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Admitted in: North Carolina

March 12, 2024

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

**Re: Application by Red Bird Utility Operating Company, LLC for Transfer of Public
Utility Franchise in Meadowlands Subdivision in Davidson County, North Carolina
and for Approval of Rates
Docket No. W-1259, Sub 5
Docket No. W-1328, Sub 6**

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.

Best regards,

/s/ Mindy McGrath
Mindy McGrath

Enclosure

c: Parties of Record w/ Encl.

CERTIFICATE OF SERVICE**DOCKET NO. W-1259, SUB 5****DOCKET NO. W-1328, SUB 6**

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 12th day of March 2024.

RED BIRD UTILITY OPERATING COMPANY, LLC

/s/ Mindy L. McGrath

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1328, SUB 6
DOCKET NO. W-1259, SUB 5

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)
Application by Meadowlands Development,)
LLC and Red Bird Utility Operating Company,)
LLC, d/b/a Red Bird Water for Transfer of)
Public Utility Franchise in Meadowlands)
Subdivision in Davidson 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 12, 2024.

1 **Q. DOES THE STIPULATION RESOLVE ALL ISSUES IN THESE**
2 **DOCKETS?**

3 A. Yes. The Stipulation resolves all issues in these dockets, including the rate base in
4 the utility assets Red Bird proposes to acquire from Meadowlands Development,
5 LLC (“Meadowlands”) in Davidson County, the extent of Red Bird’s due diligence
6 costs, the rates Red Bird will charge following the acquisition, and whether Red
7 Bird will seek an acquisition adjustment in this or any future proceeding.

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

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

15 **Q. DOES RED BIRD BELIEVE THE STIPULATION IS A REASONABLE**
16 **RESOLUTION OF THE ISSUES IN THIS PROCEEDING?**

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

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

3 A. Yes. We anticipate that the Stipulation will facilitate an earlier closing of this
4 acquisition, and thereby allow Red Bird to begin operating this system and bringing
5 the benefits of its ownership of this system to Meadowlands customers earlier than
6 would otherwise be possible.

7 In addition, Red Bird has other transfer applications pending before the
8 Commission, and we look forward to adding Meadowlands to the portfolio of
9 systems the Company seeks to improve in North Carolina. Red Bird is part of an
10 affiliate group that currently owns and operates wastewater systems serving
11 approximately 241,000 wastewater customers and drinking water systems serving
12 approximately 172,000 customers in Missouri, Arkansas, Kentucky, Louisiana,
13 Texas, Tennessee, Mississippi, Florida, South Carolina, North Carolina, and
14 Arizona. As we move forward with our business model and plans in North Carolina,
15 we will continue to work to replicate the record of success our affiliate group has
16 achieved elsewhere.

17 Finally, as shown in my direct testimony, Red Bird has the financial,
18 technical, and managerial ability to acquire, own, and operate Meadowlands
19 wastewater system in a manner that fully complies with applicable health, safety,
20 and environmental protection laws and regulations, and to provide reliable, safe,
21 and adequate service to customers.

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

23 A. Yes.