



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

July 25, 2023

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

Re: Docket No. W-938, Sub 6 and W-1328, Sub 8 – Application for Transfer of Public Utility Franchise from Baytree Waterfront Properties to Red Bird Water and for Approval of Rates

Dear Ms. Dunston:

Baytree Waterfront Properties, Inc. (Baytree) and Red Bird Utility Operating Company, LLC d/b/a Red Bird Water (Red Bird Water), filed an application seeking to transfer Baytree's Certificate of Public Convenience and Necessity to provide sewer utility service to Red Bird Water in the above-referenced docket on October 9, 2020. Baytree and Red Bird Water filed updates, amendments, or otherwise supplemented that application on October 21, 2020; June 2, 2021; and December 12, 2022.

The Public Staff has reviewed the filings and deems the application incomplete for the reasons set forth below.

1. The financial information provided in the sections of the Application Form listed below is too outdated for the Public Staff to make a recommendation. The Public Staff needs information current as of no earlier than December 31, 2022, to move forward with its investigation.
 - a. Revenues and Expenses
 - b. Original Cost of Utility System
2. The information required in the sections of the Application Form listed below was not provided. The Public Staff needs this information current as of no earlier than December 31, 2022, to move forward with its investigation.
 - a. Other Financial Information – Item 1
 - b. Depreciation Schedule

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

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3. The financial information provided to satisfy the requirements of Item 7 of the Application Form Exhibits list (the most recent fiscal year financial statements for Red Bird Utility Operating Company, LLC as the Purchaser) is too outdated for the Public Staff to make a recommendation. The Public Staff needs financial statements for Red Bird Utility Operating Company, LLC on a stand-alone basis for the period ending on December 31, 2022, to move forward with its investigation.
4. The financial information provided to satisfy the requirements of Item 8 of the Application Form Exhibits list (the most recent fiscal year financial statements for CSWR, LLC as the Purchaser's parent company) is too outdated for the Public Staff to make a recommendation. The Public Staff needs financial statements for CSWR, LLC for the period ending on December 31, 2022, to move forward with its investigation.
5. The addendum showing the projected cash flows and income statement for the utility system for the first five years of operation required by Item 3 on page 7 of the Application Form was not provided. The Public Staff needs a completed addendum for the five-year period beginning on January 1, 2023, to move forward with its investigation.
6. The documents an applicant may submit in lieu of a completed addendum were either (1) not provided, as is the case with Item 3(3), or (2) contain financial information that is too outdated for the Public Staff to make a recommendation, as is the case with Items 3(1) and 3(2). If Red Bird Water intends to provide these documents in lieu of submitting a completed addendum, the Public Staff needs information current as of no earlier than December 31, 2022, to move forward with its investigation.

Based on the foregoing, the Public Staff respectfully recommends that the Commission determine that the items enumerated above are deficiencies and render the application incomplete. If the Commission does not consider any of the items listed above a deficiency, the Public Staff respectfully requests that the Commission issue an order directing Red Bird Water to file the information enumerated above in the docket and provide the Public Staff a copy within 10 calendar days.

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

Sincerely,
Electronically submitted
/s/ Reita D. Coxton
Staff Attorney
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