STEVEN G. MIKELL

ATTORNEY AT LAW

TELEPHONE
(843)669-6262

310 WEST PINE STREET
FLORENCE, S.C. 29501
steve@smikellaw.com

FACSIMILE
(843)669-6343

October 10, 2014

Ms. Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Docket No.: 2013-451-WS
Application of CUC, Incorporated for
Adjustment of Rates and Charges

Dear Ms. Boyd:

Enclosed for filing please find the Application's Motion to Allow Late Filing of Pre-Filed Testimony with Attachments, in the above matter, along with our Certificate of Service for same.

As stated in the Motion, the Interveners have indicated that they do not object to this and I believe you should have Frank Ellerbe's e-mail to that effect.

I have not been able to speak to any of the appropriate persons at the ORS this afternoon, but my hope is to have their consent by early Monday.

I apologize for any inconvenience this has caused you.

Please indicate your receipt and filing of the Motion on the enclosed copy and return that to me in the envelope provided.

With kind personal regards, I am

Yours very truly,

Steven G. Mikell

SGM/slo
Enc.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-451-WS

In Re:

Application of CUC, Incorporated for) Adjustment of Rates and Charges)	MOTION TO ALLOW LATE FILING OF APPLICANT'S REBUTTAL TESTIMONY

Pursuant to R.103-829 of the Rules of Practice and Procedure of the South Carolina Public Service Commission the Applicant, CUC, Inc., hereby moves the South Carolina Public Service Commission (the "Commission") for an Order allowing it to file the Pre-filed Rebuttal Testimony of Billy F. Burnett, with attachments, after the due date. In support of its motion, CUC, Inc., would show the following:

1) On October 3, 2014, which was the due date for the Pre-Filed Rebuttal Testimony, the undersigned counsel for CUC, Inc., timely served the Pre-Filed Rebuttal Testimony on all parties to this action by electronic service and by the U. S. Mail. A copy of the Pre-Filed Rebuttal Testimony of Billy F. Burnett, with attachments, and the Certificate of Service are attached hereto and incorporated herein by reference as Exhibit 1.
2) The undersigned inadvertently failed to pre-file the testimony with the Commission, although it was timely served on all parties of record.
3) The Interveners have already stated, through their counsel, Frank R. Ellerbee, III, Esq., by e-mail to all interested persons herein dated October 10, 2014, that they have no objection to CUC, Inc., being allowed to file its rebuttal testimony.
4) That as of 3:00 P.M., Friday October 10, 2014, the undersigned has attempted to contact the Office of Regulatory Staff to seek its consent to the late filing but at the time of the preparation of this Motion, has not been able to speak to the appropriate person there.
5) That the undersigned does not believe that any party herein has suffered any prejudice due to the failure to timely file the Pre-Filed Rebuttal Testimony with the Commission.

WHEREFORE, CUC, Inc., respectfully requests that the Commission issue its Order allowing the late filing of the Pre-Filed Rebuttal Testimony, with Exhibits, and that the Commission accept that Testimony as attached to this Motion, that being the same Rebuttal Testimony as was served on all parties on October 10, 2014.

Respectfully submitted on this 10th day of October, 2014.

Steven G. Mikell
Attorney for Applicant, CUC, Inc.
310 West Pine Street
Florence, S.C. 29501
843-669-6262
steve@smikellaw.com

Florence, S.C.

October 10, 2014

EXHIBIT 1

CUC, INC.

DOCKET NO. 2013-451-WS

BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

Testimony Prepared: October 3, 2014

Hearing Date: October 23, 2014

PRE-FILED REBUTTAL TESTIMONY
OF
BILLY F. BURNETT

THIS TESTIMONY IS FILED PURSUANT TO THE 10 S.C CODE ANN. REGS. 103-845. IN ACCORDANCE WITH THE PUBLIC SERVICE COMMISSION'S RULES OF PRACTICE AND PROCEDURE AND THE AGREEMENT OF THE APPLICANT, THE COMMISSION, THE OFFICE OF REGULATORY STAFF, AND THE INTERVENOR, THE APPLICANT RESERVES THE RIGHT TO PROVIDE REBUTTAL TESTIMONY TO THE TESTIMONY PRE-FILED TO THE COMMISSION STAFF, ORS, AND INTERVENORS, AND TO ANY TESTIMONY PROVIDED AT OR BEFORE THE OCTOBER 23, 2014 HEARING.

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2013-451-W/S

IN RE: Application of CUC, Inc. for Adjustment of Rates and Charges and Modification of certain terms and conditions for the provision of Water and Sewer Service	)))))))	**REBUTTAL TESTIMONY** **OF** **BILLY F. BURNETT**

1 **Q. WOULD YOU PLEASE STATE YOUR NAME FOR THE RECORD?**

2 A. Billy F. Burnett

3 **Q. WHAT IS YOUR POSITION WITH CUC?**

4 A. I am President, General Manager of Operations and a Shareholder.

5 **Q. HAVE YOU REVIEWED THE PREFILED DIRECT TESTIMONY OF WILLIE J.**
6 **MORGAN AND GABY SMITH ON BEHALF OF THE ORS?**

7 A. Yes.

8 **Q. HAVE YOU ALSO REVIEWED THE PREFILED TESTIMONY OF GEORGE B.**
9 **FLEGAL, JR. ON BEHALF OF THE SPRING ISLAND PROPERTY OWNERS'**
10 **ASSOCIATION?**

11 A. Yes.

12 **Q. HAVE YOU ALSO REVIEWED THE PREFILED TESTIMONY OF PATRICK W.**
13 **PARKINSON ON BEHALF OF THE CALLAWASSIE ISLAND PROPERTY**
14 **OWNERS' ASSOCIATION?**

15 A. Yes.

16 **Q. WHAT ARE YOUR CONCERNS REGARDING MS. SMITH'S TESTIMONY,**
17 **ADJUSTMENTS 3A AND 3B REGARDING SALARIES, WAGES, AND 401-K?**

18 A. Ms. Smith did not include bonuses. Most businesses use some system of bonus pay,
19 including state and federal governments. We always have considered bonuses as deferred
20 income. We purposely hold a portion of each employee's pay in order to provide them
21 with an income boost during the holiday season. This is not something new to the test

year; rather, it is something that we have always done. We feel that if the plants have been kept in compliance throughout the year, no safety issues have occurred, and no formal customer complaints have been made, then our employees have performed their duties as expected, and therefore earned this deferred income.

The corresponding adjustment to our 401-K is too low as well. Even without overtime or bonus income being included, the adjustment should be at least $858, and we have overtime pay on almost every pay period.

Q. WHAT ARE YOUR CONCERNS ABOUT MS. SMITH'S TESTIMONY, ADJUSTMENT 3D, WHICH DEALS WITH SLUDGE DISPOSAL EXPENSE?

A. Sludge disposal expense is a very big concern for us. Ms. Smith's adjustment puts our sludge expense at $12,719. We have already spent $14,787 this year and will be hauling more sludge. There is a reasonable explanation as to why we need more in our sludge wasting budget. During their site visit a few weeks ago, ORS officials observed that every single basin in both plants was heavy with activated sludge. Sludge wasting was lower in the test year of 2013 than we anticipate moving forward. I have discussed this with Marshall Bishop, our head operator and on site manager. In the past, three of the four aeration basins of the Callawassie plant were never filled with wastewater and they sat idle with clean water in them since they were not needed because of low plant flows. The plant was designed with four aeration cells so that the ones needed to meet the current plant flows would be utilized and therefore saving on the energy cost to operate the aeration blowers. The plant is rated at 260,000 gallons per day capacity with about 55,000 gallons per day now being treated. Marshall started utilizing the three additional aeration basins which has allowed much activated sludge to remain in the plant during the last few years. This plant has now reached its limit to hold any extra sludge and sludge wasting will need to be increased going forward to keep these plants in sludge balance and in permit compliance. To my knowledge, these two plants have the lowest discharge permit parameters of all the plants permitted in South Carolina. It doesn't take much BOD going over the effluent weirs to violate the DHEC discharge permit.

We offer the following math and conditions for consideration on the Callawassie WWTP's sludge situation:

Average daily flow = .055 MGD

Average influent BOD = 230 mg/L

Average effluent BOD = 7 mg/L

Net bio solids = 223

Daily Pounds of bio solids = 223 x .055 MGD x 8.34 = 102 lbs.

Activated sludge process consumes approximately 35% of bio solids

Net daily pounds of solids that must be removed from the plant = 102 lbs. x 65% = 66 lbs.

Average gallons of water required to dissolve one pound of solids suitable to be pumped = 12

Average daily gallons of solids (sludge) that must be removed from the plant 66 lbs. x 12 = 792

Annual gallons of sludge that must be removed from plant 792 x 365 days = 289,000 gallons

Cost per gallon to haul sludge from plant to the approved sludge processor = 10¢ /gallon

Total annual hauling cost 289,000 gallons x 10¢ = $28,900

Cost per lb. of sludge for sludge processor to treat and dispose the sludge = 25¢

Total annual sludge processing cost 28,900 lbs. x 25¢ = $7,225

Total annual sludge cost $28,900 + $7,225 = $36,125

The Spring Island plant averages about 10,000 gallons per day at the same ratios as the Callawassie Island plant.

Removing sludge from these two plants is not optional. If these amounts of sludge are not removed annually, it will be impossible to keep the plants in compliance with the DHEC permits. Therefore, we respectfully request that we be given the full amount of our requested adjustment, which is $14,000. We would have requested an even higher adjustment had we known that all of the basins were now being utilized. We expect to call a local DHEC representative to the hearing to confirm the above data and the necessity of removing the above calculated sludge amounts from the plants on an annual basis.

Q. WHAT ARE YOUR CONCERNS ABOUT MS. SMITH'S TESTIMONY, ADJUSTMENT 3F FOR PURCHASED WATER EXPENSE?

A. We strongly disagree with this adjustment, because it is too low. During the ORS site visit, they viewed the new meter that BJWSA installed at the end of July, 2014. The old meter was under-reading and this meter is not, which will mean higher consumption readings for us. Our usage is already close to 5.5 million gallons over where we were last year at this time, and the new meter has only been in place for one month. We respectfully request that the full amount of $16,717 requested by CUC be allowed.

Q. WHAT ARE YOUR CONCERNS ABOUT MS. SMITH'S TESTIMONY, ADJUSTMENT 3J REGARDING OFFICE RENTAL EXPENSE?

A. CUC stands by its original office rental amount of $600 that was requested. The company is not paying anything for maintenance, insurance, utilities, or taxes, or license fees, which

would be required if we moved into another location. It is necessary for us to have office space and adequate storage for financial records.

Q. WHAT ARE YOUR COMMENTS ABOUT MS. SMITH'S ADJUSTMENT 5 AND ACCOMPANYING EXHIBIT GS-5?

A. We believe the service life years are too high on certain items. We feel that 10 years for meters is more accurate and fair than 15. Meters wear out as the usage on them increases, and irrigation meters in particular have higher usages and will wear out sooner, which lowers the average life for all meters. The folding machine that was given a service life of 15 years is worn out and we are about to replace it, and it's less than 10 years old. Shovels and ladders don't last 14-16 years in an active utility company. The accounting and bookkeeping on some of these less expensive items costs more than the items being depreciated.

Q. DO YOU HAVE ANY COMMENTS REGARDING MR. PARKINSON'S TESTIMONY REGARDING REVENUES?

A. Yes. Mr. Parkinson assumes that our irrigation usage will be higher in the current and future years than it was last year. He is basing his entire argument on last year being wetter than normal. Many factors contribute to less irrigation usage: travel, saving money, economic hardship, and the customers choosing to deactivate their irrigation accounts. Furthermore, if we do receive higher rates, irrigation numbers may drop as people attempt to keep their bills lower. We cannot force a customer to have an irrigation account, or to use it. A sizeable number of irrigation customers have chosen to deactivate their accounts, and this number will likely increase following the increase of irrigation water rates.

Q. DO YOU HAVE ANY COMMENTS REGARDING MR. PARKINSON'S TESTIMONY REGARDING TEST YEAR EXPENSES RELATED TO SALARIES AND BENEFITS?

A. Yes, even if we were to assume that Mr. Parkinson's assertion is correct that CUC's cost to operate has increased by 47% over the last ten years, that would be less than a 5% percent increase per calendar year. He also states that salaries and benefits have increased by 7% per year. He shows no breakdown between salaries and benefits. Most of the increase in the cost of benefits has been attributable to health insurance premiums. While Mr. Parkinson worked for a municipal utility receiving health insurance through a much larger pool, we are a private utility dealing with a

completely different health care marketplace. We are constantly trying to realize savings in this area.

Mr. Parkinson suggested that we eliminate salaries for the President, the Office Assistant, and the Maintenance Assistant. I am the President and also the General Manager and I hold a Class A Wastewater Certification. I am the founder of the company and have caused the utility to operate successfully since its inception, even in the beginning when very few customers brought in little revenue. Under my tenure, CUC has had ZERO violations and has always maintained the highest quality of service to our customers. The Secretary-Treasurer has worked for the company since its inception and has hired an Office Assistant to learn the operations to maintain continuity. In the event that the Secretary-Treasurer could not fulfill her duties, this person would be able to maintain office operations as needed. We feel that this is necessary and wise in any business.

The Maintenance Assistant was hired to perform necessary maintenance that our operators do not have sufficient time to complete. Each plant requires at least one operator at all times and their time is being stretched thin now to properly operate the plants, to read water meters, and perform other daily operations on the water system. The Maintenance Assistant is a part-time employee with no benefits, and he was hired in an attempt to keep the company from having to hire another trained operator to do the required maintenance on the two wastewater plants and pump stations.

Q. WHAT DO YOU THINK OF MR. PARKINSON'S SUGGESTION THAT THE COMPANY REDUCE THE AMOUNT OF THE HEALTH INSURANCE CONTRIBUTIONS TO ITS EMPLOYEES?

A. Mr. Parkinson is asking us to reduce the health care benefits offered to our employees. We have always provided health care benefits to our employees and their dependents and we hope to be able to continue to do so. We pledge to continue to be diligent in keeping these costs as low as possible.

Q. DO YOU HAVE ANY COMMENTS ABOUT MR. PARKINSON'S POSITION ON CUC SWITCHING TO BI-MONTHLY BILLING?

A. Yes. Mr. Parkinson stated that most of the residents live on "fixed incomes" and that this would "place an undue burden on them managing their monthly expenses." To live on Callawassie Island requires a club membership with a one-time contribution of $15,000 and monthly dues of $640 ($7,680 annually). The required Property Owners' Association

fees are $1,695 per year. (Reference Exhibit A) Spring Island residents pay a required membership contribution of $125,000 and monthly dues of $1,120 ($13,440 annually). Additionally, they pay required Property Owners' Association dues of $5,800 annually. (Reference Exhibit B) Does the term "fixed incomes" apply only to water and wastewater service but not to other required expenses to live in these two gated communities? The Sewerage Authority for which Mr. Parkinson worked bills their customers quarterly. We have many customers who have asked for a less frequent billing cycle for the convenience. If we felt that this would be a hardship to anyone, we would not have asked for it.

Q. PLEASE RESPOND TO MR. PARKINSON'S STATEMENT THAT THE TWO SHAREHOLDERS OF THE COMPANY WOULD SPLIT ANY POSITIVE CASH FLOW.

A. This issue was raised by Mr. George Flegal (in 2005 and also in this current rate case), and we objected to it then and are objecting once again. There have been years when the shareholders did not even receive a salary or any benefits whatsoever, because there was inadequate cash flow. Further, the shareholders have never taken a single dividend. Indeed, the two shareholders recently put $100,000 into the company just to keep it afloat. In the event that we make a profit, that money will be left in the company for its benefit and security.

Q. HOW DO YOU RESPOND TO MR. PARKINSON'S RESEARCH REGARDING THE WATER RATES OF OTHER COMPANIES IN THE AREA?

A. The information is flawed and cannot be fairly interpreted because a separate irrigation account was included in the customer average. Not all customers even have an irrigation account, so this method is faulty as credible information.

Q. PLEASE COMMENT ON MR. FLEGAL'S COMMENTS ABOUT THE PASS THROUGH ALLOWANCE FOR PURCHASED WATER.

A. Mr. Flegal states that allowing CUC to receive a pass through allowance on an increase in the price of purchased water "might allow CUC to exceed its allowed return." The pass through process seems misunderstood. We make nothing from a pass-through allowance. The allowance allows us to bill the customer the exact same amount that BJWSA bills us for that usage. Not having this allowance will require us to need to file much more often for rate relief, and even a "mini rate filing" would create expense for the utility.

Q. HOW DO YOU RESPOND TO MR. FLEGAL'S COMMENTS REGARDING POSTAGE EXPENSE AND METER READING?

A. We are fine with the ORS adjustment on postage. We certainly will have postage savings if we switch to bi-monthly billings. We did not make a deduction in our adjustments as we did not know if the ORS would allow us to bill this way. As to the comments regarding SCE&G practices, we are a very small company by comparison and are therefore not equipped to offer all of the programs that they offer.

Mr. Flegal stated in his testimony: "So far as costs are concerned, I would think they would be minimal and as to time savings, it should only take one person about three days to read all of the meters so that is minimal, also." However, it takes all three of our operators working two to three days, depending on weather, to read all of the meters and to assist in the billing process. All of our operators would testify under oath about the time involved and the difficulty of access to many of the meters, especially on Spring Island.

Q. WOULD YOU LIKE TO COMMENT ON MR. FLEGAL'S REMARKS ABOUT OFFICE RENT?

A. It is normal for a business to have office rental expense. The CUC office is located in the home of one of the owners. When that home was built, an office for CUC was planned and included in the home. The office is completely dedicated to utility business and not for personal use. It is necessary to have a space in which to work and for the proper storage of records. The company bears no expense for any maintenance, insurance, taxes, or utilities for the office and avoids the expense of license fees, which would be due if our office was in the city. The amount asked for is reasonable in light of what is available in town. Office space in this area that is suitable to our needs is both limited and expensive.

Q. PLEASE RESPOND TO MR. FLEGAL'S COMMENTS REGARDING A "CONGLOMERATION OF JUNK FEES."

A. We have reviewed the rate schedules of many other private regulated utility companies – both in South Carolina and in other states, including the company for which Mr. Flegal worked, and most of them have the same fees that we are proposing (and some that we do not have). We already have most of the fees established and are just asking for modifications. Mr. Flegal states that "There is absolutely no legitimate reason for these fees and they should all be eliminated." He also states that our rates cover all labor costs involved in implementing the services attached to these fees. Both of these statements are incorrect. Most of these fees can be avoided by the customers simply doing the right thing and paying their bills on time.

Q. WOULD YOU LIKE TO COMMENT ON MR. FLEGAL'S EXHIBITS A & B?

1 A. Yes. His data is flawed because the chart is based on every customer paying water,
2 irrigation, and sewer. As stated earlier, not every customer has an irrigation account, and
3 we cannot force them to have one. Further, some customers pay for only water, and some
4 pay for only sewer. Fewer than 40% of our total water accounts are irrigation accounts.
5 **Q. WHAT ARE YOUR THOUGHTS ABOUT MR. FLEGAL'S "SOURCE AND**
6 **APPLICATION OF FUNDS" ANALYSIS?**
7 A. We disagree with the analysis. Mr. Flegal added depreciation expense to our revenues
8 which has the effect of improperly inflating our earnings.
9 **Q. PLEASE COMMENT ON MR. FLEGAL'S REMARKS CONCERNING SALARIES**
10 **AND WAGES AND HIS EXHIBIT D.**
11 A. Mr. Flegal's Exhibit D does not separate benefits from salaries. Health care benefits have
12 increased dramatically, which is the main factor in the amount of increase. We are
13 working diligently to decrease our health care expense.
14 **Q. MR. BURNETT, IT SEEMS AS IF THE PROPERTY OWNER ASSOCIATIONS**
15 **VIEW CUC'S REQUEST FOR A RATE INCREASE IN A NEGATIVE LIGHT.**
16 **WILL YOU COMMENT?**
17 I hope that is not the case, but if that is true, it is disappointing, and I wish things were
18 different. I understand that no one wants a bill increase, but I am proud of CUC. I enjoy
19 working with our operators who work hard to ensure good service. I am proud of them,
20 and I think they do a fine job of representing CUC. CUC has avoided a rate increase for
21 nine years, and to continue providing reliable and adequate service, CUC needs a rate
22 increase as requested in its Application.
23 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
24 A. Yes, it does. I thank the Commission for its consideration.

EXHIBIT A

CALLAWASSIE ISLAND

2014 ISLAND MEMBERSHIP DUES & FEES

- One-time Contribution fee: $15,000 / Monthly Dues: $ 640
  Golf Options: Pay-as-you-play - $50 per round OR Unlimited - $295/month

- Callawassie Island Property Owners Association Fee: $1,695/annually
- Heron Walk Association (applies to Heron Walk properties only): $ 460/quarter

Membership privileges are available to the Island Member's *immediate family* - children, grand-children and their spouses, as well as the member's parents and the parents of the member's spouse.

Members Enjoy:

- Private gated community with 24 hour security.
- Four community docks providing leased slips, community-use multi-day slips, and kayak launches.
- Classic designed Tom Fazio 27-hole championship course, pro shop and three, Class "A" PGA Golf Professionals.
- Six Har-Tru tennis courts with a pro shop and full-time USTA and PTR certified professional onsite.
- Clubhouse with full-service dining, pool overlooking the marsh, pool-side snack bar, bocce and croquet courts and a horseshoe pit.
- River Club, overlooking the Colleton River, with a library and fireplace, family swimming pool, and seasonal dining.
- Fitness Center outfitted with Cybex equipment for weight training, personal training, aerobics room and certified fitness coordinator.
- A Certified Natural Habitat Community, with over 230 properties qualified as backyard habitats.
- Numerous Island parks, ponds and recreation areas ponds providing exposure to nature, views, historical sites, and activities such as bocce, horseshoes, basketball and fishing.
- An island community with social activities, clubs & more.

Fees subject to change.

All information is a summary only. Current Membership Plan, Club Rules and By-Laws include all pertinent provisions and are available upon request.

176 Callawassie Island Drive · Callawassie Island, SC 29909

CALLAWASSIE ISLAND

(843)987-2231 · www.callawassieisland.com

EXHIBIT B

2014 ESTIMATED COSTS OF OWNERSHIP*

SPRING ISLAND PROPERTY OWNERS ASSOCIATION**

Annual POA Dues	$5,800

MEMBERSHIP**

Membership Contribution	$125,000
Annual Club Dues	$13,440

REAL ESTATE TAXES***

Examples:

	Unimproved lot or 2nd Home	Primary Home
Estimated Appraised Value:	$300,000	$1,000,000
	x .06	x .04
Assessed Value:	$ 18,000	$ 40,000
Millage rate:	x .20948	x .20948
Subtotal:	3,770	8,379
Less School Tax Credit:	N/A	- 3,898
Annual Ad Valorem Tax:	$ 3,770	$ 4,481

On improved lots: Primary homeowner's taxable rate is 4% of the appraised value.
Secondary homeowner's rate is 6% of the appraised value.

On unimproved lots: The rate is 6% of the appraised value.

UTILITIES*

Water: All home sites are served by a public water system CUC, Inc. (Phone: 843-987-2727)
Unimproved lot Water Tap Fee for 3/4" - $525.00 (For other size line quotes, please call CUC)
Charge for water availability to unimproved lot: $8.00/month

Sewer: Depending on its location, home sites will be served by a public sewer system (CUC, Inc.) or by private septic tank:
Sewer Tap Fee for 3/4" - $625.00 (For other size line quotes, please call CUC, Inc.)
Estimated costs associated with septic tank installation: Septic Tank: $2,500.00
Pump System (including electrical hook-up): $8,500.00

Electricity: Electrical service is provided by SCE&G (South Carolina Electric and Gas).

* This information is estimated and provided as a courtesy only and is based on information available at the time prepared. Members should confirm applicable costs and charges in advance. Neither the Club nor the Association make any representation or warranty as to the accuracy of such information.

** The dues, fees, charges and membership Contribution listed in this schedule are set by and at the sole discretion of the Board of Governors of the Club and the Board of Directors of Spring Island Property Owners Association, and are subject to change from time to time.

*** To figure Real Property Tax, go online to: http://www.bcgov.net/beaufort-county-online-services/ Tax Calculator; Spring Island's millage district is 600 Bluffton O/S.

2/11/2014

EXHIBIT B - page 2

Property Considerations

Please consult the Architectural Review Committee (ARC) Office for fees and permits required when building a home.

- There are 717 residential properties, with just over 500 having homes.
- Properties are classified as to the type of home that can be built: House, Cottage and Villas.
- Houses have larger size and setback requirements compared to Cottages.
- Villas are independent properties with a duplex dwelling sharing a common boundary; Membership in the Heron Walk Association is required which provides services such as the following: some external maintenance, landscaping services and pest control.
- Cottages and Villas qualify for short-term rental making them ideal second homes or investment properties. Any property can be leased long term, with approval of the POA.

Community Dock Lease

- $3,500/annually - based on availability

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2013-451-WS

IN RE: Pre-Filed Testimony of Billy F.	)	
	)	**CERTIFICATE**
Burnett and Susan B. Mikell	)	**OF SERVICE**

This is to certify that I, Sylvia L. O'Cain, Legal Assistant to Steven G. Mikell, Esq., has on October 3, 2014, served the Pre-filed Rebuttal Testimony with Exhibits of Billy F. Burnett on Frank R. Ellerbe, III, attorney for the Callawassie Island Property Owners Association and the Spring Island Property Owners Association, and on the office of Regulatory Staff on October 3, 2014, all by electronic filing and by placing the same in the United States Mail, postage prepaid, and addressed as follows:

Frank R. Ellerbe, III, Esquire
Robinson, McFadden & Moore, P.C.
Post Office Box 944
Columbia, S. C. 29202
fellerbe@robinsonlaw.com

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
shudson@regstaff.sc.gov

Andrew M. Bateman, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
abateman@regstaff.sc.gov

Dated at Florence, S. C. this 3rd day of October, 2014.

Sylvia L. O'Cain

Sylvia L. O'Cain
Legal Assistant to
Steven G. Mikell
Attorney for Applicant

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2013-451-WS

IN RE: Application of CUC, Incorporated For Adjustment of Rates and Charges	)))	**CERTIFICATE OF SERVICE**

This is to certify that I, Sylvia L. O'Cain, Legal Assistant to Steven G. Mikell, Esq., has on October 10, 2014, served the Motion to Allow Late Filing of Applicant's Rebuttal Testimony with Exhibits on Frank R. Ellerbe, III, attorney for the Callawassie Island Property Owners Association and the Spring Island Property Owners Association, and on the office of Regulatory Staff on October 10, 2014, all by placing the same in the United States Mail, postage prepaid, and addressed as follows:

Frank R. Ellerbe, III, Esquire
Robinson, McFadden & Moore, P.C.
Post Office Box 944
Columbia, S. C. 29202
fellerbe@robinsonlaw.com

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
shudson@regstaff.sc.gov

Andrew M. Bateman, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
abateman@regstaff.sc.gov

Dated at Florence, S. C. this 10th day of October, 2014.

Sylvia L. O'Cain

Sylvia L. O'Cain
Legal Assistant to
Steven G. Mikell
Attorney for Applicant