

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-933, SUB 12
DOCKET NO. W-1328, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Joint Application by Red Bird Utility Operating)
Company, LLC d/b/a Red Bird Water and) ORDER APPROVING NOTICE TO
Etowah Sewer Company, Inc. for Transfer of) CUSTOMERS
Public Utility Franchise and for Approval of)
Rates)

BY THE PRESIDING COMMISSIONER: On September 26, 2023, the Commission issued in the above-captioned docket an Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice (Scheduling Order), which, among other things, scheduled a public witness hearing for November 1, 2023, and an expert witness hearing for November 20, 2023. The Scheduling Order also required the Applicant to consult with the Public Staff to develop a Notice to Customers to be delivered to all affected customers and to file the proposed Notice to Customers for approval by the Commission no later than four business days after the date of the Scheduling Order.

On October 2, 2023, Red Bird filed a proposed Notice to Customers that was agreed upon by Red Bird and the Public Staff.

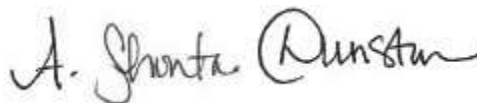
The Presiding Commissioner has reviewed the proposed Notice to Customers and finds good cause to approve issuance of the notice in the form attached hereto as Appendix A and require service by mail or hand delivery on each of Etowah's customers within 3 days of the date of this Order.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 4th day of October, 2023

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-933, SUB 12
DOCKET NO. W-1328, SUB 0**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Red Bird Utility Operating Company, LLC (Red Bird), 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131, and Etowah Sewer Company, Inc. (Etowah) Post Office Box 1659, Etowah, North Carolina 28729, filed an Application with the North Carolina Utilities Commission (Commission) for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the wastewater utility system and public utility franchise serving the Etowah Community in Henderson County, North Carolina, from Etowah to Red Bird and for approval of rates.

Upon acquisition, Red Bird plans to make approximately \$470,200 in capital improvements to the wastewater utility system, including replacement of the disinfection system; grinder pumps; and walkways, handrails, stairs, and signs. Red Bird also plans to install a vertical screw screen and transfer switch for portable generator use, as well as making other improvements to the wastewater system that, according to Red Bird, are necessary to ensure proper operation of the wastewater utility system and to provide safe and reliable service to customers. Such investments in the Etowah system will eventually result in a rate increase, which will be subject to Commission review and approval in a future rate case.

When Red Bird files a general rate case application with the Commission in the future, Red Bird intends to include the costs of purchasing the Etowah wastewater utility system and its investment in the system in rate base, which would allow Red Bird to recover in rates the reasonable depreciation expense and allow Red Bird the opportunity to earn a return, approved by the Commission, on Red Bird's post-closing investment. Depending on the number of utility systems it has acquired by the time it files a rate case relating to the Etowah system, Red Bird may seek approval of uniform rates across all its North Carolina utility systems, including the Etowah Community.

EFFECT OF RATES:

The present rates for Etowah were approved in Docket No. W-933, Sub 9 and have been in effect since July 21, 2014, as adjusted for tax law changes in Docket Nos. W-933, Sub 10 and M-100, Sub 138 effective January 1, 2016. Upon acquisition of the Etowah system, Red Bird proposes to charge the current Commission-approved rates for Etowah. The present and proposed rates are as follows:

<u>Monthly Sewer Utility Service:</u>	<u>Present</u>	<u>Proposed</u>
Residential Flat Rate	\$26.33	\$26.33
Commercial Customers (metered rates):		
Base Charge, zero usage	\$26.33	\$26.33
Usage Charge, per 1,000 gallons	\$ 4.05	\$ 4.05

Based on these rates, a residential customer would continue to be billed \$26.33 per month for wastewater utility service until such time as the Commission approves new rates.

Red Bird plans to request a rate increase and uniform statewide rates to become effective approximately 33 months post-acquisition. The extent of a rate increase that could be requested by Red Bird approximately three years in the future cannot be definitely predicted at this time, but any proposed rate increase will be subject to Commission approval.¹

PROCEDURES FOR PUBLIC HEARINGS:

The Commission has scheduled the following hearings on the Application:

Public witness hearing at 7:00 p.m. on Wednesday, November 1, 2023, to be held in the Henderson County Courthouse, 200 N. Grove Street, Courtroom 2, Hendersonville, North Carolina 28792. *This hearing may be cancelled if no significant protests are received on or before Wednesday, October 25, 2023.*

The public witness hearing on Wednesday, November 1, 2023, will be solely for the purpose of receiving the testimony of customers in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearing pursuant to Commission Rule R1-21(g)(5).

Expert witness hearing at 1:00 p.m. on Monday, November 20, 2023, and continuing as necessary until concluded. The hearing will be held in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. The hearing scheduled for Monday, November 20, 2023, shall be conducted solely for the purpose of receiving testimony of Red Bird, Etowah, the Public Staff, and any other parties of record.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Consumer statements to the Public Staff should include the customer's name, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326

¹ Any future change in rates proposed by Red Bird would require filing a general rate case application pursuant to N.C. Gen. Stat. § 62-134 and approval by the Commission. Future rates are subject to change and would be expected to be higher than the current rates.

Mail Service Center, Raleigh, North Carolina 27699-4300. Consumer statements may also be faxed to (919) 715-6704.

Consumer statements may be submitted to the Commission via the web form at <https://www.ncuc.net/contactus.html>. Consumer statements are not evidence unless those persons appear at a public witness hearing and testify concerning the information contained in their consumer statements.

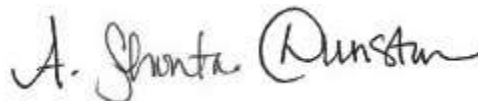
The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Utilities Section, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to utilityAGO@ncdoj.gov

Persons desiring to intervene in this proceeding as formal parties of record should file a petition to intervene pursuant to Commission Rules R1-5 and R1-19, not later than Friday, October 20, 2023. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before Friday, October 20, 2023.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.gov under Docket Number "W-1328 Sub 0."

This the 4th day of October, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "A. Shonta Dunston". The signature is fluid and cursive, with the first name "A." and last name "Dunston" clearly distinguishable.

A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers copies of the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket Nos. W-933, Sub 12 and W-1328, Sub 0, and the Notice was mailed or hand delivered by the date specified in the Order.

This the _____ day of _____ 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 Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket Nos. W-933, Sub 12 and W-1328, Sub 0.

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

Notary Public

Printed Name

(SEAL) My Commission Expires: _____

Date