

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

PLACE: Dobbs Building, Raleigh, North Carolina
DATE: Monday, March 28, 2022
DOCKET NO.: W-1328, Sub 4
W-1040, Sub 10
TIME: 3:05 p.m. - 3:55 p.m.
BEFORE: Commissioner ToNola D. Brown-Bland, Presiding
Chair Charlotte A. Mitchell
Commissioner Jeffrey A. Hughes

IN THE MATTER OF:
Application by Red Bird Utility Operating Company,
LLC, 1650 Des Peres Road, Suite 303, St. Louis,
Missouri 63131, and Bear Den Acres Development,
Inc., 600 Bear Den Mountain Road, Spruce Pine, North
Carolina 28777, for Authority to Transfer the Bear
Den Acres Development Water System and Public
Utility Franchise in McDowell County, North
Carolina, and for Approval of Rates

VOLUME 2

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

A P P E A R A N C E S:
FOR RED BIRD UTILITY OPERATING COMPANY, LLC:
Daniel C. Higgins, Esq.
Burns Day & Presnell, PA
Post Office Box 10867
Raleigh, North Carolina 27608

FOR THE USING AND CONSUMING PUBLIC:
Megan Jost, Esq.
Public Staff - North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

OFFICIAL COPY
Apr 20 2022

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

T A B L E O F C O N T E N T S

E X A M I N A T I O N S

PAGE

JOSIAH COX

Examination by Chair Mitchell 4

D. MICHAEL FRANKLIN

Direct Examination by Ms. Jost 19

Settlement Testimony and Appendix A 20

Examination by Commissioner Brown-Bland ... 34

Examination by Chair Mitchell 43

Examination by Commissioner Hughes 49

Further Examination by

Commissioner Brown-Bland 49

E X H I B I T S

IDENTIFIED/ADMITTED

Settlement Agreement and Stipulation ... /18

1 P R O C E E D I N G S

2 COMMISSIONER BROWN-BLAND: Let's go back
3 on the record. The record will reflect that Mr. Cox
4 has returned to the witness stand at the
5 Commission's request and the Commission has some
6 additional questions for Mr. Cox and we will start
7 with that.

8 JOSIAH COX;
9 having been previously sworn,
10 testified as follows:

11 COMMISSIONER BROWN-BLAND: Chair Mitchell?

12 CHAIR MITCHELL: Good afternoon, again,
13 Mr. Cox. Just a few questions for you again in an
14 effort to get clear on a couple of issues that are
15 confused in the record.

16 EXAMINATION BY CHAIR MITCHELL:

17 Q So back to the purchase agreement, which is
18 Attachment G, the Agreement For Sale of a
19 Utility System, the parties to that agreement
20 are Central States Water Resources, Inc., and
21 Bear Den Acres Development, Inc. Now, I have a
22 few questions for you about the parties to that
23 agreement.

24 First, in your previous

NORTH CAROLINA UTILITIES COMMISSION

1 testimony I thought I understood you to say
2 that Central States Water Resources, Inc., is a
3 management company; is that right?

4 A That's correct. It's the management entity
5 inside CSWR, LLC.

6 Q Okay. And explain to me what the duties of
7 that -- what's the role of that company.

8 A You know, it's where the board sits. It's
9 where they hold, you know, D&O insurance, all
10 that kind of stuff. That's it. It doesn't
11 have any financial transactions at all. So
12 that's why we use it when we enter a new state.
13 We transfer contracts out of it.

14 Q So, it's a typical -- it's your business model
15 to enter into purchase agreements through the
16 Central States Water Resources, Inc.

17 A That is correct, when we don't have a presence
18 in the state previously.

19 Q And so -- and then is it typical that then you
20 assign rights under those, under that type of
21 contract to the entity that will -- that is a
22 domestic corporation or a domestic entity?

23 A That is correct.

24 Q So, for example, in this case you assigned

1 Central States Water Resource, Inc., assigned
2 to Red Bird Utility Operating Company?

3 A Correct.

4 Q And I see in the attachments to the Application
5 that you-all have also provided Articles of
6 Organization for CSWR-North Carolina, LLC, and
7 then a name change for that company to Red Bird
8 Utility Holding Company, LLC, but I don't see
9 documentation regarding the Red Bird Utility
10 Operating Company entity. Is the Red Bird
11 Utility Operating Company entity, is that also
12 a North Carolina LLC?

13 A It is.

14 Q In good standing?

15 A Yes, ma'am.

16 Q Okay. Let's see. Okay. Also attached to the
17 Agreement For Sale is an Operating Agreement of
18 CSWR-North Carolina, LLC, which we now know is
19 the Red Bird Utility Holding Company. What
20 is -- so help me understand the purpose of that
21 agreement. Why does that agreement exist?

22 A Agreement or -- is that what you're asking me?

23 Q Uh-huh, yes.

24 A What agreement?

1 Q The Operating Agreement of CSWR-North Carolina,
2 LLC. It is Attachment I to the Application.

3 A So, what is the operating -- what does the
4 Operating Company do; is that what you're
5 asking?

6 Q Why is there -- what's the purpose of this
7 agreement? Why did you-all -- and why did the
8 two CSWR entities enter into this agreement?

9 A I'm sorry, ma'am, I'm not following you.
10 You're saying agreement so why -- agreement
11 with who? I'm not a lawyer so I think I'm kind
12 of losing your terminology there.

13 Q Okay. It's an attachment to the Application
14 that was filed in this docket and it's titled
15 the "Operating Agreement of CSWR-North
16 Carolina, LLC".

17 A Now I understand, thank you.

18 Q And it's between CSWR, LLC, which is a
19 Missouri, LLC, actually it's -- I don't even
20 believe there are multiple parties to the
21 agreement?

22 A It's just weighing out the fact that it's
23 the -- that that eventual Red Bird Utility
24 Holding Company is wholly-owned by CSWR, LLC.

1 Q Okay. The org chart, the org chart that was
2 filed as Attachment K, we talked about it some
3 already, shows North Carolina CSWR, LLC. Was
4 that a separate entity from the entity that
5 you-all identified as CSWR-North Carolina, LLC?

6 A No, ma'am, it's the same. That's the name of
7 the -- that's the entity that eventually got
8 the name change.

9 Q So looking at this org chart -- do you have the
10 org chart in front of you?

11 A I do not.

12 CHAIR MITCHELL: Mr. Higgins?

13 MR. HIGGINS: Again --

14 CHAIR MITCHELL: Ms. Jost? Thank you.

15 BY CHAIR MITCHELL:

16 Q So help me here then are you looking at -- look
17 at Attachment -- do you see a document that
18 says Attachment K at the top?

19 A I do.

20 Q Central States Water Resource Corporate Entity
21 Organizational Chart.

22 A I do.

23 Q So, at the top we've got CSWR, LLC. That's a
24 Missouri limited liability company, correct?

1 A That is -- CSWR, LLC, is that what you asked,
2 ma'am?

3 Q Yes.

4 A I --

5 Q Subject to check.

6 A Subject to check, yes.

7 Q And then we see -- I see a horizontal line to
8 Central States Water Resources, Inc.; do you
9 see that?

10 A Correct.

11 Q And we've already talked about that entity.
12 It's what you're referring to as the management
13 company?

14 A Correct.

15 Q Now, then going down the org chart if you look
16 to the far right you see North Carolina CSWR,
17 LLC.

18 A I see that.

19 Q Okay. And then going down that North Carolina
20 arm then you go down to Red Bird UHC, LLC,
21 which is Red Bird, as I understand it, Red Bird
22 Utility Holding Company, LLC.

23 A I see that.

24 Q And then you go down to the bottom of that arm

1 and you get to Red Bird Utility Operating
2 Company, LLC.

3 A Yes.

4 Q You've identified it on this chart as Red Bird
5 UOC, LLC.

6 A Uh-huh (yes).

7 Q So, in your materials that you filed in this
8 docket, you-all provided, I've already
9 referenced the attachment number, but you-all
10 provided -- which one is it? In J, Articles of
11 Organization for CSWR-North Carolina, and the
12 name change to the Red Bird Utility Holding
13 Company, LLC. So but -- so we have that
14 documentation in the record.

15 My question for you is this, is
16 there really an entity that's North Carolina
17 CSWR, LLC? Does that entity really exist?

18 A Ma'am, can I check? Can I get back to you on
19 that in terms of how the holding company there
20 is organized? If it's listed here then I
21 believe it does exist but I have to go back and
22 check that.

23 CHAIR MITCHELL: All right. Mr. Higgins,
24 you've got another assignment here. Please confirm

1 whether North Carolina CSWR, LLC, is an existing
2 entity in North Carolina or at least is in good
3 standing in North Carolina. And then similarly with
4 the Red Bird Utility Operating Company, LLC, there
5 is no evidence in the record at this time other than
6 the testimony of Mr. Cox that it is an entity in
7 good standing in North Carolina. I'd like to see
8 evidence of that just to augment the witness's
9 testimony.

10 MR. HIGGINS: Understood.

11 CHAIR MITCHELL: Okay. And so, in short,
12 I'd like for the Applicant to confirm or correct the
13 accuracy or ensure the accuracy of this org chart as
14 it pertains to the North Carolina entities.

15 BY CHAIR MITCHELL:

16 Q Turning to the Bear Den entities, did you
17 negotiate the agreement on behalf of the
18 company -- on behalf of the Central States
19 organization?

20 A I did not negotiate this agreement.

21 Q Who?

22 A We have a business development personnel who
23 negotiated this agreement.

24 Q Were you involved with that transaction? Even

1 though you didn't negotiate it directly did you
2 oversee it? Did you have knowledge of it? Any
3 information about it while it was ongoing?

4 A I was not directly involved in negotiations at
5 all.

6 Q Do you know Mr. Krauss?

7 A I do not.

8 Q But before today were you aware of the
9 existence of this second Bear Den entity which
10 is the Bear Den Mountain Resort, Inc.?

11 A I believe that was in the title search. I was
12 not brought up to title until the last couple
13 of days and this came out as a Commission
14 issue.

15 Q Okay. So just confirming you've had no
16 interaction with Mr. Krauss?

17 A I have not.

18 Q Can you help the Commission understand why -- I
19 mean, so why is the entity that entered into
20 the agreement to sell a different entity than
21 actually owns the assets? How did that happen?

22 A Well, that's -- just to be clear that's not
23 correct. There are some of the assets that are
24 owned by the development company.

1 Q Okay.

2 A So --

3 Q Which of those assets?

4 A Some of the easements and lines, so it's the --
5 not the --

6 Q But this -- we don't really know about the
7 status -- let me back up a little bit and just
8 for purposes of clarity of the record. The
9 deed that has now been -- has it been
10 introduced?

11 COMMISSIONER BROWN-BLAND: Yes.

12 BY CHAIR MITCHELL:

13 Q The deed that's now in the record has that
14 paragraph that acknowledges that Grantee is
15 purchasing all of the stock of Bear Den Acres
16 Development, Inc. So, while I don't know
17 whether that stock purchase actually occurred
18 it's identified in this document. So I don't
19 know that Bear Den Acres Development, Inc.,
20 actually owns anything at this point. So
21 that's my question. Does it -- I haven't
22 asked, that's my comment not a question to you.

23 A Can I offer something?

24 Q Let me ask you a question first. I need the

1 Company to help us understand the status of
2 Bear Den Mountain Resort, Inc., and the status
3 of Bear Den Acres, Inc --

4 COMMISSIONER BROWN-BLAND: Development.

5 Q -- Bear Den Acres Development, Inc. And who --
6 and which of those two Bear Den entities owns
7 the assets that Central States Water Resources,
8 Inc., seeks to acquire.

9 A Yes, ma'am. I believe what we will do is a
10 whole new contract that covers all these bases
11 with all the assets in a single document. I
12 mean, this is standard for us in terms of how
13 discombobulated it is to be small owners, but
14 we do not have a problem with cleaning all of
15 that up.

16 CHAIR MITCHELL: I would ask that the
17 Company file as a late -- subject to Commissioner
18 Brown-Bland's approval --

19 COMMISSIONER BROWN-BLAND: I order the
20 same.

21 CHAIR MITCHELL: Okay. I would ask that
22 the Company file as a late-filed exhibit a revised
23 agreement for the sale of utility assets or purchase
24 of utility assets that supplants the agreement

1 previously entered into?

2 MR. HIGGINS: That's our plan.

3 CHAIR MITCHELL: Okay. And it would be
4 helpful if at the same time the Company filed a
5 revised Application as well. Commissioner
6 Brown-Bland.

7 COMMISSIONER BROWN-BLAND: Just to be
8 clear the request is that you file documents that in
9 whole substitute for these that have been filed,
10 both the Application and the agreements between the
11 parties. And as I understood Mr. Cox, we need Bear
12 Den Acres Development, Inc., and Bear Den Mountain
13 Resort, Inc., as parties --

14 CHAIR MITCHELL: To be --

15 COMMISSIONER BROWN-BLAND: -- because I
16 understood him to say he needed some interest -- to
17 have everything that is required to operate the
18 system he needs some interest from the Development,
19 Inc., and he needs some interest from the Mountain
20 Resort, Inc., subject to legal research.

21 THE WITNESS: Yes. Our plan is to make
22 sure it's holistic and full encompassing in a single
23 document.

24 CHAIR MITCHELL: And accurate.

1 COMMISSIONER BROWN-BLAND: And in
2 addition, if you were to determine that some aspect
3 of that is not needed, because the Commission does
4 have questions around this ownership, we can only
5 deal with the parties that are properly before us
6 and, also, I mean it has to be accurate. So, if for
7 some reason you make a determination that what you
8 have is sufficient or you can't get the other, then
9 we would need a briefing, a legal briefing on.

10 MR. HIGGINS: We don't anticipate there
11 being any issue in filing a new asset purchase
12 agreement that has two sellers and covers the assets
13 that each of them is conveying to Red Bird Water
14 Operating Company.

15 COMMISSIONER BROWN-BLAND: And also, with
16 regard to the org chart and the entities that are
17 implicated here from CSWR on down all the way down
18 to Red Bird Operating, if you would just indicate
19 the -- file something that indicates the roles that
20 each has and their relationship to this transaction,
21 where they are, either originated, authorized to do
22 business, and their good standing. Have we added
23 enough homework?

24 MR. HIGGINS: Yes, ma'am.

1 COMMISSIONER BROWN-BLAND: Mr. Higgins, if
2 you have any follow up for clarification of the
3 record you may ask Mr. Cox, otherwise --

4 MR. HIGGINS: I don't have any further
5 questions for Mr. Cox.

6 COMMISSIONER BROWN-BLAND: Watch your
7 step, Mr. Cox, and you may be excused.

8 THE WITNESS: Yes, ma'am. Thank you.

9 (The witness is excused)

10 COMMISSIONER BROWN-BLAND: Anything else
11 from the Applicant?

12 MR. HIGGINS: No, ma'am. That's the case
13 for the Applicant.

14 COMMISSIONER BROWN-BLAND: We'll hear from
15 the Public Staff.

16 MS. JOST: Before we call our witness
17 there is one housekeeping matter that I'd like to
18 bring up and that is to move admission of the
19 Settlement Agreement and Stipulation between Red
20 Bird and the Public Staff.

21 COMMISSIONER BROWN-BLAND: Are you
22 convinced that you have all the proper parties,
23 Ms. Jost?

24 MS. JOST: I think we could --

1 MR. HIGGINS: Yes. I think we do have the
2 proper parties.

3 MS. JOST: Yes. And I think if after all
4 of the homework is done we determine that there
5 needs to be an amended stipulation then we will file
6 it then.

7 COMMISSIONER BROWN-BLAND: So, at this
8 point you've moved the Stipulation Agreement?

9 MS. JOST: That's correct, filed on March
10 2nd.

11 COMMISSIONER BROWN-BLAND: Correct.
12 Without objection, that motion is allowed. The
13 Settlement Agreement and Stipulation filed March
14 2nd, 2022, between Red Bird Utility Operating
15 Company, LLC, and the Public Staff will be received
16 into evidence.

17 MS. JOST: Thank you.

18 (WHEREUPON, Settlement
19 Agreement and Stipulation is
20 admitted into evidence.)

21 MS. JOST: At this time the Public Staff
22 calls D. Michael Franklin.

23 D. MICHAEL FRANKLIN;
24 having been duly sworn,

NORTH CAROLINA UTILITIES COMMISSION

1 testified as follows:

2 COMMISSIONER BROWN-BLAND: Ms. Jost?

3 DIRECT EXAMINATION BY MS. JOST:

4 Q Please state your name, business address and
5 current position for the record.

6 A My name is D. Michael Franklin. My business
7 address is 430 North Salisbury Street, Raleigh.
8 And my present position is I'm a Public
9 Utilities Engineer with the Public Staff -
10 Water Sewer and Telephone Division.

11 Q On March 18th, 2022, did you prepare and cause
12 to be filed in this docket settlement testimony
13 consisting of 10 pages and an Appendix A?

14 A I did.

15 Q Do you have any corrections to that testimony?

16 A I do not.

17 Q If you were asked the same questions today,
18 would your answers be the same?

19 A Yes.

20 MS. JOST: I request that the prefiled
21 settlement testimony of Mr. Franklin be copied into
22 the record as if given orally from the stand.

23 COMMISSIONER BROWN-BLAND: Without
24 objection, that motion is allowed.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

(WHEREUPON, the prefiled
settlement testimony and
Appendix A of D. MICHAEL
FRANKLIN is copied into the
record as if given orally
from the stand.)

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-1040, SUB 10
DOCKET NO. W-1328, SUB 4

In the Matter of
Application by Red Bird Utility Operating)
Company, LLC, 1650 Des Peres Road,)
Suite 303, St. Louis, Missouri 63131,)
and Bear Den Acres Development, Inc.,)
600 Bear Den Mountain Road, Spruce)
Pine, North Carolina 28777, for)
Authority to Transfer the Bear Den)
Acres Development Water System and)
Public Utility Franchise in McDowell)
County, North Carolina, and for)
Approval of Rates)

SETTLEMENT
TESTIMONY OF
D. MICHAEL FRANKLIN
PUBLIC STAFF – NORTH
CAROLINA UTILITIES
COMMISSION

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**DOCKET NO. W-1040, SUB 10
DOCKET NO. W-1328, SUB 4****SETTLEMENT TESTIMONY OF
D. MICHAEL FRANKLIN****ON BEHALF OF THE PUBLIC STAFF -
NORTH CAROLINA UTILITIES COMMISSION****MARCH 18, 2022**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **PRESENT POSITION.**

3 A. My name is D. Michael Franklin. My business address is 430 North
4 Salisbury Street, Dobbs Building, Raleigh, North Carolina. I am a
5 Public Utilities Engineer with the Water, Sewer, and Telephone
6 Division of the Public Staff – North Carolina Utilities Commission
7 (Public Staff).

8 **Q. BRIEFLY STATE YOUR QUALIFICATIONS AND DUTIES.**

9 A. My qualifications and duties are included in Appendix A.

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. The purpose of my testimony is to provide support for the Settlement
12 Agreement and Stipulation (Stipulation) between the Public Staff and
13 Red Bird Utility Operating Company, LLC (Red Bird) (together, the
14 Stipulating Parties), filed on March 2, 2022, based on the results of

1 my investigation of the application for transfer of public utility
2 franchise and for approval of rates filed on December 4, 2020, by
3 Red Bird Utility Operating Company, LLC (Red Bird) in Docket No.
4 W-1328, Sub 4 and Bear Den Acres Development, Inc. (Bear Den)
5 in Docket No. W-1040, Sub 10 (Joint Application).

6 **Q. PLEASE DESCRIBE THE BEAR DEN ACRES SERVICE AREA**
7 **AND WATER UTILITY SYSTEM.**

8 A. The Bear Den Acres water utility system was installed in the early
9 1990s and serves approximately 50 residential customers in the Bear
10 Den Acres development located approximately seven miles northeast
11 of the Town of Spruce Pine, in McDowell County. The Bear Den Acres
12 water utility system consists of two wells, two well houses, a 17,150-
13 gallon storage tank, chemical addition equipment, water meters, and
14 required mains and service lines. Well #1 and Well #2 share a common
15 header where supply water is chemically treated before entering the
16 distribution system.

17 **Q. HAVE YOU INSPECTED THE BEAR DEN ACRES WATER UTILITY**
18 **SYSTEM AND, IF SO, WHAT WERE YOUR OBSERVATIONS?**

19 A. Yes, I visually inspected the facilities on July 14, 2021, accompanied
20 by Joel Kohn, Environmental Engineer with the North Carolina
21 Department of Environmental Quality – Public Water Supply Section. I

1 found the equipment I inspected to be adequately operated and
2 maintained.

3 **Q. BRIEFLY DESCRIBE THE RESULTS OF YOUR INVESTIGATION**
4 **OF DEQ NOTICES OF VIOLATION AND FINES.**

5 A. The only violation received by Bear Den in the past three years was a
6 reporting violation in October 2021 for failing to file the Consumer
7 Confidence Rule annual report. According to DEQ records, the report
8 has been submitted and the issue resolved.

9 **Q. IS BEAR DEN PROVIDING SAFE AND RELIABLE SERVICE?**

10 A. Yes. Based on my inspection, review of DEQ records, and customer
11 complaint data, Bear Den is providing its customers with acceptable
12 service.

13 I would also note that the Public Staff's Consumer Services Division
14 did not receive any complaints from Bear Den customers between
15 January 1, 2019, and February 3, 2022.

16 **Q. DID RED BIRD PROVIDE THE REQUIRED NOTICE TO**
17 **CUSTOMERS?**

18 A. Yes. On January 5, 2022, the Commission issued the Order
19 Scheduling Hearing, Establishing Discovery Guidelines, and Requiring
20 Customer Notice. Among other things, the Order directed Red Bird to

1 submit a signed and notarized certificate of service not later than 21
2 days after the date of the Order. On January 21, 2022, Red Bird filed
3 a Certificate of Service stating the Notice to Customers was mailed or
4 hand delivered by the date specified in the Order. On February 4, 2022,
5 Red Bird filed a Notice of Supplemental Service of Notice to
6 Customers, stating that the Notice to Customers was originally mailed
7 to the service addresses of Bear Den customers, rather than the billing
8 addresses. In an effort to ensure that all customers received notice,
9 Red Bird mailed the Notice to Customers to the Bear Den customers'
10 billing addresses on January 31, 2022.

11 **Q. HAS THE PUBLIC STAFF RECEIVED ANY CUSTOMER**
12 **STATEMENTS OF POSITION?**

13 A. Yes. On February 27, 2022, the Public Staff received a statement from
14 Lori Jackson via email. In her email, Ms. Jackson expressed concerns
15 over the rate increases planned by Red Bird in the Joint Application
16 and provided in the Notice to Customers. Ms. Jackson also expressed
17 concerns regarding Red Bird's desire to seek a rate increase 14-
18 months after the purchase is completed and Red Bird's ownership by
19 an out-of-state entity.

20 On March 3, 2022, a letter from Shelley Pierce dated February 15,
21 2022, was filed with the Commission. In her letter, Ms. Pierce states
22 her opposition to "the rate increase that would double [her] water bill

1 within 3 years.” Ms. Pierce also requests permission to intervene in
2 these proceedings pursuant to Commission Rules R1-5, R1-7, and R1-
3 19. On March 18, 2022, the Commission issued an order granting Ms.
4 Pierce’s request to intervene.

5 On March 7, 2022, the Public Staff received a joint statement from
6 Tammi Rushing and C J Wright via email. In the email, the customers
7 express concerns regarding the projected rate increases planned by
8 Red Bird in the Joint Application and provided in the Notice to
9 Customers. The customers also express concerns that a public
10 hearing is not scheduled.

11 I have considered the concerns raised in the statements discussed
12 above in formulating my recommendation.

13 **Q. WHAT ARE THE EXISTING AND PROPOSED WATER UTILITY**
14 **SERVICE RATES?**

15 A. Red Bird proposes to charge the current rates and connection charges
16 for Bear Den approved by the Commission in Docket Nos. W-1040,
17 Sub 8 and M-100, Sub 138. The present and Red Bird proposed water
18 utility service rates, which are uncontested by the Stipulating Parties,
19 are as follows:

20

1	<u>Monthly Metered Residential Water Service:</u>		
2		<u>Present</u>	<u>Proposed</u>
3	Base Charge, zero usage	\$ 33.40, minimum	\$ 33.40, minimum
4	Usage Charge,		
5	per 1,000 gallons	\$ 2.78	\$ 2.78
6	Meter Installation Fee:	\$175.00	\$175.00
7	Connection Fee:	\$600.00	\$600.00
8	<u>Reconnection Charges:</u>		
9	If water service cut off by utility		
10	for good cause	\$ 14.32	\$ 14.32
11	If water service discontinued at		
12	customer's request	\$ 14.32	\$ 14.32
13	Returned Check Charge	\$ 9.55	\$ 9.55
14	Finance Charge for		
15	Late Payment	1% per month	1% per month
16		past due	past due

17 **Q. BASED ON YOUR INVESTIGATION, WHAT IS YOUR OPINION**
 18 **OF RED BIRD'S ABILITY TO OWN AND OPERATE THE BEAR**
 19 **DEN ACRES WATER UTILITY SYSTEM?**

20 A. I believe Red Bird, which is a subsidiary of Central States Water
 21 Resources, LLC, has the financial, technical, and managerial ability
 22 to own and operate the Bear Den Acres water utility system. Through
 23 its parent company, Red Bird is adequately capitalized and able to
 24 address repairs or capital improvements that may be required to
 25 ensure continued safe and reliable operation of the aging Bear Den
 26 Acres water utility system. Therefore, I recommend the Commission

1 approve the transfer of the Bear Den Acres water utility system from
2 Bear Den to Red Bird.

3 **Q. BRIEFLY DESCRIBE THE STIPULATION BETWEEN RED BIRD**
4 **AND THE PUBLIC STAFF.**

5 A. The Stipulation provides that rate base for the Bear Den Acres water
6 utility system should be \$3,153, plus up to \$5,000 for closing costs.
7 The actual amount of closing costs will be determined in Red Bird's
8 next general rate case. Closing costs up to \$5,000 are typical of
9 closing costs paid for transfers of public water utility systems in North
10 Carolina and are considered reasonable. The current net asset value
11 is \$3,153 including acquired plant additions and accumulated
12 depreciation through December 31, 2021, since the last rate case as
13 calculated by Public Staff Financial Analyst Lynn Feasel.

14 The Stipulation also provides that Red Bird may request recovery of
15 the remaining costs associated with the transfer of the Bear Den
16 Acres water utility system to Red Bird up to \$25,496 for engineering
17 due diligence work in its next general rate case, provided the
18 resulting work results in reasonable and prudent capital investments.
19 The \$25,496 figure was determined based on the Red Bird
20 Engineering ledger amounts provided in response to Public Staff
21 Data Request 12, and includes all charges from 21 Design Group
22 Inc. and McGill Associates, P.A. with the exception of a McGill

1 Associates, P.A. "Additional Services" fee of \$13,500. If the
2 maximum closing costs and due diligence costs, in addition to the
3 capital expenditure estimate of \$15,500 are added to rate base and
4 included in rates, the average monthly rate increase will be
5 approximately \$9.90.

6 Finally, pursuant to the Stipulation, Red Bird agrees to post a
7 \$75,000 bond for the Bear Den Acres service area and not to pursue
8 an acquisition adjustment related to the Bear Den Acres system in
9 the present proceeding or a future proceeding, and the parties agree
10 that the transfer of the Bear Den Acres system to Red Bird should be
11 approved.

12 **Q. DO YOU AGREE WITH THE AMOUNT OF THE BOND AGREED**
13 **TO BY THE STIPULATING PARTIES?**

14 A. Yes. If the Commission approves the transfer, it will be the first
15 certificate of public convenience and necessity to provide water utility
16 service granted to Red Bird by the Commission. In light of this, and the
17 anticipated capital expenses required for the Bear Den Acres water
18 utility system and Red Bird's limited operating experience in North
19 Carolina, I believe \$75,000 is an appropriate bond amount.

20 **Q. WHAT BENEFITS DOES THE STIPULATION PROVIDE FOR**
21 **RATEPAYERS?**

1 A. Red Bird's agreement pursuant to the Stipulation not to seek an
2 acquisition adjustment and the limitations on the amount of closing
3 and due diligence costs Red Bird can recover will minimize the
4 magnitude of future rate increases. In addition, the limitations on the
5 engineering due diligence costs Red Bird can recover will help
6 ensure that those costs are related to system improvements that help
7 to maintain or improve service quality and reliability.

8 Based on the foregoing, I recommend that the Commission approve
9 the Stipulation.

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes, it does.

QUALIFICATIONS AND EXPERIENCE**D. MICHAEL FRANKLIN**

I graduated from the University of South Carolina, earning a Bachelor of Science Degree in Engineering. I worked in the electric utility industry for 33 years prior to joining the Public Staff in June 2019. While employed by the Public Staff I have worked on utility rate case proceedings, new franchise and transfer applications, customer complaints, and other aspects of utility regulation.

1 BY MS. JOST:

2 Q Mr. Franklin, have you prepared a summary of
3 your testimony?

4 A I have.

5 MS. JOST: Commissioner Brown-Bland, would
6 you like him to read that or, I believe everybody
7 has received a copy, we're happy to dispense with
8 the reading.

9 COMMISSIONER BROWN-BLAND: You may read
10 it.

11 A The purpose of my settlement testimony filed on
12 March 18th, 2022, is to provide support for the
13 Settlement Agreement and Stipulation filed on
14 March 2nd, 2022, by Red Bird Utility Operating
15 Company, LLC, (Red Bird), and the Public Staff,
16 collectively the Stipulating Parties, based on
17 my investigation of the Application for
18 transfer of public utility franchise and for
19 approval of rates filed by Red Bird and Bear
20 Den Acres Development, Inc.

21 As a result of give-and-take
22 negotiations to settle the contested issues,
23 the Stipulating Parties stipulate and agree as
24 follows:

1 Red Bird agrees to post a bond
2 in the amount of \$75,000 for the Bear Den Acres
3 service area on or before March 18th, 2022.

4 The transfer of the Bear Den
5 Acres system to Red Bird should be approved.

6 Red Bird agrees not to pursue
7 an acquisition adjustment related to the Bear
8 Den Acres system in this or any future
9 proceeding.

10 The Stipulating Parties agree
11 that the rate base for the Bear Den Acres
12 system should be \$3,153, plus up to \$5,000 for
13 closing costs. The actual amount of the
14 closing cost should be determined in Red Bird's
15 next general rate case.

16 The Stipulating Parties agree
17 that Red Bird may request recovery of the
18 remaining costs associated with the transfer of
19 the Bear Den Acres system to Red Bird up to
20 \$25,496 for engineering due diligence work in
21 its next general rate case, provided that the
22 resulting work results in reasonable and
23 prudent capital investments to improve the Bear
24 Den Acres system. Any portion of the \$25,496

1 associated with reasonable and prudent
2 improvements should be included as utility
3 plant in service in the Company's next general
4 rate case filed after the improvements become
5 used and useful in providing service.

6 Red Bird agrees not to seek
7 recovery of any additional costs associated
8 with the transfer, including due diligence,
9 transactional, and regulatory costs, other than
10 those listed in Items 4 and 5 above.

11 This completes my summary.

12 MS. JOST: The parties have agreed to
13 waive cross examination, so Mr. Franklin is
14 available for questions from the Commission.

15 COMMISSIONER BROWN-BLAND: All right.

16 EXAMINATION BY COMMISSIONER BROWN-BLAND:

17 Q Mr. Franklin, just to start us out, have you
18 visited, physically visited the system?

19 A I did. I did in July of 2021.

20 Q And you've been in the hearing room the whole
21 time. Could you give us your description of
22 what is there and what the two systems are
23 like? Just give us a feel for the customers,
24 the systems, what they serve, what makes up the

1 system?

2 A So, the system is composed of 50 to 55
3 residents that are individual homes. Some are
4 smaller in nature and I would characterize them
5 as seasonal. And the campground water system
6 was separated from the residential service by
7 Order of DEQ back in 1993.

8 So, in 1993, the owners of the
9 water system and DEQ determined that the water
10 providing the residents was a communal water
11 system and as such they had to upgrade the
12 supply and distribution system. So, Bear Den
13 was given two -- the owners of Bear Den, of
14 that water system, were given two options to
15 either upgrade the entire system including the
16 campground or detach it from the campground
17 water system and upgrade just the residential,
18 and the owners chose the latter. They chose to
19 just disengage from the campground and instead
20 upgrade just the residential water system. So,
21 there are now two DEQ permits, one for the
22 campground and one for the residential portion.
23 The CPCN only covers the residential.

24 The Utilities Commission does

1 not regulate, to my knowledge, the campground
2 water system.

3 Q If you can explain that to me, because I
4 believe the CPCN initially was issued in the
5 name of the development company and the
6 campground as one system. So what DEQ did, did
7 not change the public utility, did it, or do
8 you know?

9 A I believe it did because in Sub 2 is when they
10 separated. They changed the name just to
11 remove the campground. And the reason why the
12 customer requested it to be removed is for the
13 reasons I just told you about the systems being
14 separated and that they no longer own or
15 operate the campground system.

16 Q The Company no longer owns the campground
17 system but yet the campground is a part of this
18 transaction; is that what you're saying?

19 A I don't think the campground is part of the
20 transaction. No.

21 Q All right. So, in Public Staff's view, the
22 transaction is only about the 55 customers
23 only?

24 A That's correct.

1 Q And this camp -- in your opinion the campground
2 has been left unregulated?

3 A That's correct, because it's a campground.

4 Q This Commission does regulate camp -- or has
5 regulated campgrounds I know.

6 A That's my understanding. I could be incorrect,
7 but that's my understanding reading the various
8 submittals for this docket.

9 Q Do you know anything about how many connections
10 there are in the campground? How many
11 customers get served?

12 A I do not.

13 Q Anything about their water usage?

14 A I do not.

15 Q Okay. Now, so if this transaction is completed
16 which organization does the Public Staff
17 understands will ultimately own the assets and
18 the franchise of what is now Bear Den?

19 A Red Bird.

20 Q Red Bird?

21 A Utility Operating Company.

22 Q And so the assets and the franchise will be in
23 the same company?

24 A Yes.

1 Q Now, we understand from Mr. Cox's testimony
2 that eight other states are part of the Red
3 Bird affiliate group. Are you able -- as well
4 as Ocean Terrace and Pine Knoll Town systems
5 which were recently acquired in North Carolina.
6 Are you able to tell the Commission anything
7 regarding the affiliate group's utility
8 operations in the other states? Did you do any
9 research into that?

10 A The only one that I have followed is the, I
11 believe it's called Blue Bird (sic) in the
12 State of Kentucky, and I am subscribed to their
13 docket system for Blue Bird applications and so
14 I get periodically updates on the status of
15 those various dockets.

16 Q Could you determine anything about their record
17 of service to the customers and operational
18 compliance?

19 A I have not seen any concerns with operational
20 or regulatory compliance. Most of the
21 complaints have been associated with an
22 increase in rates.

23 Q And prior to the Commission indicating that it
24 had some questions for both parties regarding

1 ownership that stemmed from the consumer
2 statements about the restrictive covenants in
3 the water association, was the Public Staff
4 aware of the restrictive covenants?

5 A No.

6 Q So it just recently come to your attention?

7 A That's correct.

8 Q Now, in Docket Number W-1040, Sub 2, Bear Den
9 filed a request for a rate increase and a name
10 change to Bear Den Campground and the
11 subsequent filings refer to the Company as Bear
12 Den Acres Development. I think I may know this
13 but I'm just asking you to get it clear on the
14 record. Does the Public Staff have any records
15 on the name changes for Bear Den?

16 A Any records? Yes. We have the hard copy file
17 of that Sub 2 and most of the content we
18 believe.

19 Q Just to be able to get that in the record would
20 be -- I would request that the Public Staff
21 file that in the docket to augment the record
22 in this proceeding, the information on the name
23 change.

24 And because of -- so, prior to

1 what you heard here today about the mountain
2 resort coming into it, were you aware of the
3 mountain resort, Bear Den Mountain Resort's
4 ownership or involvement?

5 A We had submitted a data request to Red Bird
6 requesting for deeds and we saw on the deeds
7 that there were basically two different
8 entities but there are -- both showed Mr. Mark
9 Krauss as the president, and we did not pursue
10 that further because our thought was it is Red
11 Bird's obligation to ensure they had all of the
12 correct easements.

13 COMMISSIONER BROWN-BLAND: The Commission
14 would ask the Public Staff to also look further into
15 the ownership and name change issue here just to,
16 again, to help us assure should we go forward, do we
17 have what we have, do we have the proper parties.
18 And when I say have what we have, that we have what
19 we need to assure that the assets and the franchise
20 are in one entity name over whom this Commission has
21 jurisdiction at the time of any subsequent order.

22 BY COMMISSIONER BROWN-BLAND:

23 Q The next question is about the billing. The
24 Public Staff has projected the average monthly

1 water bill post acquisition of the system, and
2 in the -- it's been noted that these projected
3 average water bills were based on a 1,500
4 gallons of water usage in year one and the year
5 one projection in the first two months of year
6 two. Could you explain how the average monthly
7 water usage of 1,500 gallons was calculated?

8 A Yes. I received in a data request I received
9 usage information and I averaged that usage
10 information out over, I believe, three years
11 and came up with that amount.

12 Q So what was the average water usage that was
13 used to calculate the average monthly water
14 bill for the rest of year two as well three
15 through five?

16 A It was the same. I didn't change the average
17 usage as I recall.

18 Q So, it's still the 1,500 gallons?

19 A Right.

20 Q All right. And Bear Den serves 55 residential
21 customers; is that what you determined and you
22 agree with?

23 A Yes.

24 Q And does Bear Den serve other customers besides

1 residential, other types, other
2 classifications?

3 A Not that I'm aware of. No.

4 Q And you don't believe Bear Den or do you
5 believe Bear Den currently serves the members
6 of the campground?

7 A I believe they do not, based on the information
8 that's in the Sub 2.

9 Q And you believe these two systems no longer
10 have a relationship?

11 A That's correct.

12 Q And you've indicated that the 55 residents as
13 you do consider them to be seasonal in their
14 water usage?

15 A That's correct.

16 Q Do any of the residents to your knowledge
17 receive service year-round, use the water
18 year-round?

19 A I believe some. Based on -- as I recall from
20 reviewing the usage records there were some
21 that did. I don't remember the amount but it
22 seemed like it was approximately a third as I
23 recall.

24 COMMISSIONER BROWN-BLAND: Chair Mitchell?

1 EXAMINATION BY CHAIR MITCHELL:

2 Q Mr. Franklin, just a few questions for you.
3 First, I'm confused about the campground
4 situation. I think we all are. But help me
5 understand, because the way I read the
6 Application and the way I understand the
7 testimony provided by the Applicant today, the
8 campground would be included or is intended to
9 be included in this transfer. Have you had
10 discussions with the Applicant about the
11 campground?

12 A No, I have not.

13 Q Okay. Any reason to think -- I mean, why
14 would -- I'm not asking you to speculate on
15 behalf of the Applicant but why -- help me
16 understand what's going on here. I mean, why
17 would the Applicant think that the campground
18 is part of this transaction?

19 A I'm sorry, Commissioner, I can't answer that
20 question. Again, I'm going by the information
21 that I saw in Sub 2.

22 Q Okay.

23 A And based on that information it appeared to me
24 that the CPCN was revised in Sub 2 and because

1 of the systems were disconnected that it only
2 applied to the residential area and not the
3 campground.

4 Q So are you -- is it your -- so, help me. What
5 was the date of the Order in Sub 2? Do you
6 have that on hand?

7 A Yes. It had a recommended Order and then that
8 Order became final on May 4th, 1996.

9 Q Okay. So setting aside for the moment the
10 issue of the campground, did you hear Mr. Cox's
11 testimony today about the Company's service
12 track record?

13 A Yes.

14 Q And sort of approach to resolving service
15 requests and service complaints?

16 A Yes.

17 Q Did the Public Staff investigate the Company's
18 service record in other jurisdictions in which
19 the affiliates of the Company are active?

20 A Like I said, the one that I followed more
21 closely was Kentucky. I did try to find some
22 additional information in some of the other
23 states, but Kentucky it was just easier to
24 obtain the information. And again, I didn't

1 see any service, significant service issues,
2 I'll put it that way --

3 Q So you have -- I'm sorry to interrupt you.

4 A That's fine.

5 Q So you have no basis upon which to refute the
6 testimony today of Mr. Cox?

7 A No.

8 Q Has the Public Staff been made aware of the
9 contract operators that the Company is engaged
10 with?

11 A We are aware that they have no North Carolina
12 employees, that Red Bird has no North Carolina
13 employees and that all operations will be
14 contracted out. We are aware of that.

15 Q Does the Public Staff have any concerns about
16 the fact that the Company will have no North
17 Carolina, no employees located in North
18 Carolina?

19 A Yes, we do.

20 Q Does the Company have -- does the Public Staff
21 have confidence in the contract operators with
22 which the Company is engaged or intends to
23 engage?

24 A We only know of the contract operator that was

1 in use currently at Ocean Terrace and Pine
2 Knoll Townes 1, 2 and 3. That was in the Sub 7
3 and that was approved. And that was the
4 current operator that had currently been used
5 and we had no issues with that.

6 I'll just add that this mode of
7 operation by Central States is not unique to
8 North Carolina. And my understanding is in all
9 of the other states they have a similar
10 operation where they have no, except for
11 possibly Missouri, they don't have any
12 employees in the state. It's all contracted
13 out.

14 Q And does the Public Staff have specific
15 concerns with this business model?

16 A Again, just because there are no employees,
17 that if there was a major outage or something
18 significant, it may take longer for the Company
19 to respond, and oversight as well.

20 Q Okay. Mr. Franklin, have you seen the three
21 and I think actually four customer --

22 A Yes.

23 Q -- statements of position that have been put on
24 the record in this case? Are you aware -- did

1 the Public Staff receive any other inquiries or
2 expressions of statement from customers?

3 A No.

4 Q Other than these four?

5 A Those are the only ones we received that I'm
6 aware of.

7 Q When you were on location, you indicated that
8 in July, I believe it was 2020; is that right?
9 Or 2021?

10 A 2021.

11 Q July of 2021 when you were on location did you
12 speak to any customers at that time?

13 A No. I went with the DEQ person who's assigned
14 to that system. We did -- I looked at meters
15 and, of course, we looked at the system but I
16 didn't come across any residents that
17 approached me and quite honestly I didn't
18 approach any of them either.

19 Q What was your impression upon visual inspection
20 of the system that which you could see?

21 A I thought the system was being maintained. I
22 didn't see any major issues of concern. I
23 spoke with DEQ. There had not been violations
24 of the system recently. And there was some

1 equipment, for example, a storage tank, I
2 believe the level meter wasn't working
3 properly. But, other than that, the only other
4 concern that DEQ expressed is that they were
5 having difficulty controlling pH at one time,
6 and they had switched from soda ash to using
7 caustic but that requires additional equipment
8 to be installed and more continuous oversight,
9 and they went back to soda and that has
10 controlled the pH since then so they have not
11 had the need to go to caustic. But the
12 operator felt that at some point they would
13 have to go to a caustic system.

14 Q Were you able to identify any information about
15 the capacity of the -- I believe there are two
16 wells -- the capacity of the two wells?

17 A Uh-huh (yes). As I recall they only need to
18 use one at a time. They don't need to use them
19 both. But I don't recall the specific
20 information as far as their capacity or -- but
21 it fills the storage tank and then the storage
22 tank is used to distribute it to the rest of
23 the residents.

24 Q And to your knowledge to date there have been

1 no issues with capacity or availability of
2 water supply?

3 A No. No. And I also asked consumer services if
4 they had received any complaints and asked them
5 to go back to January 1st of 2019, and they had
6 not received any complaints.

7 CHAIR MITCHELL: Okay. Thank you,
8 Mr. Franklin.

9 COMMISSIONER BROWN-BLAND: Commissioner
10 Hughes, do you have any questions?

11 COMMISSIONER HUGHES: Yes.

12 EXAMINATION BY COMMISSIONER HUGHES:

13 Q Do you know if these two separate systems have
14 the ability to send water back and forth?

15 A They do not.

16 Q So they are physically disconnected?

17 A Yes, correct.

18 FURTHER EXAMINATION BY COMMISSIONER BROWN-BLAND:

19 Q Mr. Franklin, given that you responded to
20 questions from Chair Mitchell that you did not
21 see any violations, you didn't see much of any
22 concerns on your visit, that the system
23 appeared to be well-maintained; what benefits
24 do the 55 customers get out of this transfer

1 transaction?

2 A Well, the system is old and there was
3 galvanized pipe used for the mains and so it's
4 just a matter of time before those will need to
5 be replaced. We talked briefly with Mr. Cox
6 about the meters. And again, the meters, you
7 know, were installed in the '93-'95 timeframe,
8 so most likely they're going to need to be
9 replaced. So we see some capital investments
10 that are going to be required and feel that
11 with the assets Red Bird has they are more
12 capable of making any of those capital
13 investments that might be required.

14 Q Now, in your research, going back to the DEQ
15 separation of the systems, did you see anything
16 that indicated either the Public Staff or the
17 Commission followed up with regard to the
18 campground, whether there was a GAAP created,
19 or whether the campground should remain under
20 regulation? Did you come across any
21 information?

22 A I did not.

23 COMMISSIONER BROWN-BLAND: Ms. Jost, I
24 would ask that the Public Staff follow up to find

1 out whether that campground should be subject to
2 regulation or not --

3 MS. JOST: We will do that.

4 COMMISSIONER BROWN-BLAND: -- under the
5 regulatory scheme of Chapter 62? And also -- well,
6 that's all I would request at this time from the
7 Public Staff.

8 BY COMMISSIONER BROWN-BLAND:

9 Q Another question for you, Mr. Franklin, is
10 whether when the system was separated, do you
11 know from an accounting point of view whether
12 the original investment was also separated out
13 from the campground?

14 A Looking through the Sub 2 documentation, they
15 added plant investment for years 1993, '94 and
16 '95. I did not see, to my recollection, I did
17 not see anything prior to that as original
18 plant, but I would have to check. I may be
19 incorrect but that's my recollection.

20 Q All right.

21 COMMISSIONER BROWN-BLAND: Are there
22 questions or follow up to Commission's questions?
23 Mr. Higgins?

24 MR. HIGGINS: I don't have any questions

1 for Mr. Franklin.

2 COMMISSIONER BROWN-BLAND: Ms. Jost?

3 MS. JOST: No questions.

4 COMMISSIONER BROWN-BLAND: Then it looks
5 like I don't think you had any exhibits to your
6 testimony.

7 MS. JOST: No, he did not.

8 COMMISSIONER BROWN-BLAND: So, it looks
9 like you may be excused, Mr. Franklin.

10 (The witness is excused)

11 COMMISSIONER BROWN-BLAND: I would like to
12 just comment that you can tell from the looks on our
13 faces and the questions we've asked we're a little
14 bit perplexed and we think this one is a little bit
15 of a mess and there are some things to clean up here
16 so we would ask that you do that as soon as you can.
17 And, also, let's be sure that we are in agreement
18 and understanding of what the service area will be
19 or is proposed to be.

20 MR. HIGGINS: Commissioner Brown-Bland, on
21 that point I don't think my client has ever thought
22 that the service area was anything other than the 55
23 residences that Mr. Franklin referred to. That has
24 been -- I mean, the named campground appears in the

1 record in some of the original dockets but that's my
2 understanding of what the parties have contemplated.

3 COMMISSIONER BROWN-BLAND: All right.

4 MR. HIGGINS: But we will proceed with
5 dispatch to do what you've asked of us to provide
6 these additional and cleanup items and a clean asset
7 purchase agreement that addresses the issues that
8 has been identified.

9 COMMISSIONER BROWN-BLAND: I would ask
10 that, if possible, that the parties attempt to
11 provide the late-filed -- the requested late-filed
12 exhibits and other additional information that we've
13 asked you to follow up on, if we could have those
14 answers and responses within three weeks from
15 today's date and if we cannot that you would contact
16 our Commission staff to let them know that
17 additional time is needed and to request such.

18 Beyond that, I would ask that proposed
19 orders and any briefs of any issues you find
20 appropriate to be briefed to be filed within 30 days
21 of the availability of the transcript. Is that
22 acceptable?

23 MS. JOST: Yes.

24 MR. HIGGINS: Yes, ma'am.

1 COMMISSIONER BROWN-BLAND: Any other
2 matter that needs to be addressed before we adjourn?

3 MR. HIGGINS: No, ma'am, not from me.

4 MS. JOST: Not from the Public Staff.

5 Thank you.

6 COMMISSIONER BROWN-BLAND: I believe we've
7 admitted everything that we needed to today in the
8 evidence and so, with that, we'll be adjourned.

9 Thank you.

10 (The proceedings were adjourned)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

C E R T I F I C A T E

I, KIM T. MITCHELL, DO HEREBY CERTIFY that the Proceedings in the above-captioned matter were taken before me, that I did report in stenographic shorthand the Proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability.

Kim T. Mitchell

Kim T. Mitchell