

Molly M. Jagannathan
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March 4, 2024

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Application by Red Bird Utility Operating Company, LLC (“Red Bird”) for a Certificate of Public Convenience and Necessity for Pine Mountain Lakes in Burke County, North Carolina, and for Approval of Rates
Docket No. W-1328, Sub 11

Dear Ms. Dunston:

Enclosed on behalf of Red Bird Utility Operating Company, LLC, please find the Settlement Testimony of Josiah Cox.

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

Sincerely yours,

/s/ Molly M. Jagannathan
Molly M. Jagannathan

Encl.

Cc: Parties of Record w/ Encl.

CERTIFICATE OF SERVICE**DOCKET NO. W-1328, SUB 11**

I hereby certify that a copy of the Settlement Testimony of Josiah Cox on behalf of Red Bird Utility Operating Company, LLC 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 list in this proceeding.

This the 4th day of March 2024.

RED BIRD WATER UTILITY OPERATING COMPANY, LLC

/s/ Molly M. Jagannathan

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1328, SUB 11

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)
Application by Red Bird Utility Operating)
Company, LLC, d/b/a Red Bird Water for a)
Certificate of Public Convenience and)
Necessity for Pine Mountain Lakes in Burke)
County, North Carolina, and Approval of Rates)

**SETTLEMENT TESTIMONY OF JOSIAH COX
ON BEHALF OF RED BIRD UTILITY OPERATING COMPANY, LLC**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Josiah Cox. My business address is 1630 Des Peres Road, Suite 140,
3 St. Louis, Missouri, 63131.

4 **Q. ARE YOU THE SAME JOSIAH COX WHO PREVIOUSLY FILED**
5 **DIRECT TESTIMONY IN THIS DOCKET?**

6 A. Yes.

7 **Q. WHAT IS THE PURPOSE OF YOUR SETTLEMENT TESTIMONY?**

8 A. The purpose of my settlement testimony is to support the Settlement Agreement
9 and Stipulation (“Stipulation”) entered into by the Public Staff and Red Bird Utility
10 Operating Company, LLC (“Red Bird” or the “Company”) (collectively, the
11 “Stipulating Parties”) on March 4, 2024.

12 **Q. DOES THE STIPULATION RESOLVE ALL ISSUES IN THIS DOCKET?**

13 A. Yes. The Stipulation resolves all issues in this docket, including the rate base in
14 the utility assets Red Bird proposes to acquire from Pine Mountain Lakes (“Pine

Mountain”) in Burke County, the extent of Red Bird’s due diligence costs, the rates Red Bird will charge following the acquisition, and whether Red Bird will seek an acquisition adjustment in this or any future proceeding.

Q. HOW DOES THE STIPULATION RESOLVE ALL OF THOSE ISSUES?

A. The Stipulation reflects Red Bird’s agreement to forgo pursuing an acquisition adjustment relating to the Pine Mountain acquisition, establishes the net book value of the Pine Mountain water and wastewater system assets to be acquired by Red Bird, and provides for Red Bird’s recovery of a portion of its due diligence and transactional costs relating to this acquisition. The Stipulation also establishes that Red Bird will adopt the proposed tariffs and rates currently in effect at Pine Mountain.

Q. DOES RED BIRD BELIEVE THE STIPULATION IS A REASONABLE RESOLUTION OF THE ISSUES IN THESE DOCKETS?

A. Yes. The Company believes the Stipulation reflects a fair, just, and reasonable resolution of the issues it addresses. The Stipulation is the result of arms-length negotiations between the Stipulating Parties and resolves all of the issues in this docket without the necessity of contentious litigation. Therefore, we respectfully request that the Commission approve the Stipulation in its entirety.

Q. ARE THERE OTHER BENEFITS TO COMMISSION APPROVAL OF THE STIPULATION?

A. Yes. We anticipate that the Stipulation will facilitate an earlier closing of this acquisition, and thereby allow Red Bird to begin operating this system and bringing

1 the benefits of its ownership of this system to Pine Mountain customers earlier than
2 would otherwise be possible.

3 In addition, Red Bird has other transfer applications pending before the
4 Commission, and we look forward to adding Pine Mountain to the portfolio of
5 systems the Company seeks to improve in North Carolina. Red Bird is part of an
6 affiliate group that currently owns and operates wastewater systems serving
7 approximately 219,000 wastewater customers and drinking water systems serving
8 approximately 145,000 customers in Missouri, Arkansas, Kentucky, Louisiana,
9 Texas, Tennessee, Mississippi, Florida, South Carolina, North Carolina, and
10 Arizona. As we move forward with our business model and plans here, we will
11 continue to work to replicate in North Carolina the record of success our affiliate
12 group has achieved elsewhere.

13 As shown in my direct testimony, Red Bird has the financial, technical, and
14 managerial ability to acquire, own, and operate Pine Mountain's water and
15 wastewater systems in a manner that fully complies with applicable health, safety,
16 and environmental protection laws and regulations, and to provide reliable, safe,
17 and adequate service to customers.

18 **Q. DOES THIS CONCLUDE YOUR SETTLEMENT TESTIMONY?**

19 **A.** Yes.