174137

BEFORE THE PUBLIC SERVICE COMMISSION
FOR THE STATE OF SOUTH CAROLINA

DOCKET NUMBER 2005-110-W/S-ORDER NO. 2005-210

In Re: Petition of the Office of Regulatory Staff to)
Request Forfeiture of the Piney Grove)
Utilities, Inc bond and to Request Authority)
to Petition the Circuit Court for)
Appointment of a Receiver)

PINEY GROVE UTILITIES, INC.'S ANSWER TO THE PETITION
OF THE OFFICE OF REGULATORY STAFF

Piney Grove Utilities, Inc. (Piney Grove), by and through its undersigned counsel, hereby answers the Petition of the Office of Regulatory Staff to request forfeiture of the bond and to request authority to petition the Circuit Court for the appointment of a receiver as follows:

FOR A FIRST DEFENSE

1. Each and every allegation of the Petition not hereinafter specifically admitted is denied.

FOR A SECOND DEFENSE

2. Paragraphs 1 and 2 of the Petition do not appear to require a response from Piney Grove. However, to the extent that they do require a response, and to the extent that these paragraphs seek to quote, paraphrase or characterize certain sections of the South Carolina Code, Piney Grove would crave reference to those sections for their specific terms and import. To the extent

that any allegation in these paragraphs remains unanswered, the same is denied, as Piney Grove lacks sufficient information or belief upon which to form an opinion as to their truth or falsity.

3. Paragraph 3 is admitted to the extent that it alleges that D. Reece Williams, IV, owns the outstanding shares of Piney Grove, and to the extent that it alleges that the undersigned is the Registered Agent for Service of Process for Piney Grove. To the extent that any allegation in this paragraph remains unanswered, the same is denied, as Piney Grove lacks sufficient information or belief upon which to form an opinion as to its truth or falsity.

4. Paragraphs 4 and 5 do not appear too require a response from Piney Grove. However, to the extent that they may require such a response, and to the extent that these paragraphs seek to quote, paraphrase or characterize certain portions of the South Carolina Code and/or other written documents or orders, Piney Grove would crave reference to those Code sections, documents or orders, for their specific terms and import. To the extent that any allegations in these paragraphs remain unanswered, the same are denied, as Piney Grove lacks sufficient information or belief upon which to form an opinion as to their truth or falsity.

5. To the extent that paragraph 6 seeks to quote, paraphrase, or characterize the NPDES permit, the Consent Order of Dismissal No. 04-007-W or the DHEC Emergency Order 05-040-W, Piney Grove would crave reference to those documents for their specific terms and import. To the extent that any

allegation in this paragraph remains unanswered, the same is denied as Piney Grove lacks sufficient information or belief upon which to form an opinion as to their truth or falsity.

6. Paragraph 7 is admitted.

7. Paragraphs 8, 9 and 10 are denied.

8. To the extent that paragraphs 11, 12 and 13 seek to quote, paraphrase or characterize certain sections of the South Carolina Code, Piney Grove would crave reference to those sections for their particular terms and import. To the extent that any allegations in these paragraphs remain unanswered, the same are denied, as Piney Grove lacks sufficient information or belief upon which to form an opinion as to their truth or falsity.

9. Paragraph 14 does not appear to require a response from Piney Grove. However, to the extent that paragraph 14 does require such a response, the same is denied, as Piney Grove lacks sufficient information or belief upon which to form an opinion as to its truth or falsity.

FOR A THIRD DEFENSE

10. Each and every allegation of this Answer is incorporated herein as if set forth verbatim.

11. The Petition has been rendered moot, in whole or in part, by way of that certain Consent Order entered or to be entered in the Court of Common Please for the Eleventh Judicial Circuit, in the case captioned *South Carolina Department of Health and Environmental Control v. Piney Grove Utilities, Inc.*,

Case No. 2005-CP-32-1319, in that, Piney Grove has agreed to the appointment of a receiver for its Lloydwood Facility.

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Attorneys for Piney Grove Utilities, Inc.

Columbia, South Carolina
May 23, 2005
1529.001\Piney Grove - ORS\Response to Petition

CERTIFICATE OF MAILING

I hereby certify that I have mailed a copy of the above and foregoing to counsel of record in said proceedings to his/her office address with sufficient postage attached.

Benjamin P. Mustian, Esq.
Office of Regulatory Staff
1441 Main Street, Suite 300
Post Office Box 11263
Columbia, SC 29211

Columbia, S.C. this 23rd day of May, 2005.

Crystal Smith