

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

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

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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)	ORDER APPROVING
Acres Development, Inc., 600 Bear Den)	STIPULATION, APPROVING
Mountain Road, Spruce Pine, North Carolina)	BOND, APPROVING TRANSFER
28777, for Authority to Transfer the Bear Den)	AND RATES, AND REQUIRING
Acres Development Water System and Public)	CUSTOMER NOTICE
Utility Franchise in McDowell County, North)	
Carolina, and for Approval of Rates)	

HEARD: Monday, March 28, 2022, at 1:00 p.m. in the Commission Hearing Room, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, 27603; and

Thursday, August 4, 2022, at 1:30 p.m. and 6:30 p.m., by virtual means using the Webex electronic platform

BEFORE: Commissioner ToNola D. Brown-Bland, Presiding; Chair Charlotte A. Mitchell, and Commissioner Jeffrey A. Hughes

APPEARANCES:

For Red Bird Utility Operating Company, LLC:

Daniel C. Higgins, Burns, Day & Presnell, P.A., PO Box 10867, Raleigh, North Carolina 27605

For the Using and Consuming Public:

Megan Jost, Public Staff - North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300

BY THE COMMISSION: On December 4, 2020, Red Bird Utility Operating Company, LLC (Red Bird or Company), and Bear Den Acres Development, Inc. (Bear Den), filed a joint application for authority to transfer the assets of the Bear Den Acres Development water utility system and public utility franchise in McDowell County, North

Carolina, to Red Bird and approval of rates. Red Bird filed supplemental and additional materials in support of the Application on March 29, April 19, April 20, and October 6, 2021.

On January 5, 2022, the Commission issued an Order Scheduling Hearing, Establishing Discovery Guidelines, and Requiring Customer Notice (Scheduling Order) scheduling, among other things, an expert witness hearing for March 28, 2022. The Scheduling Order also directed that a Notice to Customers be mailed by Red Bird to all affected customers indicating that the Commission may decide the matter without a public witness hearing if no significant protests are received within 45 days of the date of the notice but did not schedule a customer hearing.

On February 11, 2022, Red Bird filed the direct testimony of Josiah Cox, President of Red Bird Utility Operating Company, LLC and CSWR, LLC (CSWR).

On March 2, 2022, the Public Staff filed the Settlement Agreement and Stipulation (Stipulation) of the Public Staff and Red Bird (Stipulating Parties) resolving all contested issues related to the Application.

On March 18, 2022, the Public Staff filed the settlement testimony of D. Michael Franklin, Public Utilities Engineer with the Public Staff's Water, Sewer, and Telephone Division, and Red Bird filed the supplemental testimony of Josiah Cox in support of the Stipulation.

On March 21, 2022, the Stipulating Parties filed a Joint Motion for Order Cancelling Evidentiary Hearing, Approving Stipulation, Approving Bond, And Approving Transfer and Rates which the Commission denied on March 24, 2022.

Also on March 21, 2022, Red Bird posted a \$75,000 bond as required by the terms of the Stipulation.

On March 28, 2022, the expert witness hearing was held as scheduled in Commission Hearing Room 2115 in Raleigh, North Carolina.

On April 18, 2022, Red Bird submitted post-hearing filings as directed by the Commission.

Also on April 18, 2022, the Public Staff filed Franklin Late Filed Exhibit 1 in response to Commission questions from the expert witness hearing.

On May 19, 2022, the Public Staff filed a motion requesting that the Commission schedule a customer hearing and extend the deadline to file proposed orders following the discovery of 11 additional customer statements that had been properly filed in the docketing system prior to the deadline for protests, but due to technical difficulties, had not been visible in the docketing system.

On July 1, 2022, the Commission issued an order scheduling a customer hearing to be conducted via Webex on August 4, 2022, in two sessions at 1:30 p.m. and at 6:30 p.m. and extending the deadline for filing proposed orders (Customer Hearing Order)

On August 4, 2022, the Commission held a customer hearing via Webex as scheduled and received testimony and exhibits from 14 Bear Den customers.

On August 11, 2022, Bear Den filed its verified response addressing the issues raised at the customer hearing.

On August 15, 2022, Red Bird filed its verified report addressing the issues raised at the customer hearing.

On August 22, 2022, the Public Staff filed a verified response (Verified Response) to the reports filed by Bear Den and Red Bird regarding matters and issues raised at the customer hearing.

On September 30, 2022, the Public Staff and Red Bird filed a Joint Proposed Order Approving Stipulation, Approving Bond, Approving Transfer and Rates, and Requiring Customer Notice.

Based upon the foregoing, including the verified Application, the testimony and exhibits of the customers appearing at the customer hearing, the testimony and exhibits of the expert witnesses received into evidence, the Stipulation, prior dockets regarding Bear Den, and the entire record in this proceeding, the Commission makes the following

FINDINGS OF FACT

1. Red Bird presently holds one utility franchise in North Carolina which was issued on December 8, 2021, in Docket No. W-1328, Sub 7, for the wastewater utility system serving the Ocean Terrace and Pine Knoll Townes I, II, and III townhome communities in Carteret County, North Carolina. Red Bird's indirect corporate parent, CSWR, has acquired and currently operates over 400 water and wastewater utility systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, Tennessee, Mississippi, North Carolina, and Arizona providing utility service to approximately 94,000 wastewater customers and 59,000 water customers.

2. Bear Den holds a Certificate of Public Convenience and Necessity (CPCN) to provide water utility service to approximately 50 residential customers in the Bear Den Acres Development in McDowell County, North Carolina pursuant to Commission Order issued on December 1, 1993, in Docket No. W-1040, Sub 0, as amended to remove Bear Den Campground and William F. Moody from the certificate on May 12, 1995, in Docket No. W-1040, Sub 2.

3. The Bear Den Acres Development water system is approved by the North Carolina Department of Environmental Quality, Division of Water Resources, under system number NC0156129.

4. On October 23, 2019, a Red Bird affiliate, Central States Water Resources, Inc. (Central States), entered into an agreement for the purchase of the Bear Den Acres Development utility system with Bear Den (Purchase Agreement). According to the Purchase Agreement, the closing of the sale will occur after regulatory approval is obtained. Central States subsequently assigned the Purchase Agreement to its affiliate, Red Bird.

5. On April 12, 2022, Red Bird entered into a Second Amendment to the Purchase Agreement with both Bear Den and Bear Den Mountain Resort (Resort). That Amendment revised the definition of “Seller” under the Purchase Agreement to include both Bear Den and Resort and identified Red Bird as the “Buyer.”

6. Upon acquisition of the water system, Red Bird plans to make capital improvements. At this point Red Bird estimates that the cost of improvements to be made to the Bear Den Acres Development water system is approximately \$15,500.

7. Bear Den’s presently approved monthly metered residential water service rates, which Red Bird proposes to adopt and are uncontested by the Public Staff, are as follows:

	<u>Present</u>	<u>Proposed</u>
Base Charge, zero usage	\$ 33.40, minimum	\$ 33.40, minimum
Usage Charge, per 1,000 gallons	\$ 2.78	\$ 2.78
Meter Installation Fee:	\$175.00	\$175.00
Connection Fee:	\$600.00	\$600.00
<u>Reconnection Charges:</u>		
If water service cut off by utility for good cause	\$ 14.32	\$ 14.32
If water service discontinued at customer’s request	\$ 14.32	\$ 14.32
Returned Check Charge	\$ 9.55	\$ 9.55
Finance Charge for Late Payment	1% per month past due	1% per month past due

8. As supplemented by its post-hearing filings submitted on April 18, 2022, Red Bird has filed all required exhibits with its Application.

9. Red Bird is a North Carolina limited liability company in good standing. Red Bird is a wholly owned subsidiary of its sole member, Red Bird Utility Holding Company, LLC (RBUH), which is also a North Carolina limited liability company in good standing. RBUH is a wholly owned subsidiary of its sole member, North Carolina Central States Water Resources, LLC, which is also a North Carolina limited liability company in good standing and a wholly owned subsidiary of CSWR.

10. The Stipulation filed by the Public Staff and Red Bird on March 2, 2022 in these dockets resolved all contested issues related to the transfer of the Bear Den Acres Development water system to Red Bird. The terms of the Stipulation are as follows:

- a. Red Bird agrees to post a bond in the amount of \$75,000 for the Bear Den Acres Development service area on or before March 18, 2022.
- b. Red Bird agrees not to pursue an acquisition adjustment related to the Bear Den Acres Development system in this or any future proceeding.
- c. The Public Staff and Red Bird agree that rate base for the Bear Den Acres Development system should be \$3,153, plus up to \$5,000 for closing costs. The actual amount of the closing costs should be determined in Red Bird's next general rate case.
- d. The Public Staff and Red Bird agree that Red Bird may request recovery of the remaining costs associated with the transfer of the Bear Den Acres Development system to Red Bird up to \$25,496 for engineering due diligence work in its next general rate case, provided that the resulting work results in reasonable and prudent capital investments to improve the Bear Den Acres Development system. Any portion of the \$25,496 associated with reasonable and prudent improvements should be included as utility plant in service in the Company's next general rate case filed after the improvements become used and useful in providing service.
- e. Red Bird agrees not to seek recovery of any additional costs associated with the transfer, including due diligence, transactional, and regulatory costs, other than those listed above.

11. The Stipulation is the product of give-and-take in settlement negotiations between the Public Staff and Red Bird, is material evidence in this proceeding, and is entitled to be given appropriate weight in this case, along with other evidence from the Company and the Public Staff.

12. On March 21, 2022, Red Bird posted the stipulated \$75,000 bond and filed the appropriate bond documents. All filing requirements for a bond secured by a commercial surety have been met.

13. Red Bird's Verified Report filed on August 15, 2022, regarding issues raised at the customer hearing, adequately addressed those issues.

14. The Verified Response of the Public Staff filed August 22, 2022, reflects its review of the Verified Reports filed by Bear Den and Red Bird. The Public Staff concluded that those responses adequately addressed the concerns testified to by customers during the August 4, 2022 Customer Hearing.

15. Red Bird has the technical, managerial, and financial capacity to own and operate the Bear Den Acres Development water system.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 1

The evidence for this finding of fact is found in the Commission's record in Docket No. W-1328, Sub 7 and in the Commission's Order Accepting and Approving Bond, Granting Franchise, Approving Rates, and Requiring Customer Notice issued in that docket.

The evidence for this finding of fact is also found in the direct testimony of Red Bird witness Josiah Cox that CSWR's operating subsidiaries have acquired and operate 410 water and/or wastewater utility systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, Tennessee, Mississippi, Arizona, and North Carolina, including the system addressed in Docket No. W-1328, Sub 7.

Additionally, the evidence for this finding of fact is found in the settlement testimony of Public Staff witness D. Michael Franklin, which stated that Red Bird "has the financial, technical, and managerial ability to own and operate the Bear Den Acres water utility system." Tr. vol. 2, 27.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 2

The evidence for this finding of fact is contained in the Commission's records in these dockets, the Commission's records in Docket No. W-1040, Subs 0 and 2, and the testimony of Red Bird witness Cox and Public Staff witness Franklin and is uncontested.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 3

The evidence for this finding of fact is contained in the testimony of Public Staff witness Franklin and the Commission's records in these and other dockets relating to Bear Den and is uncontested.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 4 AND 5

The evidence for these findings of fact is found in filings in these dockets, including the Agreement for Sale of Utility System between Central States and Bear Den dated October 23, 2019 and filed as Attachment G to the Application; the Assignment of Contract Rights; and the Second Amendment to the Agreement of Sale of Utility System dated April 12, 2022, which identifies Red Bird as the Buyer under the Purchase Agreement and expands the definition of Seller to include both Bear Den and Bear Den Mountain Resort, Inc.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 6

The evidence for this finding of fact is found in the application and supplemental materials filed by Red Bird as well as the testimony of Red Bird witness Cox.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 7

Because Red Bird proposes to adopt Bear Den's existing Commission-approved rates, the evidence for this finding of fact is contained in the Commission's records in prior Bear Den dockets and is uncontested. As reflected in the Application, the direct testimony of Red Bird witness Cox, Red Bird's Verified Report, and the Public Staff's Verified Response, Red Bird proposes to adopt Bear Den's existing rates and is not seeking a rate increase in connection with the request for approval of the transfer of the Bear Den Acres Development water system to Red Bird.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 8

This finding of fact is procedural, uncontested, and based on the record in the instant dockets.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 9

The evidence for this finding of fact is contained in Attachment K of the Application filed on December 4, 2020, which includes the "Central States Water Resources Corporate Entity Organizational Chart" illustrating the corporate structure of Red Bird and its affiliates. The evidence for this finding of fact is also found in the post-hearing filing by Red Bird of Certificates of Good Standing from the North Carolina Secretary of State as to Red Bird; as to its sole member, Red Bird Utility Holding Company, LLC; and as to that entity's sole member, North Carolina Central States Water Resources, LLC. The evidence for this finding of fact is also contained in the testimony of Red Bird witness Cox. Tr. vol. 1, 50-51.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 10

The evidence for this finding of fact is contained in the Stipulation entered into by the Public Staff and Red Bird and filed with the Commission on March 2, 2022, in the instant dockets.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 11

The evidence supporting this finding of fact is found in the Stipulation, the Supplemental Testimony of Red Bird witness Cox, the Settlement Testimony of Public Staff witness Franklin, as well as the records in the instant dockets.

On March 2, 2022, Red Bird and the Public Staff filed the Stipulation and both parties thereafter filed testimony in support of the Stipulation. Red Bird and the Public Staff are the only parties to this proceeding, and the Stipulation resolves all issues between the Stipulating Parties in this proceeding.

Based upon the foregoing and the entire record herein, the Commission finds that the Stipulation represents a negotiated settlement of all issues in this proceeding and that the provisions agreed to by the Stipulating Parties are reasonable and appropriate for the purpose of this proceeding. In making this finding, the Commission gives substantial weight to the testimony of Public Staff witness Franklin and Red Bird witness Cox, and recognizes that the Stipulation is a product of arm's length negotiations involving give and take. The Commission notes that as part of the Stipulating Parties' agreement, Red Bird agrees not to seek recovery of any additional transfer related costs, including due diligence, transactional, and regulatory costs, other than those listed in Paragraphs II.D. and II.E. of the Stipulation.

The Commission finds that, based on the record, the terms of the Stipulation are just and reasonable to both Red Bird and its future customers on the Bear Den Acres Development water system. In addition, the Commission finds that the provisions of the Stipulation are just and reasonable to all parties to this proceeding and serve the public interest, and that it is appropriate to approve the Stipulation in its entirety.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 12

The evidence for this finding of fact is based on the fact that Red Bird filed the bond in the amount of \$75,000, as recommended by the Public Staff, on March 21, 2022. All filing requirements of the bond posted by Red Bird have been met, and this filing is uncontested.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 13

Red Bird's Verified Report addresses issues raised at the customer hearing. Those issues include customer concerns regarding potential future rate increases associated with Red Bird's proposed acquisition of the Bear Den Acres Development water system.

As noted in Red Bird's Verified Report, Red Bird plans to implement improvements to both the Bear Den Acres Development water system and the service provided to its customers. Red Bird states that it anticipates that a rate increase would be necessary and appropriate after such investments are made. At the point that Red Bird proposes a rate increase, customers will have the opportunity to be heard, the Public Staff will perform an investigation and make recommendations, and the Commission will review the prudence and reasonableness of all improvements to both water quality and service to customers in Bear Den Acres Development during Red Bird's initial rate case.

Red Bird's Verified Report also addresses concerns regarding some customers' part-time occupancy, usage, and the implications for customers of Red Bird's acquisition of the Bear Den Acres Development water system. Red Bird points out in its Verified Report that customers who only use their property occasionally can simply turn their water off and pay a reconnection fee of \$14.34 for having it turned back on. Residents can also take appropriate measures to limit water usage. Red Bird states that it would calculate usage by reading meters and would charge customers per Bear Den's currently approved tariff. Red Bird also addresses concerns regarding communications with customers and states that it has complied with Commission orders regarding customer notices and information provided to Bear Den's customers. In Red Bird's Verified Report, it articulates its plan for establishing communication with customers approximately one month prior to the closing of this acquisition, if the transfer is approved, and states its belief that utilizing technology will allow customers to have an enhanced ability to communicate with their water utility service provider.

With regard to operational concerns expressed at the customer hearing, Red Bird confirms that it will identify and employ a qualified low-cost firm to operate this system. The Verified Report lays out the steps that Central States utilizes to identify and contract with qualified operators, and Red Bird's Verified Report identifies those qualified operators in North Carolina which Red Bird had identified as of the filing of its Report.

With regard to water quality issues, Red Bird responded to complaints of several customers regarding discolored or odiferous water stating that those experiences seemed to be a function of specific customer locations, both in terms of elevation and location relative to the end of a water distribution line. While Red Bird states it has no knowledge of specific efforts which may have been made in the past to address such issues, given its affiliates' experience in dealing with this issue in other systems, Red Bird expects to be able to mitigate and hopefully eliminate this problem by ensuring that the appropriate chlorine residuals are maintained within the distribution system and ensuring that a routine flushing program is followed. While this problem is attributable in part to the fact that the Bear Den Acres Development community is seasonal and intermittently occupied, which can result in irregular water usage patterns leading to stagnant water sitting in the distribution lines or indoor plumbing for an extended period of time, Red Bird notes that it believes that installation of auto flush valves may reduce or eliminate these problems.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 14

Evidence supporting this finding of fact is found in the Public Staff's Verified Response, which addresses the customer concerns expressed at the customer hearing regarding water utility rates and sets forth the Public Staff's conclusion that Red Bird's Verified Report adequately addresses this customer concern by confirming that, if Red Bird acquires the Bear Den Acres Development water system, it will adopt the rates currently approved for Bear Den.

With regard to water quality issues, the Public Staff notes that four customers testified at the public witness hearing that they had experienced issues with the quality of the water provided by Bear Den. The Public Staff's response states that it is of the opinion that the actions Red Bird identifies in its Report should improve water quality, although further investigation of the Bear Den Acres Development water distribution system may be needed. The Public Staff agrees with Red Bird's assertion that for seasonal residents, there can be stagnant water in service lines and indoor plumbing, and residents may need to flush the lines when they first return to their property. This operational issue, and how it will best be addressed, is consistent with Red Bird's view that it will be able to truly understand the needs of the Bear Den Acres Development water system once it has acquired that system and begun operating it.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 15

The evidence supporting this finding of fact is found in Red Bird's Application, Red Bird's supplemental filings, the testimony of Red Bird witness Cox and Public Staff witness Franklin, and the entire record in this proceeding. These findings are informational, procedural, and jurisdictional in nature and are not contested by any party.

The Stipulation reflects the Public Staff's agreement that Red Bird has the technical, managerial, and financial capacity to provide water utility service in the Bear Den Acres Development service area. Likewise, the Commission previously found in Docket No. W-1328, Sub 7 that Red Bird had the technical, managerial, and financial capacity to be granted a wastewater utility franchise authorizing it to serve the Ocean Terrace and Pine Knoll Townes I, II, and III townhome communities in Carteret County.

As established by the testimony of Red Bird witness Cox, Central States has acquired and currently operates through various operating subsidiaries over 400 water and/or wastewater utility systems in eight other states and currently provides service to approximately 94,000 wastewater customers and 59,000 water customers. There is adequate and sufficient evidence that Red Bird has the technical, managerial, and financial capacity to run and operate the Bear Den Acres Development water system.

Based on all of the evidence in the record, the provisions of the Stipulation are just and reasonable to the Bear Den Acres Development customers and to all parties to this proceeding and serve the public interest. Therefore, the Stipulation should be approved in its entirety.

The Commission therefore approves the Stipulation; concludes that Red Bird's adoption of Bear Den's existing rates should be approved; that the \$75,000 bond posted by Red Bird for the Bear Den Acres Development service area should be accepted and approved; that Red Bird should provide written notification to the Commission within 30 days of the date of this Order that closing of the sale of the Bear Den Acres Development water utility system has been completed; that upon receipt of such written notification Red Bird should be granted a Certificate of Public Convenience and Necessity to provide water utility service to the Bear Den Acres Development service area; and that Red Bird should provide notice to customers that the franchise has been granted and of the approved rates.

IT IS, THEREFORE, ORDERED as follows:

1. That Red Bird's post-hearing filings and Public Staff witness Franklin's Late-Filed Exhibit 1 filed on April 18, 2022, are hereby entered into evidence;

2. That Bear Den is hereby authorized to transfer its water utility system serving the Bear Den Acres Development service area in McDowell County, North Carolina, to Red Bird;

3. That the Stipulation between the Public Staff and Red Bird is hereby approved in its entirety;

4. That Red Bird shall comply with all terms of the Stipulation filed in this docket;

5. That the rate base for the Bear Den Acres Development system shall be \$3,153, plus up to \$5,000 for closing costs. The actual amount of the closing costs should be determined in Red Bird's next general rate case relating to Bear Den Acres Development. Red Bird may request recovery of the remaining costs associated with the transfer of the Bear Den Acres Development system to Red Bird up to \$25,496 for engineering due diligence work in its next general rate case related to Bear Den Acres Development, provided that such work results in reasonable and prudent capital investments to improve the Bear Den Acres Development system. Any portion of the \$25,496 associated with reasonable and prudent improvements should be included as utility plant in service in the Company's next general rate case filed after the improvements become used and useful in providing service. Red Bird shall not seek recovery of any additional costs associated with the transfer, including due diligence, transactional, and regulatory costs, other than those listed above.

6. That the \$75,000 bond and commercial surety from RLI Insurance Company is hereby accepted and approved for Red Bird, in compliance with N.C.G.S. § 62-110.3;

7. That Bear Den's surety bond held by the Commission shall be released to Bear Den upon receipt of written notification to the Commission that closing of the transfer of the water utility system has been completed;

8. That Red Bird is granted a Certificate of Public Convenience and Necessity to provide water utility service to the Bear Den Acres Development service area located in McDowell County, North Carolina, effective upon the closing of the sale of the Bear Den Acres Development water utility system assets to Red Bird. Appendix A, attached hereto, constitutes the Certificate of Public Convenience and Necessity;

9. That the Schedule of Rates, attached hereto as Appendix B, is hereby approved, and deemed filed with the Commission pursuant to N.C.G.S. § 62-138. This Schedule of Rates shall become effective for service rendered on and after the date of the closing of the sale of the Bear Den Acres Development water utility system assets to Red Bird;

10. That Red Bird shall provide notification to the Commission within 30 days of the date of this Order that closing of the sale of the water utility system serving Bear Den Acres Development has been completed;

11. That the Certificate of Public Convenience and Necessity granted to Bear Den in Docket No. W-1040, Sub 2, is canceled effective on the date Red Bird files with the Commission written notification that closing of the transfer of the water utility system has been completed;

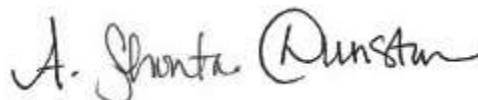
12. That within 30 days of the closing of the sale of the Bear Den Acres Development water utility system, Red Bird shall file in these dockets the warranty deed showing Red Bird's ownership of the required easements and all interests in land it has obtained in connection with the operation and maintenance of the Bear Den Acres Development water utility system; and

13. That a copy of this Order and Appendix B shall be mailed with sufficient postage or hand delivered by Red Bird to Bear Den Acres Development customers within ten days of the effective date of this Order and that Red Bird shall submit to the Commission the attached Certificate of Service properly signed and notarized no later than 30 days after issuance of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 7th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive style with a large, looped initial "A".

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1328, SUB 4

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

RED BIRD UTILITY OPERATING COMPANY, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

to

BEAR DEN ACRES DEVELOPMENT

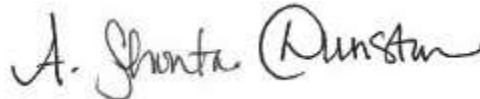
McDowell County, North Carolina

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the 7th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCfor providing water utility service

to

BEAR DEN ACRES DEVELOPMENT

McDowell County, North Carolina

Monthly Metered Rates (Residential Service):

Base Charge, zero usage	\$ 33.40, minimum
Usage Charge, per 1,000 gallons	\$ 2.78

Meter Installation Fee: \$175.00

Connection Fee: \$600.00

Reconnection Charges:

If water service cut off by utility for good cause	\$ 14.32
If water service discontinued at customer's request	\$ 14.32

(Customers who request to be reconnected within 12 months of disconnection at the same address shall be charged the base charge for the entire period they were disconnected.)

Returned Check Charge: \$ 9.55

Bills Due: On billing date

Bills Past Due: 20 days after billing date

Billing Frequency: Shall be monthly for service in arrears

Finance Charge for Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No W-1328, Sub 4, on this the 7th day of February, 2023.

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers copies of the attached Order and Appendix B issued by the North Carolina Utilities Commission in Docket Nos. W-1040, Sub 10 and W-1328, Sub 4, and the Order and Appendix B were mailed or hand delivered by the date specified in the Order.

This the ____ day of February, 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 Order and Appendix B were mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket Nos. W-1040, Sub 10 and W-1328, Sub 4.

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

Notary Public

Address

(SEAL) My Commission Expires: _____
Date