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Admitted in: North Carolina

January 25, 2024

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

Re: Application by Red Bird Utility Operating Company, LLC for a Certificate of Public Convenience and Necessity to Provide Sewer Utility Service to Meadowlands Subdivision in Davidson County, North Carolina and for Approval of Rates
Docket No. W-1259, Sub 5
Docket No. W-1328, Sub 6

Dear Ms. Dunston:

On behalf of Red Bird Utility Operating Company, LLC (“Red Bird” or the “Company”) and pursuant to the Commission’s Order issued January 22, 2024, enclosed is a proposed Notice to Customers. Red Bird consulted with the Public Staff, and the Public Staff agrees to the enclosed Notice.

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

Best regards,

/s/ Mindy McGrath
Mindy McGrath

Enclosure

c: Parties of Record w/ Encl.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

NOTICE TO CUSTOMERS

DOCKET NO. W-1259, SUB 5
DOCKET NO. W-1328, SUB 6

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Red Bird Utility Operating Company, LLC (Red Bird), 1630 Des Peres Road, Suite 140, St. Louis, Missouri 63131, and Meadowlands Development, LLC (Meadowlands), P.O. Box 10, Bethania, North Carolina 27010, filed a joint 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 the Meadowlands Subdivision in Davidson County, North Carolina, from Meadowlands to Red Bird, and approval of rates.

Upon acquisition, Red Bird plans to make approximately \$33,000 in capital improvements to the wastewater system over the next five years, including installing remote monitoring at three lift stations, repairing a valve vault, and installing a heating element in a pump control panel. According to Red Bird, these improvements, as well as others, are necessary to ensure proper operation of the Meadowlands wastewater system and provide safe and reliable service to customers. Such investments in the Meadowlands 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 in rate base the costs associated with purchasing the Meadowlands system and its investment in the system, 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 Meadowlands system, Red Bird may seek approval of uniform rates across all its North Carolina utility systems, including the Meadowlands Subdivision.

EFFECT OF RATES:

Upon acquisition of the Meadowlands system, Red Bird proposes to continue to charge the current residential flat rates for monthly sewer utility service. In addition, Red Bird proposes to maintain the reconnection charge. The present and proposed rates are as follows:

	<u>Present</u>	<u>Proposed</u>
<u>Monthly Sewer Utility Service:</u>		
Flat Rate	\$45.31	\$45.31
<u>Reconnection Charge:</u>	\$14.10	\$14.10

Based on these rates, residents would continue to be billed a flat rate of \$45.31 per month for wastewater utility service until such time as the Commission approves new rates.

Red Bird plans to request from the Commission a rate increase and uniform statewide rates to become effective 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 predicted with certainty at this time because the needed capital improvements and repairs are subject to change. Due to the purchase costs and needed capital improvements and repairs, future rates are expected to be higher than the current rates. 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 Monday, February 26, 2024, in the Davidson County Courthouse, 110 West Center Street, Courtroom 6, Lexington, North Carolina 27292. *This hearing may be cancelled if no significant protests are received through the submission of consumer statements on or before Friday, February 16, 2024.*

The public witness hearing on Monday, February 26, 2024, 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 2:00 p.m. on Monday, April 8, 2024, 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, 27603. The hearing scheduled for Monday, April 8, 2024, shall be conducted solely for the purpose of receiving testimony of Red Bird, Meadowlands, the Public Staff – North Carolina Utilities Commission (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

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, notice to customers, a public hearing, and approval by the Commission.

customer's name, contact information, and any information that the consumer 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.gov/contactus.html>. Consumer statements are not evidence unless 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 Monday, March 11, 2024. 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 be filed with the Commission on or before Wednesday, February 28, 2024.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.gov under Docket Numbers "W-1259 Sub 5" and "W-1328 Sub 6."

This the ____ day of _____, 2024.

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-1259, Sub 5 and W-1328, Sub 6, and the Notice was mailed or hand delivered by the date specified in the Order.

This the _____ day of _____ 2024.

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-1259, Sub 5 and W-1328, Sub 6.

Witness my hand and notarial seal, this the _____ day of _____ 2024.

Notary Public

Address

(SEAL) My Commission Expires: _____
Date