



**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-1328, Sub 11 – Application by Red Bird Water for a Certificate of Public Convenience and Necessity and for Approval of Rates for Pine Mountain Lakes

Dear Ms. Dunston:

Red Bird Utility Operating Company, LLC d/b/a Red Bird Water (Red Bird Water), filed an application seeking a Certificate of Public Convenience and Necessity to provide water and sewer service to Pine Mountain Lakes on September 30, 2021. Red Bird filed updates, amendments, or otherwise supplemented its application on October 1, 2021, November 3, 2021, and February 3, 2023.

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 The financial information provided in the section of the Application Form listed below is too outdated for the Public Staff to make a recommendation.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 (page 4 of Application Form)
2. The financial information required in the section of the Application Form listed below was not provided. Any information provided should be current as of no earlier than December 31, 2022.
  - a. Other Financial Information – Item 1 (page 7 of Application Form)
3. 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 8 of the Application Form was not provided. The Public Staff needs a completed

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addendum for the five-year period beginning on January 1, 2023, to move forward with its investigation.

4. 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addendum were either (1) not provided, as is the case with Item 3(3), or (2) contain financial information that is too outdated for the Public Staff to make a recommendation, as is the case with Items 3(1) and 3(2).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 the Company 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.
5. Item 4 on the Application Form Exhibits list (a copy of the plan approval letter for the water system from the Department of Environment Quality (DEQ)) was not provided. Because the water system is regulated by the DEQ Department of Water Resources, Public Water Supply Section, there should be a plan approval letter for the system.
6. Item 5 on the Application Form Exhibits list (a copy of the plan approval letter for the sewer system from the Department of Environment Quality (DEQ)) was not provided. Because the Company's sewer system is regulated by DEQ, there should be a plan approval letter or NPDES permit for the construction and operation of the wastewater treatment plant.
7. The financial information provided to satisfy the requirements of Item 12 of the Application Form Exhibits list (the most recent fiscal year financial statements for Red Bird Utility Operating Company, LLC as the Applicant) is too outdated for the Public Staff to make a recommendation. The financial statements should be for the period ending on December 31, 2022.
8. The financial information provided to satisfy the requirements of Item 13 of the Application Form Exhibits list (the most recent fiscal year financial statements for CSWR, LLC as the Applicant's parent company) is too outdated for the Public Staff to make a recommendation. The financial statements should be for the period ending on December 31, 2022.

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 the Company 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.

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Sincerely,  
Electronically submitted  
/s/ Megan Jost  
Staff Attorney  
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cc: Parties of Record