

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-938, SUB 6
DOCKET NO. W-1328, SUB 8**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Red Bird Utility Operating Company, LLC (Red Bird), 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131, and Baytree Waterfront Properties, Inc. (Baytree), 4 Stanley Drive, Thomasville, North Carolina 27360, filed an Application with the North Carolina Utilities Commission (Commission) for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the wastewater utility system and public utility franchise serving Windemere Pointe Subdivision (Windemere) in Montgomery County, North Carolina, from Baytree to Red Bird and for approval of rates.

Upon acquisition, Red Bird plans to make wastewater utility system capital improvements, including pump valve vault improvements, installing new flow monitoring equipment, pump control panels, security fencing, installing new pumps, and discharge piping. Such investments in the Baytree system will eventually result in a rate increase, which will be subject to Commission review and approval in a future rate case.

When Red Bird files a general rate case application with the Commission in the future, Red Bird intends to include the costs of purchasing the Windemere wastewater utility system and its investment in the system in rate base, which would allow Red Bird to recover in rates the reasonable depreciation expense and allow Red Bird the opportunity to earn a return, approved by the Commission, on Red Bird's post-closing investment. Depending on the number of utility systems it has acquired by the time it files a rate case relating to the Baytree system, Red Bird may seek approval of uniform rates across all its North Carolina utility systems, including Windemere.

EFFECT OF RATES:

The present rates for Baytree were approved in Docket No. W-938, Sub 3 and have been in effect since April 2, 2002, as adjusted for tax law changes in Docket Nos. W-938, Sub 5 and M-100, Sub 138 effective January 1, 2017. Upon acquisition of the Windemere system, Red Bird proposes to charge the current Commission-approved rates for Windemere. The present and proposed rates are as follows:

	<u>Present</u>	<u>Proposed</u>
<u>Monthly Flat Wastewater Rate:</u>	\$ 34.69	\$ 34.69
<u>Annual Availability Rate:</u>	\$ 139.90	\$ 139.90

Based on these rates, a residential customer would be billed \$34.69 per month for wastewater utility service.

Red Bird plans to request a rate increase and uniform statewide rates approximately 33 months post-acquisition. The extent of a rate increase that could be requested by Red Bird approximately three years in the future cannot be definitely predicted at this time, but any proposed rate increase will be subject to Commission approval.¹

PROCEDURES FOR PUBLIC HEARINGS:

The Commission has scheduled the following hearings on the Application:

Public witness hearing at 7:00 p.m. on Wednesday, October 18, 2023, to be held in the Montgomery County Courthouse, 108 East Main Street, Troy, North Carolina 27321. *This hearing may be cancelled if no significant protests are received on or before Wednesday, October 11, 2023.*

The public witness hearing on Wednesday, October 18, 2023, will be solely for the purpose of receiving the testimony of customers in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearing pursuant to Commission Rule R1-21(g)(5).

Expert witness hearing at 1:00 p.m. on Monday, November 6, 2023, and continuing as necessary until concluded. The hearing will be held in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. The hearing scheduled for Monday, November 6, 2023, shall be conducted solely for the purpose of receiving testimony of Red Bird, Baytree, the Public Staff, and any other parties of record.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Consumer statements to the Public Staff should include the customer's name, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300. Consumer statements may also be faxed to (919) 715-6704.

Consumer statements may be submitted to the Commission via the web form at <https://www.ncuc.net/contactus.html>. Consumer statements are not evidence unless

¹ Any future change in rates proposed by Red Bird would require filing a general rate case application pursuant to N.C. Gen. Stat. § 62-134 and approval by the Commission. Future rates are subject to change and would be expected to be more than the current rates.

those persons appear at a public witness hearing and testify concerning the information contained in their consumer statements.

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Utilities Section, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to utilityAGO@ncdoj.gov.

Persons desiring to intervene in this proceeding as formal parties of record should file a petition to intervene pursuant to Commission Rules R1-5 and R1-19, not later than Wednesday, October 11, 2023. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before Tuesday, October 17, 2023.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net under Docket Number "W-1328 Sub 8."

This the ____ day of _____, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers copies of the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket Nos. W-938, Sub 6 and W-1328, Sub 8, and the Notice was 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 Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket Nos. W-938, Sub 6 and W-1328, Sub 8.

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

Notary Public

Address

(SEAL) My Commission Expires:

Date