THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2006-107-W/S

IN RE:	)	
	)	
Application of United Utility Companies, Inc. for adjustment of rates and charges and modifications to certain terms and conditions for the provision of water and sewer service.	)	**SURREBUTTAL TESTIMONY OF DR. JAMES EPTING**

Q. Dr. Epting, what is your purpose in filing Surrebuttal Testimony in this matter?

A. My purpose in submitting this Surrebuttal Testimony is to respond to portions of the Supplemental Rebuttal Testimony of Lena Sunardio filed on behalf of United Utility Companies, Inc. ("United Utility").

Q. Please describe the portions of Ms. Sunardio's Supplemental Rebuttal Testimony to which you wish to respond.

A. From Page 2, line 19 through Page 3, line 11, Ms. Sunardio discusses North Greenville University's (the "University") tuition increases between 2001 and 2006 and states that the University has increased tuition rates 23.6% in this five-year period, which she then states is "significantly more than the 3%-5% increase" I explain in my pre-filed direct testimony is the maximum increase students can absorb.

Q. How do you wish to respond to this portion of Ms. Sunardio's testimony?

A. I wish to clarify my previous testimony with respect to the 3%-5% increase which can be absorbed by the University's student body. In my earlier testimony, I apparently failed to specify that students can absorb an increase of 3% to 5% <u>per</u>

1 **year. Obviously the University has increased tuition more than 3%-5% over the**
2 **past five years, but it has not increased tuition more than 3%-5% per year. In fact,**
3 **the 23.6% increase discussed by Ms. Sunardio is directly in line with a 3% to 5%**
4 **tuition increase per year. By contrast, United Utility has increased its rates 54%**
5 **between 2001 and 2006. This increase is significantly higher than the 15% to 25%**
6 **increase which could have been absorbed by the University's students over this five**
7 **year period, as well as the University's actual tuition increase during this time.**
8 **Accordingly, it was in no way "disingenuous" for me to suggest that United Utility's**
9 **rate increases have been neither fair nor reasonable over the past five years and are**
10 **not able to be adequately absorbed nor passed on by the University. Thus, such rate**
11 **increases have directly hindered the University's ability to compete for students as**
12 **explained in my pre-filed direct testimony.**
13 Q. Does this conclude your Surrebuttal Testimony?
14 **A. Yes, it does.**