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 10

This finding is procedural, is uncontested, and is based on the record in these dockets.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 11 AND 12

These findings are based on the Stipulation entered into by the Stipulating Parties and filed with the Commission on March 31, 2023, in these dockets as well as the records in the instant dockets.

Red Bird and the Public Staff are the only parties to this proceeding, and the Stipulation resolves all issues between the Stipulating Parties in this proceeding, with the exception of the open issue regarding amortization of CIAC balances used by the Public Staff in calculating Crosby's rate base. The Stipulating Parties anticipate resolving this issue through consultations between accounting personnel and agree that Red Bird shall have the opportunity in its first rate case to investigate and determine the correct CIAC balance and to seek an adjustment to rate base that reflects the proper amortization or evaluation of the CIAC balance from 2008 to Red Bird's closing date on the Crosby systems.

Based upon the foregoing and the entire record herein, the Commission finds that the Stipulation represents a negotiated settlement of all issues in this proceeding, with the exception of the CIAC issue noted above, and that the provisions agreed to by the Stipulating Parties are reasonable and appropriate for the purpose of this proceeding. In making this finding, the Commission gives substantial weight to the testimony of Public Staff witness Franklin and Red Bird witness Cox and recognizes that the Stipulation is a product of arm's length negotiations involving give and take between the parties. The Commission notes that as part of the Stipulating Parties' agreement, Red Bird agrees not to seek recovery of any additional costs associated with the transfer, including due diligence, transactional, and regulatory costs, other than those listed in Paragraphs II.D., E., and F. of the Stipulation.

The Commission finds that based on the record as a whole, the terms of the Stipulation are just and reasonable to both Red Bird and its future customers on the Crosby systems. In addition, the Commission finds that the provisions of the Stipulation are just and reasonable to all parties to this proceeding and serve the public interest and that it is appropriate to approve the Stipulation in its entirety.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 13

This finding is based on Red Bird's April 28, 2023, bond filing in the amount of \$100,000 as agreed to in the Stipulation. All filing requirements of the bond posted by Red Bird have been met, and this filing is uncontested.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 14

The evidence supporting this finding of fact is found in Red Bird's Application and supplemental filings, the testimony of Red Bird witness Cox and Public Staff witness Franklin, and the entire record in this proceeding. These findings are informational, procedural, and jurisdictional in nature and are not contested by any party.

The Stipulation reflects the Public Staff's agreement that Red Bird has the technical, managerial, and financial capacity to provide water and wastewater utility service in the Crosby service area. Likewise, the Commission previously found in Docket No. W-1328, Sub 7 that Red Bird has the technical, managerial, and financial capacity to be granted a wastewater utility franchise authorizing it to serve the Ocean Terrace and Pine Knoll Townes I, II, and III townhome communities in Carteret County. Further, the Commission also found in Dockets Nos. W-1328, Sub 4 and W-1040, Sub 10 that Red Bird has the technical, managerial, and financial capacity to be granted a water utility franchise authorizing it to serve the Bear Den Acres Development in McDowell County.

As established by the testimony of Red Bird witness Cox, CSWR has acquired and currently operates through various operating subsidiaries over 800 water or wastewater utility systems in ten other states and currently provides service to approximately 200,000 wastewater customers and 130,000 water customers. There is adequate and sufficient evidence that Red Bird has the technical, managerial, and financial capacity to own and operate the Baywood Forest water and Cottonwood wastewater systems.

CONCLUSIONS

Based on all the evidence in the record, the provisions of the Stipulation are just and reasonable to the Crosby customers and to all parties to this proceeding and serve the public interest. Therefore, the Stipulation should be approved in its entirety.

The Commission therefore approves the Stipulation and (1) concludes that Red Bird's adoption of Crosby's existing rates should be approved; (2) finds that the \$100,000 bond filed by Red Bird for the Crosby service areas should be accepted and approved; (3) determines that Red Bird should provide written notification to the Commission within 30 days from the date of this Order that closing of the sale of the Crosby utility systems has been completed; (4) finds that upon receipt of such written notification Red Bird should be granted a CPCN to provide water and wastewater utility service to the Crosby service areas; and (5) determines that Red Bird should provide notice to customers that the franchise has been granted and of the approved rates.

IT IS, THEREFORE, ORDERED as follows:

1. That Crosby is hereby authorized to transfer its water utility system serving the Baywood Forest Subdivision and its wastewater utility system serving the Baywood Forest and Cottonwood Subdivisions in Wake County, North Carolina to Red Bird;

2. That the Stipulation between the Public Staff and Red Bird is hereby approved in its entirety;

3. That Red Bird shall comply with all terms of the Stipulation filed in this docket;

4. That the rate base for the Crosby systems shall be \$188,801, plus up to \$10,000 for closing costs. The actual amount of the closing costs should be determined in Red Bird's next general rate case relating to Baywood Forest and Cottonwood Subdivisions. Red Bird may request recovery of the remaining costs associated with the transfer of the Crosby systems to Red Bird up to \$80,000 for engineering due diligence work in its next general rate case relating to Baywood Forest and Cottonwood Subdivisions, provided that the resulting work results in reasonable and prudent capital investments to improve the Crosby systems. Any portion of the \$80,000 associated with reasonable and prudent improvements should be included as utility plant in service in the Company's next general rate case filed after the improvements become used and useful in providing service. Red Bird shall not seek recovery of any additional costs associated with the transfer, including due diligence, transactional, and regulatory costs, other than those listed herein;

5. That Red Bird shall, in its first general rate case relating to the Baywood Forest and Cottonwood Subdivisions, have the opportunity to seek an adjustment to rate base to reflect the proper amortization of that certain CIAC balance from 2008 to Red Bird's closing date on the Crosby systems if the open issue recognized in the Stipulation regarding amortization of CIAC balances, which is related to infrastructure contributed to Crosby in or around 1992, used by the Public Staff in calculating Crosby's rate base has not been resolved through consultations between the Stipulating Parties' accounting personnel;

6. That the \$100,000 bond and commercial surety from RLI Insurance Company is hereby accepted and approved for Red Bird, in compliance with N.C. Gen. Stat. § 62-110.3;

7. That Crosby's surety bond held by the Commission shall be released to Crosby upon receipt of written notification to the Commission that closing of the transfer of the water and wastewater utility systems has been completed;

8. That Red Bird is granted a Certificate of Public Convenience and Necessity to provide water utility service to the Crosby service area consisting of the Baywood Forest Subdivision and wastewater utility service to the Crosby service areas consisting of

Baywood Forest and Cottonwood Subdivisions in Wake County, North Carolina, effective upon the closing of the sale of the Crosby water and wastewater utility system assets to Red Bird. Appendix A, attached hereto, constitutes the Certificate of Public Convenience and Necessity;

9. That the Schedule of Rates, attached hereto as Appendix B, is hereby approved and deemed filed with the Commission pursuant to N.C.G.S. § 62-138. This Schedule of Rates shall become effective for service rendered on and after the date of the closing of the sale of the Crosby water and wastewater utility system assets to Red Bird;

10. That Red Bird shall provide notification to the Commission within 30 days of the date of this Order that closing of the sale of the water and wastewater utility systems serving the Crosby service areas has been completed;

11. That the CPCN granted to Crosby in Docket No. W-992, Sub 0 is cancelled effective on the date Red Bird files with the Commission written notification that closing of the transfer of the water and wastewater utility systems has been completed;

12. That within 30 days of the closing of the sale of the Crosby water and wastewater utility systems, Red Bird shall file in these dockets the warranty deed showing Red Bird's ownership of the required easements and all interests in land it has obtained in connection with the operation and maintenance of the Crosby water and wastewater utility systems; and

13. That a copy of this Order and Appendix B shall be mailed with sufficient postage or hand delivered by Red Bird to Crosby customers within seven days of the closing of the sale of the water and wastewater utility systems serving Baywood Forest and Cottonwood Subdivisions and that Red Bird shall submit to the Commission the attached Certificate of Service, properly signed and notarized, not later than 15 days after the mailing or hand delivery of the Order and Appendix B.

ISSUED BY ORDER OF THE COMMISSION.

This the 29th day of August, 2023.

NORTH CAROLINA UTILITIES COMMISSION



Tamika D. Conyers, Deputy Clerk

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLC

for providing water and wastewater utility service in

BAYWOOD FOREST SUBDIVISION

and for providing wastewater utility service in

COTTONWOOD SUBDIVISION

Wake County, North Carolina

Monthly Water Utility Service:

Base charge, zero usage	\$9.60
Usage charge, per 1,000 gallons	\$ 1.92

Monthly Wastewater Utility Service:

Flat rate	\$44.03
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Reconnection Charge:

If water service is cut off by utility for good cause	\$33.57 ¹
If water service is discontinued at customer's request	\$33.57 ¹
If wastewater service is cut off by utility for good cause by any method other than above	Actual cost ^{1/, 2/}

If payment for water and/or wastewater utility service is not received by the past due date, customers may, in addition to all past due and current charges, have to pay late payment finance charges in order to avoid having water and/or wastewater utility service disconnected.

To resume water and/or wastewater utility service after discontinuance for good cause, customers must pay the reconnection charge(s) indicated above, plus any delinquent water and/or wastewater bill(s), including finance charges.

Reconnection Charge (cont'd):

^{1/} Neglect or failure to pay amounts due or to otherwise comply with provisions of this tariff shall be deemed sufficient cause for discontinuance of service. Prior to disconnection, Red Bird Utility Operating Company, LLC (Red Bird), will diligently try to induce the customer to pay or otherwise comply with the tariff. After such effort, Red Bird will give the customer written notice of at least five days (excluding Sundays and holidays) prior to disconnection. Such notice will contain, at a minimum, a copy of this provision and the procedures which Red Bird will perform to discontinue service.

In the event an emergency or dangerous condition is found to exist or fraudulent use of the wastewater system is detected, wastewater utility service may be cut off without such notice. In such an event, notice as described above will be given as soon as possible.

^{2/} If discontinuance of wastewater utility service becomes necessary, and water utility service is not provided by Red Bird, then Red Bird will install a valve or other device to cut off and/or block the wastewater line. Prior to installing the valve or device, Red Bird will provide a detailed good faith estimate of the actual cost of disconnection.

<u>Returned Check Charge:</u>	\$23.99
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charges for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.
<u>Security Deposit:</u>	Two-twelfths of estimated annual bill. ^{3/}

^{3/} Pursuant to Commission Rule R12-4.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-1328, Sub 9 on this the 29th day of August, 2023.

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers copies of the attached Order and Appendix B issued by the North Carolina Utilities Commission in Docket Nos. W-992, Sub 8 and W-1328, Sub 9, and the Order and Appendix B were mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2023.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Order and Appendix B were mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket Nos. W-992, Sub 8 and W-1328, Sub 9.

Witness my hand and notarial seal, this the ____ day of _____, 2023.

Notary Public

Address

(SEAL) My Commission Expires: _____
Date