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Admitted in: North Carolina

April 19, 2024

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

Re: Application of A&D Water Services, Inc. and Red Bird Utility Operating Company, LLC, d/b/a Red Bird Water for Transfer of Public Utility Franchise and for Approval of Rates
Docket No. W-1049, Sub 25
Docket No. W-1328, Sub 2

Ms. Dunston:

Enclosed for filing on behalf of Red Bird Utility Operating Company, LLC and the Public Staff – North Carolina Utilities Commission in the above captioned dockets is a Joint Proposed Order Approving Stipulation, Approving Bond, Approving Transfer and Rates, and Requiring Customer 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.

CERTIFICATE OF SERVICE**DOCKET NO. W-1049, SUB 25****DOCKET NO. W-1328, SUB 2**

I hereby certify that a copy of the Joint Proposed Order Approving Stipulation, Approving Bond, Approving Transfer and Rates, and Requiring Customer Notice was served electronically or by depositing a copy of the same in the United States Mail, first class postage prepaid, at the addresses contained in the official service lists in these proceedings.

This the 19th day of April 2024.

RED BIRD UTILITY OPERATING COMPANY, LLC

/s/ Mindy McGrath

Mindy McGrath (NC Bar No. 35628)

Molly M. Jagannathan (NC Bar No. 36931)

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1049, SUB 25
DOCKET NO. W-1328, SUB 2

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	JOINT PROPOSED ORDER
Application of A&D Water Services, Inc. and)	APPROVING STIPULATION,
Red Bird Utility Operating Company, LLC,)	APPROVING BOND,
d/b/a Red Bird Water for Transfer of Public)	APPROVING TRANSFER AND
Utility Franchise and for Approval of Rates)	RATES, AND REQUIRING
)	CUSTOMER NOTICE

BY THE COMMISSION: On October 9, 2020, and as supplemented on October 20, 2020, Red Bird Utility Operating Company, LLC d/b/a Red Bird Water (Red Bird) and A&D Water Services, Inc. (A&D) filed with the North Carolina Utilities Commission (Commission) an Application for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the water and/or wastewater utility systems and public utility franchise serving the Buffalo Meadows, Camelot, Cinnamon Woods, High Vista, Hunter's Glen, Kirk Glen, Mountain Valley, Rolling Oaks Estates, Sherwood Forest, Skyview Park, and White Oak Village subdivisions in Ashe, Henderson, Buncombe, Transylvania, and Gaston Counties, North Carolina (collectively, A&D Systems) from A&D to Red Bird and for approval of rates.

On December 22, 2020, the Public Staff – North Carolina Utilities Commission (Public Staff) filed a deficiency letter (First Deficiency Letter) outlining information that was needed to complete the Application.

On July 2, 2021, Red Bird filed supplemental materials to address the deficiencies identified in the First Deficiency Letter.

On July 23, 2021, Public Staff filed a letter noting that A&D was delinquent in filing its annual reports for the years 2017, 2018, 2019, and 2020 and that Public Staff would not process the Application until A&D filed the required four years of annual reports.

On October 8 and 11, 2021, and on December 15, 2022, Red Bird filed additional supplemental materials in support of the Application.

On June 14, 2023, Red Bird filed a letter indicating that it considered the Application to be complete.

On July 25, 2023, Public Staff filed a second deficiency letter (Second Deficiency Letter) outlining additional and updated information needed to complete the Application. In the Second Deficiency Letter, the Public Staff recommended that the Commission determine the Application incomplete.

On July 28, 2023, the Commission issued its Order Finding Application Incomplete and Request for Additional Information directing Red Bird to file information sufficient to address the deficiencies noted in the Second Deficiency Letter (Deficiency Order).

On October 18, 2023, Kiran H. Mehta, Molly M. Jagannathan, and Holly R. Ingram of the firm of Troutman Pepper Hamilton Sanders LLP each filed a Notice of Appearance of Counsel for Red Bird.

On October 31, 2023, Red Bird filed a Motion of Counsel for Red Bird to Withdraw, which requested the withdrawal of Daniel C. Higgins and the firm of Burns, Day, and Presnell, P.A. as counsel of record for Red Bird, which the Commission granted on November 1, 2023.

On November 1, 2023, Mindy L. McGrath of the firm of Troutman Pepper Hamilton Sanders LLP filed a Notice of Appearance of Counsel for Red Bird.

Pursuant to the Commission's Deficiency Order, on December 12, 2023, Red Bird filed additional information to address the deficiencies noted in the Second Deficiency Letter.

On December 19, 2023, Public Staff filed a letter with the Commission indicating that these dockets now include all of the information required for a complete Application.

On January 2, 2024, the Commission issued its Order Finding Application Complete and Requiring the Public Staff to Provide Specific Application Data (January 2 Order).

On January 9, 2024, the Public Staff provided the information requested in the January 2 Order.

On January 12, 2024, the Public Staff provided a corrected response to the January 2 Order.

On January 23, 2024, Red Bird filed an updated page 1 to the Application.

On January 23, 2024, the Commission issued its Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice (Scheduling Order) which, among other things, scheduled a public witness hearing for February 29, 2024, and an expert witness hearing for April 1, 2024.

Pursuant to the Scheduling Order, on January 31, 2024, Red Bird filed its proposed Notice to Customers, which was agreed upon by Red Bird and the Public Staff.

On February 5, 2024, the Commission issued its Order Approving Notice to Customers and the attached Notice to Customers stated that the public witness hearing was subject to cancellation if no significant protests were received by February 19, 2024.

Subsequent to the filing of Red Bird's Application in these dockets, the Public Staff engaged in substantial discovery of Red Bird regarding the matters addressed in the Application and supplemental and additional materials filed with the Commission in support of the Application.

On February 7, 2024, Red Bird filed the Direct Testimony and Exhibits of Josiah Cox, President of Red Bird and CSWR, LLC (CSWR), a Missouri limited liability company formed to provide managerial, technical, and financial support to its utility operating affiliates, including Red Bird.

On February 21, 2024, the Public Staff filed a Motion to Cancel Public Witness Hearing requesting that the public witness hearing scheduled for February 29, 2024, be cancelled. Red Bird supported the motion. Public Staff stated therein that three consumer statements of position regarding the Application had been filed; however, Public Staff believed that neither the quantity nor content of the filed consumer statements of position constituted the "significant protests" necessary to avoid cancellation of the hearing. Public Staff further stated that the issues set forth in the consumer statements of position were well explained and could be considered on the merits by the Commission.

On February 23, 2024, the Commission issued its Order Canceling Public Witness Hearing.

On February 28, 2024, Red Bird filed its Certificate of Service for Customer Notice reflecting service of the Notice to Customers.

On March 6, 2024, the Public Staff filed the Direct Testimony and Exhibit of John R. Hinton, Director of the Economic Research Division of the Public Staff; the Direct Testimony and Exhibit of Kuei Fen Sun, a Public Utility Regulatory Analyst with the Accounting Division of the Public Staff; and the Direct Testimony and Exhibits of D. Michael Franklin, a Public Utilities Engineer with the Water, Sewer, and Telephone Division of the Public Staff.

On March 14, 2024, Red Bird filed a motion requesting an extension of time, until March 19, 2024, to file its rebuttal testimony. In support of its motion, Red Bird stated that the parties were engaged in settlement discussions and that Red Bird believed that the additional time would allow the parties an opportunity to resolve the issues in dispute. Red Bird also noted that Public Staff did not oppose the requested extension. On March 14, 2024, the Commission granted the requested extension.

On March 18, 2024, the Public Staff and Red Bird filed a Joint Motion for Leave to File Stipulation and Settlement Testimony (Joint Motion) requesting that the Public Staff and Red Bird be permitted to file a settlement agreement and settlement testimony in lieu of Red Bird filing rebuttal testimony and exhibits. In support of the Joint Motion, the Public Staff and Red Bird explained that they had reached a settlement in principle but required additional time, until March 21, 2024, to memorialize the terms in a stipulation and settlement agreement and to file supporting testimony and exhibits. On March 19, 2024, the Commission granted the Joint Motion and issued an Order Granting Extension of Time to File Settlement Agreement and Stipulation in Lieu of Rebuttal Testimony.

On March 21, 2024, Red Bird and the Public Staff (together, the Stipulating Parties) filed a Settlement Agreement and Stipulation (Stipulation) resolving all issues between the Stipulating Parties. In support of the Stipulation, and on the same day, Red Bird filed the Settlement Testimony of witness Cox and the Public Staff filed the Joint Settlement Testimony and Exhibit of witnesses Sun and Franklin.

On March 22, 2024, the Stipulating Parties filed a Joint Motion to Excuse Witnesses, Waive Cross-Examination, and Admit Testimony. The motion requested that Red Bird witness Cox and Public Staff witnesses Hinton, Sun, and Franklin be excused from attending the expert witness hearing.

On March 22, 2024, the Commission issued its Order Excusing Witnesses, Accepting Testimony, Cancelling Expert Witness Hearing, and Requiring Proposed Orders. The Commission excused all witnesses from appearing and testifying at the expert witness hearing and received into the record the witnesses' prefiled testimony and exhibits, Red Bird's Application and supplemental materials filed in these dockets, and the Stipulation. The Commission also cancelled the expert witness hearing and required the Stipulating Parties to file proposed orders, or a joint proposed order, on or before April 19, 2024.

DESCRIPTION OF THE STIPULATION

The Stipulation provides, in pertinent part, the following provisions:

- A. The transfer of the A&D Systems to Red Bird should be approved.

- B. Prior to closing and pursuant to future order by the Commission, Red Bird shall post a bond in the amount of \$100,000 and in a form acceptable to the Commission for the A&D Systems.
- C. At closing, Red Bird will adopt the tariffs and rates currently in effect for A&D's water and wastewater customers.
- D. Red Bird will adopt at closing A&D's accounting records, provide the detailed accounting records received from A&D to the Public Staff, and will not adjust or make changes to those records without Commission approval.
- E. The Stipulating Parties agree that the appropriate total net book value of the assets Red Bird is acquiring from A&D is \$19,046 as detailed by system in Public Staff Sun Exhibit 1, Schedule 1. No plant additions through the closing date will be included in this or any future proceedings.
- F. The Stipulating Parties agree that Red Bird may request recovery of up to \$173,250 for legal (transaction and regulatory) costs and engineering due diligence work listed in Cox Direct Exhibit 6 in the next general rate case relating to the A&D Systems as follows:
 - (i) Costs will be allocated to each system up to the amounts listed in the table below:

System	Joint Settlement Cost of Transfer Amount
Buffalo Meadows Water	\$ 15,977
Buffalo Meadows Sewer	\$ 15,793
Camelot	\$ 6,898
Cinnamon Woods	\$ 11,230
High Vista	\$ 33,531
Hunter's Glen	\$ 14,441
Kirk Glen	\$ 8,907
Mountain Valley	\$ 12,351
Rolling Oaks Estates	\$ 5,766
Sherwood Forest	\$ 14,910
Skyview Park	\$ 12,781
White Oak Village Water	\$ 9,508
White Oak Village Sewer	\$ 11,157
Total	\$173,250

- (ii) Up to \$159,121.50 for engineering due diligence work supported by invoices provided in response to Public Staff Data Request (PS DR) 9 and listed in Cox Direct Exhibit 6 in the next general rate case relating to the A&D Systems listed in the table above, provided that the work results in reasonable and prudent capital investments to improve the A&D Systems; and
 - (iii) \$14,128.85 for legal (transactional and regulatory) costs related to the acquisition of the A&D Systems, which is supported by invoices provided in response to PS DR 9 and listed in Cox Direct Exhibit 6 in the next general rate case relating to the A&D Systems.
- G. Red Bird agrees not to pursue rate recovery of any additional costs associated with the transfer, including due diligence, transactional, and regulatory costs, other than those listed in Paragraph F above and further detailed in Public Staff Settlement Exhibit 1.

- H. The Stipulating Parties agree that an acquisition adjustment in the amount of \$15,159 should be included in rate base due to the condition of the High Vista wastewater system and associated compliance issues rendering it operationally troubled. Depreciation starts at the date of closing of transactions with an amortization rate of 4%. Red Bird agrees not to pursue an additional acquisition adjustment related to the A&D Systems in this or any future proceeding.
- I. Consistent with the Settlement Agreement and Stipulation in Docket No. W-1328, Sub 10, Red Bird and key leadership from CSWR will meet annually with the Public Staff and provide an update detailing all changes in Red Bird's facilities and operations since the last annual update and discuss the Company's financial condition.

Based upon the foregoing, including the Application, the testimony and exhibits of the witnesses, the Stipulation, and the entire record in this proceeding, the Commission makes the following:

FINDINGS OF FACT

1. Red Bird is a North Carolina limited liability company formed to acquire water and wastewater assets in this State and operate those assets as regulated public utilities. 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 (NCCSWR), which is also a North Carolina limited liability company in good standing and a wholly owned subsidiary of CSWR.

2. Red Bird presently holds seven utility franchises in North Carolina. On December 8, 2021, in Docket No. W-1328, Sub 7, the Commission issued an Order Accepting and Approving Bond, Granting Franchise, Approving Rates, and Requiring Customer Notice (Utility Franchise Order I) granting Red Bird a wastewater utility franchise for the Ocean Terrace and Pine Knoll Townes I, II, and III townhome communities in Carteret County, North Carolina. On February 7, 2023, in Docket Nos. W-1328, Sub 4 and W-1040, Sub 10, the Commission issued its Order Approving Stipulation, Approving Bond, Approving Transfer and Rates, and Requiring Customer Notice (Utility Franchise Order II) approving the transfer of the Bear Den Acres Development water system and public utility franchise in McDowell County, North Carolina to Red Bird. On August 29, 2023, in Docket Nos. W-1328, Sub 9 and W-992, Sub 8, the Commission issued an Order Approving Stipulation, Approving Bond, Approving Transfer and Rates, and Requiring Customer Notice (Utility Franchise Order III) approving the transfer of the water and wastewater systems serving the Baywood Forest Subdivision, the wastewater

system serving the Cottonwood Subdivision, and the public utility franchise serving all of Crosby Utilities, Inc.'s service areas in Wake County, North Carolina to Red Bird. On December 14, 2023, in Docket Nos. W-1146, Sub 13, and W-1328, Sub 10, the Commission issued a Recommended Order Approving Stipulation, Approving Transfer and Rates, Granting Franchise, Approving Bond, and Requiring Customer Notice (Utility Franchise Order IV) approving the transfer of the water and wastewater systems serving the Lake Royale subdivision in Franklin and Nash Counties, North Carolina, from Total Environmental Solutions, Inc. to Red Bird.¹ On January 31, 2024, in Docket Nos. W-1296, Sub 3 and W-1328, Sub 3, the Commission issued an Order Approving Stipulation, Approving Transfer and Rates, Approving Bond, and Requiring Customer Notice (Utility Franchise Order V) approving the transfer of the water and wastewater systems and public utility franchise serving the Jefferson Landing Subdivision in Ashe County, North Carolina from JL Golf Management, LLC to Red Bird. On February 19, 2024, in Docket No. W-1328, Sub 13, the Commission issued an Order Approving Stipulation, Granting Franchise, Approving Bond, Approving Rates, and Requiring Customer Notice (Utility Franchise Order VI) granting Red Bird a certificate of public convenience and necessity (CPCN) to provide wastewater utility service to the Kingsbridge II Subdivision in Onslow County, North Carolina. Also on February 19, 2024, in Docket Nos. W-938, Sub 6 and W-1328, Sub 8, the Commission issued an Order Approving Stipulation, Approving Bond, Approving Transfer and Rates, and Requiring Customer Notice (Utility Franchise Order VII, collectively, with Utility Franchise Orders I, II, III, IV, V, and VI, the Utility Franchise Orders) approving the transfer of the wastewater system and public utility franchise serving the Windemere Pointe Subdivision in Montgomery County, North Carolina from Baytree Waterfront Properties, Inc. to Red Bird.

In addition to the systems for which Red Bird has been granted franchises in North Carolina, Red Bird's indirect corporate parent, CSWR, through separate state affiliates, has acquired and currently operates more than 800 water or wastewater utility systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, Tennessee, Mississippi, Arizona, Florida, and South Carolina, and provides utility service to more than 241,000 wastewater customers and over 172,000 water customers.

3. The A&D Systems include thirteen water and/or wastewater systems that provide service to Buffalo Meadows, Camelot, Cinnamon Woods, High Vista, Hunter's Glen, Kirk Glen, Mountain Valley, Rolling Oaks Estates, Sherwood Forest, Skyview Park, and White Oak Village subdivisions in Ashe, Henderson, Buncombe, Transylvania, and Gaston Counties, North Carolina (A&D Service Area). Specifically, seven discrete water systems serve Camelot, Cinnamon Woods, and White Oak Village subdivisions in Henderson County; Kirk Glen and Rolling Oaks Estates subdivisions in Buncombe

¹ The Utility Franchise Order IV became final and effective on January 2, 2024.

County; Skyview Park subdivision in Gaston County; and Buffalo Meadows subdivision in Ashe County. Additionally, six discrete wastewater systems serve High Vista, Hunter's Glen, Mountain Valley, and White Oak subdivisions in Henderson County; Sherwood Forest subdivision in Transylvania County; and Buffalo Meadows subdivision in Ashe County. In total, the A&D Systems serve approximately 427 water customers and 455 wastewater customers.

4. A&D operates the A&D Systems under thirteen identification numbers and permits issued by the North Carolina Department of Environmental Quality (DEQ). A&D's water systems are operated under the following DEQ, Division of Water Resources identification numbers: NC0105102 (Buffalo Meadows); NC0145169 (Camelot); NC0145167 (Cinnamon Woods); NC0111149 (Kirk Glen); NC0111142 (Rolling Oaks Estates); NC0136190 (Skyview Park); and NC1045025 (White Oak Village). A&D's wastewater systems are authorized under the following DEQ National Pollutant Discharge Elimination System permits: NC0030325 (Buffalo Meadows); NC0089095 (High Vista); NC0067288 (Hunter's Glen); NC0073741 (Mountain Valley); and NC0048658 (Sherwood Forest). White Oak Village is a purchased sewer system with A&D holding the permit for the collection system (WQ0029358).

5. A Red Bird affiliate, Central States Water Resources, Inc. (Central States), entered into an Agreement for Sale of Utility System with Meadowlands dated July 26, 2019 (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 Red Bird, pursuant to an Assignment of Contract Rights dated October 3, 2020. The Purchase Agreement is a confidential attachment to the Application.

6. Red Bird seeks Commission approval to acquire the A&D Systems and public utility franchise.

7. As supplemented, Red Bird has filed all required exhibits with its Application.

8. Upon acquisition of the A&D Systems, Red Bird plans to make capital improvements. Based on its consulting engineer's 2021 projections, Red Bird estimates that the cost of necessary improvements will be approximately \$1,107,250, consisting of \$224,250 for work on the water systems and \$883,000 for work on the wastewater systems.

9. The approved monthly rates for the A&D Systems, as set forth in the Commission's order issued on December 6, 2016, in Docket Nos. W-1049, Sub 19, and

M-100, Sub 138, which Red Bird proposes to adopt pursuant to the Stipulation, are as follows:

BUFFALO MEADOWS SUBDIVISION

Monthly Metered Water Rates:

Residential Base Charge, zero usage	\$15.31
Usage Charge, per 1,000 gallons	\$4.46

Monthly Metered Sewer Rates:

Residential Base Charge, zero usage	\$28.61
Usage Charge, per 1,000 gallons	\$8.24

Connection Charge: Actual cost

Reconnection Charges:

If water service cut off by utility for good cause	\$23.92
If water service discontinued at customer's request	\$23.92
If sewer service cut off by utility for good cause	Actual cost

Returned Check Charge: \$23.92

Bills Due: On billing date

Bills Past Due: 15 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 the billing date.

CAMELOT SUBDIVISION

Monthly Water Rates:

Metered Service:

Base Charge, zero usage	\$38.04
Usage Charge, per 1,000 gallons	\$3.58

Connection Charge: None

Reconnection Charges:

If water service cut off by utility for good cause	\$24.96
If water service discontinued at customer's request	\$24.96

To avoid having water utility service disconnected (if payment for service is not received by the past-due date), a customer must pay all past-due and current charges, and may have to pay late payment finance charges.

To resume water utility service, after service has been cut-off by utility for good cause, a customer must pay all delinquent water charges, including finance charges, plus the approved reconnection charge.

Returned Check Charge: \$24.96

Bills Due: On billing date

Bills Past Due: 15 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 the billing date.

CINNAMON WOODS SUBDIVISION

Monthly Water Rates:

Metered Service:

Base Charge, zero usage	\$16.51
Usage Charge, per 1,000 gallons	\$4.15

Connection Charge: \$1,000

Reconnection Charges:

If water service cut off by utility for good cause	\$24.96
If water service discontinued at customer's request	\$24.96

To avoid having water utility service disconnected (if payment for service is not received by the past-due date), a customer must pay all past-due and current charges, and may have to pay late payment finance charges.

To resume water utility service, after service has been cut-off by utility for good cause, a customer must pay all delinquent water charges, including finance charges, plus the approved reconnection charge.

Returned Check Charge: \$24.96

Bills Due: On billing date

Bills Past Due: 15 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 the billing date.

HIGH VISTAMonthly Flat Rate for Sewer Service:

Residential Rates

High Vista Falls	\$35.33
LaVista Village Condos	\$23.00

Commercial Rates (Current Active Customers)

High Vista Country Club	\$212.03
Real Estate Sales Office	\$8.05
Guardhouse/Security Entrance	\$4.03

Commercial Rates (Future Development) / REU \$35.33

REU = Residential Equivalent Unit = (DWQ's monthly design flow rate for customer, or metered water use) / Public Utilities Engineer's residential flow estimate in last rate case, 8,250 gallons/month)

Connection Charge: \$1,500

Reconnection Charge: Actual cost

The Utility shall itemize the estimated costs of disconnecting and reconnecting sewer utility service, and shall furnish a copy of the cost estimate to the customer with the cut off notice for the pending disconnection.

To resume sewer utility service, after service has been cut off by the Utility for good cause, a customer must pay all delinquent sewer charges, including finance charges, plus the actual cost incurred by the Utility to reconnect the service.

Returned Check Charge: \$23.92

Bills Due: On billing date

Bills Past Due: 15 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 the billing date.

HUNTER'S GLEN SUBDIVISION

Monthly Residential Flat Rate for Sewer Service: \$48.96

Monthly Commercial Metered Sewer Rates:

Commercial Base Charge, zero usage \$42.14

Usage Charge, per 1,000 gallons \$7.02

Connection Charge: Actual cost

Reconnection Charges:

If sewer service cut off by utility for good cause	Actual cost
<u>Returned Check Charge:</u>	\$23.92
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after the billing date.

KIRK GLEN SUBDIVISION

Monthly Metered Water Rates:

Residential Base Charge, zero usage	\$36.46
Usage Charge, per 1,000 gallons	\$15.25
<u>Connection Charge:</u>	Actual cost

Reconnection Charges:

If water service cut off by utility for good cause	\$23.99
If water service discontinued at customer's request	\$23.99

<u>Returned Check Charge:</u>	\$23.96
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still

past due 25 days after the billing date.

MOUNTAIN VALLEY SUBDIVISION

<u>Monthly Residential Flat Rate for Sewer Service:</u>	\$41.45
<u>Connection Charge:</u>	Actual cost
<u>Reconnection Charge:</u>	
If sewer service cut off by utility for good cause	Actual cost
<u>Returned Check Charge:</u>	\$23.92
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after the billing date.

ROLLING OAKS ESTATES SUBDIVISION

Monthly Metered Water Rates:

Base Charge, zero usage	
Residential, standard meter	\$28.49
Commercial user, 1.0" meter	\$71.22
Usage Charge, per 1,000 gallons	\$4.79
<u>Connection Charge:</u>	\$600.00
<u>Reconnection Charges:</u>	
If water service cut off by utility for good cause	\$23.92

If water service discontinued at customer's request \$23.92

To avoid having water utility service disconnected (if payment for service is not received by past due date), a customer must pay all past due and current charges, and may have to pay late payment finance charges.

To resume water utility service, after service has been cut off by Utility for good cause, a customer must pay all delinquent water charges, including finance charges, plus the approved reconnection charge.

<u>Returned Check Charge:</u>	\$23.92
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after the billing date.

SHERWOOD FOREST SUBDIVISION

Monthly Flat Rate for Sewer Service:

Residential Rates (Single Family Dwellings, REUs)	\$35.02
Commercial Rates	\$35.02 per REU
Duplex housing (Two units)	\$70.06
Condominiums (22 condos)	\$770.60
Restaurant (3.5 REUs)	\$122.60
Assisted living facility (9.6 REUs)	\$336.27

Connection Charge: \$1,500

Reconnection Charges: Actual cost

The Utility shall itemize the estimated costs of disconnecting and reconnecting sewer utility service, and shall furnish a copy of the cost estimate to the customer with the cut off notice for the pending disconnection.

To resume sewer utility service, after service has been cut off by the Utility for good cause, a customer must pay all delinquent sewer charges, including finance charges, plus the actual cost incurred by the Utility to reconnect the service.

<u>Returned Check Charge:</u>	\$23.92
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after the billing date.

SKYVIEW PARK SUBDIVISION

Monthly Metered Water Rates:

Residential Base Charge, zero usage	\$21.62
Usage Charge, per 1,000 gallons	\$5.54
<u>Connection Charge:</u>	Actual cost

Reconnection Charges:

If water service cut off by utility for good cause	\$23.92
If water service discontinued at customer's request	\$23.92

<u>Returned Check Charge:</u>	\$23.92
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 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 the billing date.

WHITE OAK VILLAGE MOBILE HOME PARK

Monthly Metered Water Service:

Base Charge, zero usage	\$10.00
Usage Charge, per 1,000 gallons	\$3.48

Monthly Metered Sewer Rates:

Base Charge, zero usage	\$26.33
Usage Charge, per 1,000 gallons	\$2.21

Connection Charge: Actual cost

Reconnection Charges:

If water service cut off by utility for good cause	\$24.96
If water service discontinued at customer's request	\$24.96
If sewer service cut off by utility for good cause	Actual cost

To avoid having water utility service disconnected (if payment for service is not received by the past-due date), a customer must pay all past-due and current charges, and may have to pay late payment finance charges.

To resume water utility service, after service has been cut-off by utility for good cause, a customer must pay all delinquent water charges, including finance charges, plus the approved reconnection charge.

Returned Check Charge: \$24.96

Bills Due: On billing date

Bills Past Due: 15 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 the billing date.

10. The Stipulation resolves all contested issues related to the transfer of the A&D Systems to Red Bird. 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 Red Bird and the Public Staff.

11. Red Bird has the technical, managerial, and financial capacity to own and operate the A&D Systems.

12. Consistent with N.C.G.S. § 62-111(a), approval of the pending Application is justified by the public convenience and necessity and is in the public interest.

13. It is appropriate for the Commission to approve the Stipulation in its entirety.

14. A bond in the amount of \$100,000 for the A&D Systems is just, reasonable, and appropriate.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 1-2

The evidence supporting these findings is contained in Red Bird's Application; the supplemental filing made by Red Bird in these dockets on December 15, 2022; the testimony and exhibits of Red Bird witness Cox; and the Commission's records in Docket Nos. W-1328, Subs 3, 4, 7, 8, 9, 10, and 13; W-1040, Sub 10; W-992, Sub 8; W-1146, Sub 13; W-1296, Sub 3; and W-938, Sub 6, including the Commission's Utility Franchise Orders issued in each of these dockets.

Red Bird witness Cox provided testimony regarding Red Bird, Red Bird's relationship to CSWR, and the role CSWR would play in Red Bird's operation of the A&D Systems. (Direct Testimony of Josiah Cox at 4-5). In his direct testimony, witness Cox explained that Red Bird was formed to acquire water and wastewater assets in North Carolina and to operate those assets as regulated public utilities. (*Id.* at 6). As of February 7, 2024, the date the testimony was filed, witness Cox testified that in addition to the five utility franchises that Red Bird currently holds in North Carolina, Red Bird also has transfer applications to acquire public utility franchises pending before the Commission in five

other dockets and applications for CPCNs pending before the Commission in two other dockets. (*Id.* at 6-7). Witness Cox also testified that Red Bird is an affiliate of CSWR and that CSWR, through its utility operating subsidiaries, has acquired and is operating over 800 water and/or wastewater utility systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, Tennessee, Mississippi, North Carolina, Arizona, Florida, and South Carolina. (*Id.* at 7-11).

Following the filing of Mr. Cox's direct testimony, on February 19, 2024, the Commission issued its Utility Franchise Order VI, granting Red Bird a CPCN to provide wastewater utility service to the Kingsbridge II Subdivision in Onslow County, North Carolina in Docket No. W-1328, Sub 13 and Utility Franchise Order VII, approving the transfer of the wastewater system and public utility franchise serving the Windemere Pointe Subdivision in Montgomery County, North Carolina from Baytree Waterfront Properties, Inc. to Red Bird in Docket Nos. W-938, Sub 6 and W-1328, Sub 8.

In Attachment K of Red Bird's Application (Central States Water Resources Corporate Entity Organizational Chart), – Red Bird provided a corporate organizational chart illustrating the relationship between Red Bird and its affiliates. Additionally, in its December 15, 2022 supplemental filing, Red Bird provided an updated corporate organization chart, an explanation of corporate structure, and Certificates of Good Standing from the North Carolina Secretary of State for Red Bird, RBUH, and NCCSWR.

Based upon competent, substantial, and material evidence in the record, the Commission concludes that these findings are informational, procedural, or jurisdictional in nature and are not contested by any party.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 3-4

The evidence supporting these findings is contained in Red Bird's Application; the supplemental filings made by Red Bird in these dockets; the testimony and exhibits of Red Bird witness Cox; and the testimony and exhibit of Public Staff witness Franklin.

Based upon competent, substantial, and material evidence in the record, the Commission concludes that these findings are informational in nature and are not contested by any party.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 5

The evidence supporting this finding is contained in Confidential Attachment G of the Application, which includes the Purchase Agreement with A&D dated July 26, 2019; the supplemental filing made by Red Bird on October 20, 2020, which includes the Assignment dated October 3, 2020; Attachment G.4 of the supplemental filing made by

Red Bird in these dockets on July 2, 2021, which includes the Amendment to the Purchase Agreement dated October 2, 2020; and the testimony and exhibits of Red Bird witness Cox.

Based upon competent, substantial, and material evidence in the record, the Commission concludes that this finding is informational in nature and is not contested by any party.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 6

The evidence supporting this finding is contained in the Application and the testimony and exhibits of Red Bird witness Cox.

Based upon competent, substantial, and material evidence in the record, the Commission concludes that this finding is informational in nature and is not contested by any party.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 7

The evidence supporting this finding is contained in the supplemental filings and the testimony and exhibits of Red Bird witness Cox.

Based upon competent, substantial, and material evidence in the record, the Commission concludes that this finding is procedural in nature and is not contested by any party.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 8

The evidence for this finding is found in Confidential Attachment L of the Application; Attachments L.1 through L.13 of the supplemental filing made by Red Bird on July 2, 2021; Confidential Attachments L. 14 through L.26 of the supplemental filing made by Red Bird on October 8, 2021; and the testimony and exhibits of Red Bird witness Cox.

In his direct testimony, witness Cox testified about the deficiencies and need for improvements in the A&D Systems as identified by Kimley Horn, Red Bird's North Carolina consulting engineers. (Direct Testimony of Josiah Cox at 24-26). Witness Cox testified that in order to address the operational and/or compliance issues associated with the A&D Systems, Kimley Horn recommended replacements and upgrades. (*Id.* at 25). Witness Cox testified that based on Kimley Horn's 2021 projections, the estimated cost of necessary improvements to A&D's water systems and wastewater systems is \$224,250 and \$883,000, respectively. (*Id.*). Witness Cox emphasized, however, that these

estimates are preliminary. (*Id.* at 25-26). As such, witness Cox explained that the precise capital investments required for repairs and upgrades cannot be known until Red Bird begins operating the A&D Systems. (*Id.* at 26).

In his direct testimony, Public Staff witness Franklin noted that it will be incumbent upon Red Bird to ensure that all investments it makes in the A&D Systems are reasonable and prudent if it wishes to have the capital investments associated with the improvements added to rate base and included in rates in a future rate case proceeding. (Testimony of D. Michael Franklin at 15).

The Commission notes Red Bird's assertion that the A&D Systems require maintenance and upgrades to ensure that they are able to continue providing safe and reliable service to the customers they serve. However, the Commission concludes, based upon competent, substantial, and material evidence in the record, that the scope and extent of capital improvements and repairs that are reasonable and prudent is, at this time, not adequately known or knowable by any party to this proceeding. Thus, the Commission concludes that the appropriate time and venue to determine the reasonableness and prudence of proposed and/or actual capital investments is the next general rate case involving the A&D Systems.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 9

The evidence supporting this finding of fact is found in the Application; the testimony and exhibits of Red Bird witness Cox; the testimony of Public Staff witness Franklin; the Stipulation; the settlement testimony filed by Red Bird witness Cox; the joint settlement testimony filed by Public Staff witnesses Sun and Franklin; and the Commission's records in prior A&D dockets, including Docket No. W-1049, Sub 25 and M-100, Sub 138.

As reflected in the Application, the direct testimony of Red Bird witness Cox, the direct testimony of Public Staff witness Franklin, and the Stipulation, Red Bird proposes to adopt A&D's existing rates and is not proposing to change the rates associated with the A&D Systems in connection with the request for approval of the transfer of the A&D Systems to Red Bird. (Direct Testimony of Josiah Cox at 30; Testimony of D. Michael Franklin at 12, 18, 23, 29, 36, 40, 45, 49, 55, 59, 65). Because Red Bird proposes to adopt A&D's existing rates approved pursuant to the Commission's Order issued on December 6, 2016, in Docket Nos. W-1049, Sub 19, and M-100, Sub 138, the Commission concludes that based on substantial and material evidence in the record, this finding is not contested by any party to this proceeding.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 10

These findings are based on the Stipulation; the settlement testimony filed by Red Bird witness Cox; the joint settlement testimony filed by Public Staff witnesses Sun and Franklin; and the entire record in this proceeding.

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 these findings, the Commission gives substantial weight to the testimony of Public Staff witnesses Sun and Franklin and Red Bird witness Cox and recognizes that the Stipulation is a product of arm's length negotiations involving give and take between the Stipulating Parties. The Commission finds that based on the record as a whole, the terms of the Stipulation, including the rates Red Bird proposes to adopt pursuant to the Stipulation, are just and reasonable to both Red Bird and its future customers on the A&D Systems. In addition, the Commission finds that the provisions of the Stipulation serve the public interest and that it is appropriate to approve the Stipulation in its entirety.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 11

The evidence supporting this finding of fact is found in Red Bird's Application and supplemental filings; the testimony and exhibits of Red Bird witness Cox; the testimony and exhibits of Public Staff witness Franklin; and the entire record in this proceeding.

In his direct testimony, Red Bird witness Cox testified that Red Bird has the financial, technical, and managerial ability to acquire, own, and operate the A&D Systems. (Direct Testimony of Josiah Cox at 9). Additionally, witness Cox testified that Red Bird is part of an affiliate group that has acquired and currently operates over 800 water and/or wastewater utility systems in other states and currently provides service to approximately 241,000 wastewater customers and over 172,000 water customers. (*Id.* at 10-11).

In his direct testimony, Public Staff witness Franklin stated that Red Bird "has the financial, technical and managerial capabilities necessary to provide water and wastewater utility service to customers in A&D's [S]ervice [A]rea." (Testimony of D. Michael Franklin at 70). As such, witness Franklin recommended that the Commission approve the transfer of the A&D Systems to Red Bird. (*Id.*)

Additionally, the Commission notes that it has made similar findings regarding Red Bird in its Utility Franchise Orders in Docket Nos. W-1328, Subs 3, 4, 7, 8, 9, 10, and 13; W-1040, Sub 10; W-992, Sub 8; W-1146, Sub 13; W-1296, Sub 3; and W-938, Sub 6.

Based upon competent, substantial, and material evidence in the record, the Commission concludes that Red Bird has the technical, managerial, and financial capacity to provide adequate, safe, efficient, and reasonable water and sewer utility service on an ongoing basis to customers in the A&D Service Area.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 12

The evidence supporting this finding of fact is found in the Stipulation, the entire record in these dockets, the direct and settlement testimony of Red Bird witness Cox; the direct testimony of Public Staff witnesses Franklin, Hinton, and Sun; and the joint settlement testimony of Public Staff witnesses Sun and Franklin.

Based upon competent, substantial, and material evidence in the record, the Commission concludes that good cause exists to approve the Application, as modified under the Stipulation. Consistent with N.C.G.S § 62-111(a), the Commission concludes that approval of the Application is justified by the public convenience and necessity and is in the public interest. The decision is fully supported by the settlement testimony filed by Red Bird witness Cox, the joint settlement testimony filed by Public Staff witnesses Sun and Franklin, and the Stipulation entered into by Red Bird and the Public Staff. Accordingly, the Commission concludes that Red Bird's Application should be approved, as modified under the Stipulation, effective upon the close of the acquisition of the water and wastewater utility system assets by Red Bird from A&D.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 13-14

The evidence supporting these findings of fact is found in the Application, the Stipulation, the entire record in these dockets, the settlement testimony of Red Bird witness Cox, and the joint settlement testimony of Public Staff witnesses Sun and Franklin.

Based on all of the evidence in the record, the Commission concludes that the provisions of the Stipulation are just and reasonable to A&D's 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 and concludes that (1) Red Bird shall adopt the tariffs and rates agreed to in the Stipulation for the A&D Service Area; (2) Red Bird shall post a \$100,000 bond for the A&D Service Area prior to closing; (3)

Red Bird shall provide written notice to the Commission within 30 days from the date of this Order that closing of the sale of the A&D Systems has been completed along with the posting of the bond; (4) upon the closing of the transfer, Red Bird shall be granted a CPCN to provide water and wastewater utility service to the A&D Service Area; (5) Red Bird shall adopt A&D's accounting records upon closing, provide the detailed accounting records so received to the Public Staff, and not adjust or make changes to those records without Commission approval; and (6) Red Bird shall provide notice to customers that the franchise has been granted and of the approved rates.

Consistent with the Stipulation, the Commission also concludes that the appropriate total net book value of the A&D Systems' assets is \$19,046 and that no plant additions through the date of the closing of the sale of the A&D Systems to Red Bird will be included in this or any future proceeding. The Commission also finds that the amounts for due diligence and other transaction costs should be approved for recovery by Red Bird as described in the Stipulation, and that Red Bird has agreed not to pursue rate recovery of any additional costs related to its acquisition of the A&D Systems. The Commission further concludes that Red Bird may include an acquisition adjustment of \$15,159 in rate base and that depreciation starts at the date of closing of the sale of the A&D Systems with an amortization rate of 4%. However, Red Bird may not pursue an additional acquisition adjustment related to the A&D Systems in this or any future proceeding.

Finally, the Commission concludes that it is reasonable, beginning one year after the effective date of the Commission's order approving the stipulation filed in Docket Nos. W-1146, Sub 13 and W-1328, Sub 10, and continuing annually thereafter, for Red Bird and key CSWR leaders to meet with the Public Staff. During this meeting, Red Bird and CSWR shall provide an update to the Public Staff detailing all changes to Red Bird's facilities and operations since the last annual meeting and update, as well as discuss the overall financial condition of both companies. Furthermore, the Commission concludes that this meeting should not be limited only to discussing the A&D Systems, but that the discussion shall also address all of Red Bird's current and future North Carolina water and wastewater systems so as to provide appropriate oversight while preventing unnecessary and duplicative efforts on the part of Red Bird and the Public Staff.

IT IS, THEREFORE, ORDERED as follows:

1. That A&D is hereby authorized to transfer the A&D Systems serving the Buffalo Meadows, Camelot, Cinnamon Woods, High Vista, Hunter's Glen, Kirk Glen, Mountain Valley, Rolling Oaks Estates, Sherwood Forest, Skyview Park, and White Oak

Village subdivisions in Ashe, Henderson, Buncombe, Transylvania, and Gaston Counties, North Carolina to Red Bird;

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

3. That Red Bird shall comply with all terms of the Stipulation filed in these dockets;

4. That the appropriate total net book value of the A&D Systems' assets is \$19,046 and that no plant additions through the date of the closing of the sale of the A&D Systems to Red Bird will be included in this or any future proceeding;

5. That Red Bird may request recovery of up to \$173,250 for legal (transaction and regulatory) costs and engineering due diligence work in the next general rate case relating to the A&D Systems as follows: (i) costs will be allocated to each system up to the following amounts: \$15,977 (Buffalo Meadows water system); \$15,793 (Buffalo Meadows sewer system); \$6,898 (Camelot); \$11,230 (Cinnamon Woods); \$33,531 (High Vista); \$14,441 (Hunter's Glen); \$8,907 (Kirk Glen); \$12,351 (Mountain Valley); \$5,766 (Rolling Oaks Estates); \$14,910 (Sherwood Forest); \$12,781 (Skyview Park); \$9,508 (White Oak Village water system); \$11,157 (White Oak Village sewer system); (ii) up to \$159,121.50 for engineering due diligence work as listed in Cox Direct Exhibit 6 in the next general rate case relating to the A&D Systems, provided that the work results in reasonable and prudent capital investments to improve the A&D Systems; and (iii) \$14,128.85 for legal (transactional and regulatory) costs related to the acquisition of the A&D Systems as listed in Cox Direct Exhibit 6 in the next general rate case relating to the A&D Systems;

6. That 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 herein;

7. That Red Bird may include an acquisition adjustment of \$15,159 in rate base with depreciation starting at the date of closing of the sale of the A&D Systems with an amortization rate of 4% and that Red Bird agrees to not request an additional acquisition adjustment related to the A&D Systems in this or any future proceeding;

8. That, prior to closing, Red Bird shall post a \$100,000 bond in a form acceptable to the Commission and in compliance with N.C.G.S. § 62-110.3 and that Red

Bird shall file a copy of the same within 30 days from the date of this Order;

9. That the A&D Systems' surety bond held by the Commission shall be released to A&D upon receipt of written notification to the Commission that closing of the transfer of the A&D Systems has been completed;

10. That Red Bird is granted a CPCN to provide water and wastewater utility service to the A&D Service Area consisting of the Buffalo Meadows, Camelot, Cinnamon Woods, High Vista, Hunter's Glen, Kirk Glen, Mountain Valley, Rolling Oaks Estates, Sherwood Forest, Skyview Park, and White Oak Village subdivisions in Ashe, Henderson, Buncombe, Transylvania, and Gaston Counties, North Carolina, effective upon the closing of the transfer of the A&D Systems' assets to Red Bird;

11. That Appendix A, attached hereto, constitutes the CPCN;

12. That all ratemaking determinations included in the Stipulation and set forth in this Order regarding ratemaking issues are hereby determined as stipulated and as set forth above;

13. 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 A&D Systems' assets to Red Bird;

14. 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 A&D Systems has been completed;

15. That within 30 days of the closing of the sale of the A&D Systems, 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 A&D Systems; and

16. That a copy of this Order and Appendix B shall be mailed with sufficient postage or hand delivered by Red Bird to A&D's customers within seven days of the closing of the sale of the water and wastewater utility systems serving the A&D Service Area and that Red Bird shall submit to the Commission the attached Certificate of Service, properly signed and notarized, not later than 15 days after the mailing or hand delivery of

the Order and Appendix B.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1328, SUB 2

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

RED BIRD UTILITY OPERATING COMPANY, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water and sewer utility service

to

BUFFALO MEADOWS SUBDIVISION
WHITE OAK VILLAGE MOBILE HOME PARK

Ashe and Henderson Counties, 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 ___ day of _____, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1328, SUB 2

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

RED BIRD UTILITY OPERATING COMPANY, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

to

HIGH VISTA
HUNTER'S GLEN SUBDIVISION
MOUNTAIN VALLEY SUBDIVISION
SHERWOOD FOREST SUBDIVISION

Transylvania, Buncombe, and Henderson Counties, 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 __ day of _____, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1328, SUB 2

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

CAMELOT SUBDIVISION
CINNAMON WOODS SUBDIVISION
KIRK GLEN SUBDIVISION
ROLLING OAKS ESTATES SUBDIVISION
SKYVIEW PARK SUBDIVISION

Buncombe, Gaston, and Henderson Counties, 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 ___ day of _____, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX B-1

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide water and sewer utility service toBUFFALO MEADOWS SUBDIVISION

Ashe County, North Carolina

Monthly Metered Water Rates:

Residential Base Charge, zero usage	\$ 15.31
Usage Charge, per 1,000 gallons	\$ 4.46

Monthly Metered Sewer Rates:

Residential Base Charge, zero usage	\$ 28.61
Usage Charge, per 1,000 gallons	\$ 8.24

Connection Charge: Actual cost

Reconnection Charges:

If water service cut off by utility for good cause	\$ 23.92
If water service discontinued at customer's request	\$ 23.92
If sewer service cut off by utility for good cause	Actual cost

Returned Check Charge: \$ 23.92

Bills Due: On billing date

Bills Past Due: 15 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.

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLC

to provide water utility service to

CAMELOT SUBDIVISION

Henderson County, North Carolina

Monthly Water Rates:

Metered Service:

Base Charge, zero usage	\$ 38.04
Usage Charge, per 1,000 gallons	\$ 3.58

Connection Charge: None

Reconnection Charges:

If water service cut off by utility for good cause	\$ 24.96
If water service discontinued at customer's request	\$ 24.96

To avoid having water utility service disconnected (if payment for service is not received by the past-due date), a customer must pay all past-due and current charges, and may have to pay late payment finance charges.

To resume water utility service, after service has been cut-off by utility for good cause, a customer must pay all delinquent water charges, including finance charges, plus the approved reconnection charge.

Returned Check Charge: \$ 24.96

Bills Due: On billing date

Bills Past Due: 15 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.

APPENDIX B-3

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide water utility service toCINNAMON WOODS SUBDIVISION

Henderson County, North Carolina

Monthly Water Rates:

Metered Service:

Base Charge, zero usage	\$ 16.51
Usage Charge, per 1,000 gallons	\$ 4.15

Connection Charge: \$1,000

Reconnection Charges:

If water service cut off by utility for good cause	\$ 24.96
If water service discontinued at customer's request	\$ 24.96

To avoid having water utility service disconnected (if payment for service is not received by the past-due date), a customer must pay all past-due and current charges, and may have to pay late payment finance charges.

To resume water utility service, after service has been cut-off by utility for good cause, a customer must pay all delinquent water charges, including finance charges, plus the approved reconnection charge.

Returned Check Charge: \$ 24.96

Bills Due: On billing date

Bills Past Due: 15 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.

APPENDIX B-4

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide sewer utility service toHIGH VISTA FALLS SUBDIVISION (PHASES I THROUGH V), LAVISTA VILLAGE
CONDOMINIUMS, HIGH VISTA COUNTRY CLUB, AND CERTAIN OUT-PARCELS ON NC
HIGHWAY 191 AND BISHOP ROAD

Buncombe and Henderson Counties, North Carolina

Monthly Flat Rate for Sewer Service:

Residential Rates

High Vista Falls	\$ 35.33
LaVista Village Condos	\$ 23.00

Commercial Rates (Current Active Customers)

High Vista Country Club	\$212.03
Real Estate Sales Office	\$ 8.05
Guardhouse/Security Entrance	\$ 4.03

Commercial Rates (Future Development) / REU \$ 35.33

REU = Residential Equivalent Unit = (DWQ's monthly design flow rate for customer, or meter water use / Public Utilities Engineer's residential flow estimate in last rate case, 8,250 gallons/month)

Connection Charge: \$1,500Reconnection Charge: Actual Cost

The Utility shall itemize the estimated costs of disconnecting and reconnecting sewer utility service, and shall furnish a copy of the cost estimate to the customer with the cut off notice for the pending disconnection.

To resume sewer utility service, after service has been cut off by the Utility for good cause, a customer must pay all delinquent sewer charges, including finance charges, plus the actual cost incurred by the Utility to reconnect the service.

<u>Returned Check Charge:</u>	\$ 23.92
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide sewer utility service

to

HUNTER'S GLEN SUBDIVISION

Henderson County, North Carolina

Monthly Residential Flat Rate for Sewer Service: \$ 48.96

Monthly Commercial Metered Sewer Rates:

Commercial Base, Charge, zero usage: \$ 42.14
Usage Charge, per 1,000 gallons \$ 7.02

Connection Charge: Actual cost

Reconnection Charge:

If sewer service cut off by utility for good cause Actual cost

Returned Check Charge: \$ 23.92

Bills Due: On billing date

Bills Past Due: 15 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.

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide water utility service toKIRK GLEN SUBDIVISION

Buncombe County, North Carolina

Monthly Metered Water Rates:

Residential Base Charge, zero usage:	\$ 36.46
Usage Charge, per 1,000 gallons	\$ 15.25

Connection Charge: Actual cost

Reconnection Charge:

If water service cut off by utility for good cause	\$ 23.99
If water service discontinued at customer's request	\$ 23.99

Returned Check Charge: \$ 23.96

Bills Due: On billing date

Bills Past Due: 15 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.

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLC

to provide sewer utility service to

MOUNTAIN VALLEY SUBDIVISION

Henderson County, North Carolina

Monthly Residential Flat Rate for Sewer Service: \$ 41.45

Connection Charge: Actual cost

Reconnection Charge:
If water service cut off by utility for good cause Actual cost

Returned Check Charge: \$ 23.92

Bills Due: On billing date

Bills Past Due: 15 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.

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide water utility service toROLLING OAKS ESTATES SUBDIVISION

Buncombe County, North Carolina

Monthly Metered Water Rates:

Base Charge, zero usage	
Residential, standard meter	\$ 28.49
Commercial user, 1.0" meter	\$ 71.22
Usage Charge, per 1,000 gallons	\$ 4.79

Connection Charge: \$600.00

Reconnection Charge:

If water service cut off by utility for good cause	\$ 23.92
If water service discontinued at customer's request	\$ 23.92

To avoid having water utility service disconnected (if payment for service is not received by past due date), a customer must pay all past due and current charges, and may have to pay late payment finance charges.

To resume water utility service, after service has been cut off by Utility for good cause, a customer must pay all delinquent water charges, including finance charges, plus the approved reconnection charge.

Returned Check Charge: \$ 23.92

Bills Due: On billing date

Bills Past Due: 15 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.

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide sewer utility service toSHERWOOD FOREST SUBDIVISION

Transylvania County, North Carolina

Monthly Flat Rate for Sewer Service:

Residential Rates (Single Family Dwellings, REUs)	\$ 35.02
Commercial Rates	\$ 35.02 per REU
Duplex housing (Two units)	\$ 70.06
Condominiums (22 condos)	\$770.60
Restaurant (3.5 REUs)	\$122.60
Assisted living facility (9.6 REUS)	\$336.27

Connection Charge: \$ 1,500

Reconnection Charge: Actual cost

The Utility shall itemize the estimated costs of disconnecting and reconnecting sewer utility service, and shall furnish a copy of the cost estimate to the customer with the cut off notice for the pending disconnection.

To resume sewer utility service, after service has been cut off by the Utility for good cause, a customer must pay all delinquent sewer charges, including finance charges, plus the actual cost incurred by the Utility to reconnect the service.

Returned Check Charge: \$ 23.92

Bills Due: On billing date

Bills Past Due: 15 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.

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide water utility service toSKYVIEW PARK SUBDIVISION

Gaston County, North Carolina

Monthly Metered Water Rates:

Residential Base Charge, zero usage	\$ 21.62
Usage Charge, per 1,000 gallons	\$ 5.54

Connection Charge: Actual cost

Reconnection Charges:

If water service cut off by utility for good cause	\$ 23.92
If water service discontinued at customer's request	\$ 23.92

Returned Check Charge: \$ 23.92

Bills Due: On billing date

Bills Past Due: 15 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.

SCHEDULE OF RATES

for

RED BIRD UTILITY OPERATING COMPANY, LLCto provide water and sewer utility service toWHITE OAK VILLAGE MOBILE HOME PARK

Henderson County, North Carolina

Monthly Metered Water Service:

Base Charge, zero usage	\$ 10.00
Usage Charge, per 1,000 gallons	\$ 3.48

Monthly Metered Sewer Service:

Base Charge, zero usage	\$ 26.33
Usage Charge, per 1,000 gallons	\$ 2.21

Connection Charge: Actual Cost

Reconnection Charges:

If water service cut off by utility for good cause	\$ 24.96
If water service discontinued at customer's request	\$ 24.96
If sewer service cut off by utility for good cause	Actual Cost

To avoid having water utility service disconnected (if payment for service is not received by the past-due date), a customer must pay all past-due and current charges, and may have to pay late payment finance charges.

To resume water utility service, after service has been cut-off by utility for good cause, a customer must pay all delinquent water charges, including finance charges, plus the approved reconnection charge

Returned Check Charge: \$ 24.96

Bills Due: On billing date

Bills Past Due: 15 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.