

**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)	VERIFIED RESPONSE OF
Operating Company, LLC d/b/a Red Bird)	THE PUBLIC STAFF TO
Water and Etowah Sewer Company, Inc.)	REPORT ON CUSTOMER
for Transfer of Public Utility Franchise)	COMMENTS FROM PUBLIC
and for Approval of Rates)	WITNESS HEARING BY RED
)	BIRD UTILITY OPERATING
)	COMPANY, LLC

NOW COMES the Public Staff – North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Christopher J. Ayers, and files this response to the verified report filed by Red Bird Utility Operating Company, LLC (Red Bird), on customer comments from the public witness hearing held on November 1, 2023. Red Bird filed a verified report with the Commission on November 15, 2023. Etowah Sewer Company, Inc. (Etowah) did not file a verified report.

PURPOSE OF RESPONSE

The Public Staff’s response provides the results of the Public Staff’s review of Red Bird’s verified report regarding the public witness hearing held on November 1, 2023, and the Public Staff’s view of whether Red Bird adequately addresses the customers’ concerns.

SUMMARY OF VERIFIED REPORT AND PUBLIC STAFF RESPONSE

Prior to the public witness hearing, five consumer statements of position (statements) were filed with the Commission. At the hearing, four individuals that filed statements testified with three being Etowah customers, and the fourth being a representative of a homeowner's association where some of the residents were Etowah customers. An additional eight statements were filed with the Commission after the public witness hearing¹.

Proposed Rates

The testimony at the public witness hearing focused on concerns regarding the wastewater utility rates that Red Bird intends to implement after acquisition of the Etowah wastewater system. Red Bird's verified report adequately addresses this customer concern by confirming that, at the time it acquires the Etowah wastewater system, Red Bird will adopt the rates currently approved. Red Bird's verified report further states that, if Red Bird files a rate case with the Commission, customers will have the opportunity to provide their input, the Public Staff will participate in the proceeding, and the Commission will decide the extent of any rate increase.

Red Bird further stated that while it anticipates making the improvements outlined in the Notice to Customers, until Red Bird actually owns and operates the system it will not be able to identify and assess the nature and extent of any system issues that need to be addressed. Red Bird added that oftentimes it discovers that operational changes conducted within the first few months of an acquisition can

¹ None of these customers testified and thus were not addressed in Red Bird's verified report.

eliminate the need for costly investments but that there is currently no way to determine the extent of a future rate increase due to the number of factors that will inevitably affect such an increase.

Proposed Developer Constructed Wastewater Treatment Plant

The four customers that testified also identified concerns with the proposed construction of a 120,000 gallons per day wastewater treatment plant (WWTP) to meet the wastewater needs for additional development in the Etowah service area. In his opening remarks, Presiding Commissioner McKissick stated that construction of a new wastewater treatment plant and new residential development proposed by Tribute Investment and Development, Inc, is not before the Commission for determination and the approval or denial of any development proposals by Tribute Investment and Development, Inc, do not fall within the jurisdiction of the Utilities Commission and it will not be determined by the Commission. Witness.

In its verified report, Red Bird reiterates Commissioner McKissick's opening remark that it is not an issue for determination in the current proceeding. Red Bird added that it has experience with plant upgrades and extensions due to new developments in other jurisdictions and takes every necessary precaution to ensure that current customers are not negatively impacted by any expansions.

Sewer Quality Issues

While one customer stated the Etowah wastewater system was "under great stress," he used this description in identifying his concern over adding a proposed package wastewater treatment facility as described above to the existing Etowah

wastewater system. Another customer in their statement filed as Exhibit 1, stated that the Etowah WWTP is, “in dire need of repair and an upgrade.” However, no one expressed concerns over service quality issues or violations. Red Bird included a Sewer Quality Issues section in their verified report, which included information on Etowah’s NC DEQ compliance history that is unrelated to the testimony heard at the public witness hearing.

CONCLUSION

The Public Staff has reviewed the verified report of Red Bird addressing the concerns testified to by customers during the November 1, 2023 public witness hearing. The Public Staff believes the response adequately address the concerns.

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

I, D. Michael Franklin , state and attest that this Verification is filed on behalf of Public Staff – North Carolina Utilities Commission, as required by the North Carolina Utilities Commission; that I have reviewed the attached response to the Red Bird Utility Operating Company, LLC's verified report addressing the November 1, 2023, public witness hearing held in Docket Nos. W-933, Sub 12 and W-1328, Sub 0 and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein and in any exhibits, documents, and statements thereto attached; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, and no material information or fact has been knowingly omitted or misstated therein.

[Handwritten Signature]

Signature of Person Making Verification

D. Michael Franklin

Typed or Printed Name

November 29, 2023

Date

Subscribed and sworn before me this the 29th day of November, 2023

[Handwritten Signature]

Erica S. Jones, Notary Public

My Commission Expires: 2/13/2026

CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing on all parties of record or to the attorney of record of such party in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 29th day of November, 2023.

Electronically submitted
/s/ Davia Newell
Staff Attorney