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Action Item 10

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE

ADMINISTRATIVE MATTER	☐	DATE	**August 12, 2009**
MOTOR CARRIER MATTER	☐	DOCKET NO.	**2008-460-WS**
UTILITIES MATTER	☑	ORDER NO.	

SUBJECT:
DOCKET NO. 2008-460-WS - Application of Avondale Mills, Incorporated for Approval of a New Schedule of Rates and Charges for Water and Sewerage Services Provided to Customers in Aiken County, South Carolina - Discuss this Matter with the Commission.

COMMISSION ACTION:
A week ago, this Commission acted in hopes that the parties in the case could find a way to ease the burden on Avondale's customers. I am sorry to report that the parties have been unable to reach a solution in this matter. At this point, this Commission must now take up this case once again.

There can be no doubt that the Commission's order establishing rates in this case was validly issued. This Commission established the company's rates after taking into account the accounting adjustments and operating margin which were jointly proposed by Avondale and the Office of Regulatory Staff. In fact, these two parties even jointly submitted a proposed order in the case. There was no evidence in the record upon which to base any result other than the one the Commission reached. We are bound to base our decisions upon the law and upon the evidence in the record. We cannot deny rate increases arbitrarily where the increases are supported by the evidence in the record. The Commission issued a final order before the statutory six month time deadline, and no party to the case moved for reconsideration. Avondale then put its rates into effect.

While we took action last week in order to allow the parties to discuss some possible way to ease the burden on Avondale's customers, we cannot maintain such action without the consent of the parties. Therefore, I have no choice but to move that we rescind our directive issued in this matter on August 5, 2009, with the exception of the appointment of Jocelyn Boyd as Hearing Officer, and therefore restore the rates previously approved by the Commission.

At the same time, however, I would note that three members of the Aiken County Legislative Delegation have filed requests to review Avondale's rates and to alter, amend, or rescind the order which established the rates. The law allows the Commission to take action pursuant to such requests only if it gives advance notice to all interested parties and holds a hearing at which it can receive any new evidence supporting such a change. I believe that we should establish a new docket and hold a hearing in this matter on Tuesday, October 6, 2009. Prefiled direct testimony for all parties shall be due on or before September 1, 2009, and prefiled rebuttal testimony for all parties shall be due on or before September 15, 2009.

Madam Chairman, I would also like to clear up any misunderstanding about what has and what has not happened in this docket. In particular, I want to address the perception that this Commission has somehow acted improperly in approving this rate increase, or that it

caused delay, or that it otherwise contributed to the hardships of Avondale's customers. I think it is important for us to recap the events leading us to where we are now, for the record.

On December 23, 2008, Avondale Mills filed its full application for rate relief. On February 2, 2009, a detailed notice of the application, including a complete schedule of all proposed new rates and charges, was mailed to all of Avondale's customers. In addition, the full notice was published in The Aiken Standard newspaper.

In February, 2009, the Commission received requests from legislators to schedule a night hearing so members of the public could testify about their water and sewer service and express their views on the proposed rate increases. The Commission promptly scheduled the hearing to be held on Monday, March 30, 2009, and on or about February 26, 2009, the Commission issued notice of the hearing. Notice of the hearing was published in The Aiken Standard on March 11, 2009.

During the week prior to March 30, 2009, we received a request that the public night hearing be postponed. The hearing was rescheduled for Tuesday, April 28, 2009. Thereafter, on or around April 21, 2009, it was again requested that the hearing be rescheduled, on the basis that negotiations were ongoing for the purchase of the Avondale system by another utility.

While the Commission agreed to move the hearings one final time, Section 58-5-240 (C) requires that the Commission issue a final order in a rate case within six months of filing. The deadline for issuance of the Commission's final order was June 23, 2009. Accordingly, the Commission rescheduled the public night hearing for Tuesday, May 26, 2009, and the full merits hearing was rescheduled for Tuesday, June 2, 2009. Notice was issued on or about May 14, 2009, and was sent to all affected customers by First Class Mail. At the hearing on May 26, 2009, the Commission heard the testimony from the Delegation members and four customers. Following the full hearing on June 2, the Commission issued its final order on June 18, 2009.

PRESIDING: Fleming

SESSION: Regular TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	☐	☑	☐	
HAMILTON	☐	☑	☐	
HOWARD	☐	☑	☐	
MITCHELL	☑	☑	☐	
WHITFIELD	☐	☑	☐	
WRIGHT	☐	☑	☐	

(SEAL)

RECORDED BY: J. Schmieding