BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

IN RE:	)	
	)	
Application of Harbor Island Utilities, Inc. for adjustment of rates and charges for, and the modification of certain terms and conditions related to, the provision of water and sewer service.	)	**APPLICATION**
	)	**DOCKET 2016-29-WS**

Harbor Island Utilities, Inc. (hereinafter "Applicant" or "HIU") would respectfully show unto this Honorable Commission:

1. It is a corporation organized and existing under the laws of the State of South Carolina and is a public utility within the meaning of the South Carolina statutes.
2. This application is for approval of a new schedule of rates and charges for water and sewer services provided to residential and commercial customers within the Utility's service area.
3. Applicant is presently providing service to four hundred and fifty-one (451) residential, eight (8) commercial and nine (9) irrigation water customers, and four hundred and forty-five (445) residential and six (6) commercial sewer customers as of December 31, 2015, under a schedule of rates and charges approved by the Commission in Order No. 2007-888, Docket No. 2007-243-WS dated December 18, 2007.
4. Because of major capital improvements and increased operating expenses, applicant must increase its rates and charges; and, respectfully submits its application pursuant to S.C. Code Ann. §58-5-240 (Supp. 2014) and 10 S.C. Code Ann. Reg. R. 103-512.4.A (Supp. 2012) and 103-712.4.A.. The attached proposed schedule designated as Appendix F of this application and incorporated herein by reference indicates additional revenues for water and sewer services based on the twelve-month period ending December 31, 2015, and for capital expenditures in 2016. Applicant is informed and

believes that such schedule is just, lawful and reasonable and should be approved.

5. All correspondence and other communications related to this application should be addressed to:

Legal Counsel	**Applicant's Representative**
J. Thomas Mikell, Esq.	Robert G. Gross, President
Mikell Law Firm	Harbor Island Utilities, Inc.
P. O. Box 1727	P. O. Box 1028
Beaufort, SC 29901-1727	Beaufort, SC 29901-1028
(843) 524-2110	(843) 982-0405

6. Attached thereto and incorporated by reference are Sections 1-3 inclusive, with appendix based on the proposed twelve month test year ending December 31, 2015, required by the Commission's Rules and Regulations, Section R.103-512.4 and 103-712.4.A..

WHEREFORE, having fully set forth its petition, applicant prays that this Honorable Commission inquire into the matters set forth herein and that it approve the attached new schedule filed by the applicant herein.

J. THOMAS MIKELL, Esq. August 16, 2016

By: J. Thomas Mikell

J. Thomas Mikell, Esq.
Attorney for Harbor Island Utilities, Inc.
P. O. Box 1727
Beaufort, SC 29901-1727
(843) 524-2110

HARBOR ISLAND UTILITIES, INC.

RATE ADJUSTMENT APPLICATION

TO THE

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET 2016-29-WS

August 16, 2016

HARBOR ISLAND UTILITIES, INC.

RATE ADJUSTMENT APPLICATION
TO THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET 2016-29-WS

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SECTION 1

HARBOR ISLAND UTILITIES, INC

RATE APPLICATION

STATEMENT OF JUSTIFICATION FOR RATE INCREASE

On February 11, 1981, the South Carolina Secretary of State incorporated Harbor Island Utilities, Inc. (HIU). According to the Public Service Commission of South Carolina (PSCSC) website, the Commission first recognized HIU as a private water and sewer utility, set its service area as the residences and businesses on Harbor Island, and approved water rates set by Order 1990-152, issued in Docket No. 1988-608-W. According to the PSCSC website, the first sewer rates were set by Order No. 1991-413, issued in Docket No. 1990-559-S.

The utility purchases water at a wholesale rate from the Beaufort-Jasper Water & Sewer Authority (BJWSA), and sells it at a retail rate to its customers. The water comes from a water main owned by Fripp Island Public Service District (FIPSD), and FIPSD charges HIU a transportation fee for providing the water. HIU stores the water in a 350,000 gallon on-site above ground storage tank before pumping it to customers through a distribution system.

HIU collects wastewater from customers and pumps it to an on-site wastewater treatment plant. HIU treats the wastewater and pumps the treated effluent approximately five miles under Johnson Creek, across Hunting Island and the Fripp Inlet to the FIPSD plant on Fripp Island. There the HIU effluent mixes with the FIPSD effluent in a storage pond owned and managed by FIPSD. FIPSD disposes of the combined effluents on the Ocean Point Golf Course. The South Carolina Department of Health & Environmental Control (SCDHEC)

issued HIU a permit to dispose of the effluent, and that permit requires HIU to treat its wastewater to "reclaimed water" standards. Those very stringent standards require an efficient level of secondary treatment followed by filtration to remove trace amounts of suspended solids and turbidity.

The current rates were set in Order No. 2007-888 in Docket No. 2007-243-WS. Operating the water and sewer systems under the currently approved rates has failed to provide an adequate or reasonable net income. For calendar year 2015 (CY-15) the net revenues over expenses were $-22,252. Additionally, significant capital improvement projects will be completed within sixty days of the filing of the Application.

The number of customers for the twelve months following the test year is expected to grow at a rate of roughly one customer per year until the overall economy in the area improves.

Because of increased operating expenses and the major capital improvements, applicant must increase its rates and charges. For this reason, this application for water and sewer adjustments has been prepared for submission to the PSCSC for its approval.

DETAILED COST JUSTIFICATION FOR PROPOSED RATES

A significant portion of the water and sewer systems was constructed by the developer of the community and then contributed over the years to the Utility at no cost. The Utility has made major renovations to the water and sewer systems over the years. In 2006, HIU changed the method of disinfection from dangerous gaseous chlorine to much safer liquid chlorine bleach. The operating costs of using liquid chlorine bleach are higher than using gaseous chlorine but the significantly greater safety justifies its use. In 2007, HIU added effluent filtration to the wastewater treatment system, and relocated the effluent line under Johnson Creek, removing it from the South Carolina Department of Transportation (SCDOT) bridge that crosses Johnson Creek.

Major improvements in 2015 included:

- Reconfiguring the wastewater treatment plant from the "contact stabilization" process to the conventional two step activated sludge process. This significantly improved the ability of the system to consistently comply with the permit limitations.
- Adding supplemental chlorination of the drinking water to ensure adequate residual chlorine in the water distribution system. The capital costs and operating costs of the supplemental disinfection system are listed in this application. The greater safety of the drinking water justifies the system.
- Re-surfacing (painting) both the water and sewer systems to remove minor surface rust (per SCDHEC requests) and to improve the appearance of the system as requested by the homeowners.
- Purchasing a back-up generator to provide electric power to the system in the event of power failures.

- Replacing the drive gear and mechanism for the wastewater treatment plant clarifier. This is the core of the wastewater treatment system and was replaced after it failed.
- Replacing one pump in the Pelican Point pump station.
- Purchasing and installing a Mag-Meter to accurately measure the amount of treated effluent water pumped to FIPSD.
- Replacing the electrical service to the Nautical Watch pump station.
- Replacing one of the two blowers at the wastewater treatment system.
- Purchasing a new water valve exerciser.

Major Improvements in 2016 include:

- Replacing all of the controls and pumps that distribute water to customers. The new system provides consistent water pressure with sufficient pump capacity in the event of high flow demands.
- Purchasing and installing a Mag-Meter to accurately measure the amount of water pumped to customers on Harbor Island.
- Replacing valves in the water distribution system.
- Replacing the complete wastewater effluent filtration system, which was necessary to achieve "reclaimed water" quality.
- Replacing the second of the two blowers at the wastewater treatment system.
- Purchasing a replacement pump station serving the Oceanmarsh Subdivision.

Some of the more notable reasons that operating expenses have increased are:

- BJWSA raised the wholesale rate of its water from $2.60 per 1000 gallons to $2.63 per 1000 gallons in 2015 and from $2.63 per 1000 gallons to $2.66 per 1000 gallons in 2016.
- FIPSD increased the transportation fee for water delivered to HIU from $0.33 per 1000 gallons to $0.34 per 1000 gallons in 2015.
- The new supplemental chlorination system requires sodium hypochlorite (liquid bleach) to raise the residual chlorine level in the potable water.
- HIU installed a system to add sodium hydroxide to the wastewater system to maintain proper pH and maintain treatment efficiency.
- The cost of liquid bleach used for effluent disinfection is higher than gaseous chlorine used for effluent disinfection.
- The cost to dispose of waste activated sludge has risen from approximately $4,500 annually in 2011-2012-2013 to an average of over $14,000 annually for 2014-2015.

The operating revenues and expenses for the test year (CY-15) are shown in Table 1. For CY-15, the Utility experienced a net income of $-22,252 from a gross income of $409,022. A reasonable operating margin would produce approximately $61,353. This would support an annual income increase of $83,605.

Table 1

Profit & Loss for CY-2015

	Jan - Dec 15
Ordinary Income/Expense	
Income	
4000 · Revenues	
4001 · Water consumption	211,711.59
4002 · Sewer use	197,310.15
Total 4000 · Revenues	409,021.74
Total Income	409,021.74
Cost of Goods Sold	
5000 · Cost of Sales	
5002 · Water - BJWSA	82,178.27
Total 5000 · Cost of Sales	82,178.27
Total COGS	82,178.27
Gross Income	326,843.47
Expense	
5100 · Administrative Expenses	
5201 · Accounting & auditing	6,779.36
5226 · Bank charges	748.33
5290 · Donations	250.00
5339 · Interest on Deposit	23.52
5340 · Interest Paid to RAE	16,777.92
5341 · Interest Paid to Shareholder	532.54
5342 · Interest Paid to PSB	7,882.91
5346 · Insurance	6,195.63
5356 · Legal fees	445.99
5361 · Licenses & permits	1,065.00
5362 · Line location services	2,525.00
5366 · Administration fees	38,360.04
5376 · Office supplies	271.07
5386 · Postage & freight-admin	2,199.24
5391 · Printing	700.00
5438 · Regulatory Fees	3,881.74
5439 · Taxes - Property	3,994.06
5441 · Telephone-admin	1,395.53
Total 5100 · Administrative Expenses	94,027.88

5200 · Water System Expenses	
5266 · Chemicals-water	3,119.98
5270 · Contract Maintenance	21,780.00
5291 · Controls & instrmt-water	40.14
5296 · Depreciation-water	5,454.03
5316 · Electricity-water	11,689.99
5318 · Field supplies	2,926.77
5381 · Operator services-water	12,658.80
5451 · Water lines & hydrants	4,852.91
5456 · Water meter installation	2,251.76
5461 · Water quality monitoring	1,440.00
Total 5200 · Water System Expenses	66,214.38
5300 · Sewer System Expenses	
5257 · Buildings & grounds-sewer	492.00
5267 · Chemicals-sewer	7,992.65
5271 · Contract Maintenance	44,220.00
5292 · Controls & instrmt-sewer	1,834.26
5297 · Depreciation-sewer	14,838.00
5310 · Effluent PS & force main	1,974.75
5311 · Effluent monitoring	4,818.00
5312 · Effluent Disposal	8,924.55
5317 · Electricity-sewer	27,784.34
5319 · Field Supplies	2,678.29
5382 · Operator services-sewer	25,701.24
5401 · Secondary treatment units	26,340.08
5416 · Sewer pump systems	8,759.20
5421 · Sludge disposal	11,245.73
5430 · Water	1,249.95
Total 5300 · Sewer System Expenses	188,853.04
Total Expense	349,095.30
Net Ordinary Income	-22,251.83
	-22,251.83

SECTION 2

WATER RATES

Background

HIU provides water service to its customers by purchasing water from BJWSA through the water line crossing Harbor Island. That line is owned by the FIPSD. The water is stored in a 350,000-gallon tank from which it is pumped to customers on demand. BJWSA charges HIU for its water at the wholesale rate set by its board. FIPSD charges HIU a transportation fee set by its board for providing the water through its line. In accordance with PSCSC Order No. 2014-634, HIU charges all of its customers a flat water base rate that varies with the size of the meter (e.g., $17.24/month for a ¾" connection) and a commodity rate of $4.62/1000 gallons regardless of the meter size.

Water Cost Increase

HIU received two notices from BJWSA (one in 2015 and one in 2016); each one states that our water cost will increase by $0.03 (3¢) per 1000 gallons effective July 1, 2015 and July 1, 2016, respectively. See the enclosed copy of the May 5, 2015 and May 10, 2016 letters from BJWSA at Attachment W-1 and W-3.

HIU received a notice from FIPSD stating that our transportation water cost will increase by $0.01 (1¢) per 1000 gallons effective July 1, 2015. Please see the enclosed copy of the June 9, 2015 letter from FIPSD at Attachment W-2.

As authorized in Order No. 2007-888 in Docket No. 2007-243-WS, HIU hereby requests approval from the PSCSC to implement the slight increase in the usage rate. HIU requests a usage rate increase from $4.62/1000 gallons to $4.69/1000 gallons. For the household that uses 300 gallons of water per day, the increases would be approximately $0.63 (63¢) per month.

Capital Improvements

Several improvements to the water system were made in 2015 and 2016.

HIU added a system to add supplemental chlorination of the drinking water to ensure adequate residual chlorine in the water distribution system.

HIU replaced the pumps that transfer water from the storage tank to the distribution system. The original system was built in the early 1980s. Frequent service outages and constant repair necessitated replacement of the pumps and its appurtenances. The new system provides efficient, reliable water supply under all demand scenarios. The new system has four variable speed pumps - one 10-hp and three 25-hp pumps - that engage and disengage as required by demand. The 25-hp pumps alternate when they are activated so that each pump receives equal run times.

HIU acquired a backup generator to provide backup power supply to the water pumps when commercial power is interrupted. The generator also will supply power to the wastewater treatment system, so one-half of the cost is allocated to the water system and one-half to the sewer system.

The new water valve exerciser allows more thorough routine exercising of the water valves in the system, which will extend their lives. It also allows individual sections of the water distribution system to be isolated if repairs are necessary.

HIU resurfaced (painted) the water tank as directed by SCDHEC and as requested by the Harbor Island Owners Association (HIOA). The HIOA selected the color that was used.

New Base Rate Calculation

Base Rate Increase

Water revenues for the test year were $211,712. Cost of goods was $82,178. Water System Expenses were $66,214. Administrative Expenses allocated to the Water System were $56,417. The actual net water system income, therefore, was $6,903. A reasonable operating margin would generate $31,757. The water rates need to be raised by $38,660 annually to cover this deficit.

The new O&M contract contains an increase, the first since 2000, and a new Engineering & Management fee. The O&M increase allocated to water is $5,486 per year and the Engineering & Management fee allocated to water is $22,986. Estimates taxes and interest allocated to the water system is $36,007 annually. The water rates need to be raised by $64,479 annually to cover this deficit.

The total rate increase necessary to cover these costs, therefore, is $103,139. This amounts to $18.37 per user per month.

HIU hereby requests PSCSC approval to implement a new monthly base rate as follows:

Residential:	
¾" connection	**$35.61**
1" connection	**$39.37**
1½" connection	**$44.87**
Commercial:	
¾" connection	**$42.37**
1" connection	**$45.37**
1½" connection	**$51.37**
Landscape Irrigation:	
Residential:	
¾" connection	**$35.61**
1" connection	**$39.37**
1½" connection	**$44.87**

Commodity Rate Increase

The currently approved Commodity Rate is $4.62 per 1000 gallons of water used. As authorized in Order No. 2007-888 in Docket No. 2007-243-WS, HIU hereby requests approval from the PSCSC to implement the slight pass-through increase of $0.07 (7¢) per 1000 gallons used per month in the usage rate. The requested usage rate for these increased costs is $4.69/1000 gallons. For a household that uses 300 gallons of water per day, the increases would be approximately $0.63 (63¢) per month.

The capital costs and proposed depreciation schedules for the water system improvements are shown below.

WATER SYSTEM COSTS & DEPRECIATION

ITEM	COST	DEPREC YEARS	DEPREC Per YEAR
Supplemental Chlorine Feed System	$5,207.12	5	$1,041.42
Tanks Painting	$18,975.61	10	$1,897.56
Valve Exerciser	$1,350.00	12	$112.50
Generator Replacement	$5,596.83	15	$373.12
Mag Meter (water)	$2,556.80	14	$182.63
Water Pumps	$93,271.48	13	$7,174.73
Total	$126,957.84		$10,781.96

The water system capital improvement depreciation costs are $10.781.96 annually. Based on 468 users, these cost increases result in a monthly user increase of $1.92.

TOTAL COMMODITY RATE INCREASE

Pass Through Costs per 1000 gallons	$0.63
Capital Improvement Depreciation per user	$1.92
Total Cost per user	$2.55

Based on the above calculations, the new water commodity rate should be $6.88 per 1000 gallons of water used. **HIU hereby requests PSCSC approval to implement an increase in the commodity rate of $2.55 per month from the current rate of $4.62 per 1000 gallons used to $7.17 per 1000 gallons used.**

Tap Fees

No change requested unless water tap does not exist at property. In that case, HIU requests that the Tap Fee shall be the actual costs of installing a water tap at the property. The approved rates are:

¾" water meter	$1,200.00
1" water meter	$1,600.00
1½" water meter	$1,800.00
2" water meter	$2,700.00
Multiple Residence Meter	
1"-2" Meter	$1,200.00/unit
Greater than 2" Meter	$600.00

ATTACHMENT W-1
NOTIFICATION FROM BJWSA
May 5, 2015

BJWSA
BEAUFORT – JASPER WATER & SEWER AUTHORITY

6 SNAKE ROAD, OKATIE, SC 29909-3937
Phone 843.987.9292 Fax 843.987.9293
Customer Service 843.987.9200
Operations & Maintenance 843.987.9220
Engineering 843.987.9250
www.bjwsa.org

"Inspire trust and enhance public health"

ED SAXON, PE, GENERAL MANAGER
843.987.9249 (o) | 843.263.1924 (c)

May 5, 2015

Harbor Island Utilities, Inc.
Mr. Robert G. Gross, President
P.O. Box 1028
Beaufort, SC 29901-1028

Re: Wholesale Water Rate Increase

Dear Mr. Gross,

Please accept this letter as notification that your Wholesale Water Rate will be increasing effective July 1, 2015. After updating our cost of service model, the new rate per 1,000 gallons will be $2.63 which is a 1% ($0.03/kgal) increase. We anticipate our Board will adopt this rate at the June 25, 2015 meeting.

As the area experiences small signs of economic recovery, rising costs are continuing to outpace growth. For FY2016, total Operating expenses are increasing 4.6% over FY2015 budget due to increases in personnel and benefit costs, chemicals and power. This operating expenses increase is coupled with flat demand projections which results in the need to raise rates.

Much like the water industry as a whole, BJWSA continues to experience decreased customer demand which impacts retail and wholesale revenues. FY2015 wholesale consumption is projected to decrease 3% over FY2014, however, FY2015 retail consumption is projected to increase slightly (2% over FY2014).

As I stated in last year's letter, we are in the process of building a new Cost of Service (CoS) model. Though the new model project has faced a few delays, we will be ready to roll the new model out with FY2017 rates. This rate is based upon an update to our current cost of service rate model and there were no allocation changes or methodology changes.

You are a valued wholesale customer and we welcome any inquiries you may have about our rates. If you have any questions or concerns, please feel free to contact me at 843-987-9290 or email me at dottieh@bjwsa.org.

Sincerely,

Dottie Hofmann

Dottie Hofmann
Chief Financial Officer

DAVID S. LOTT
CHAIR

DONNA L. ALTMAN
VICE CHAIR

JAMES N. SCOTT
SECRETARY/TREASURER

JAMES E. BAKER
JACK E. BURKE
DR. WILLIAM SINGLETON

MICHAEL L. BELL
BRANDY M. GRAY
W. R. "SKEET" VON HARTEN

LORRAINE W. BOND
DONALD A. MANSON

ATTACHMENT W-2
NOTIFICATION FROM FIPSD
June 14, 2016

FRIPP ISLAND
PUBLIC SERVICE DISTRICT

291 Tarpon Boulevard
Fripp Island, SC 29920
(843) 838-2400
Fax (843) 838-4900

June 14, 2016

Mr. Robert G. Gross
The Beaufort Group, LLC
P.O. Box 1028
Beaufort, SC 29901-1028

Re: Harbor Island Utilities, Inc.
Annual Water Transportation Fee Adjustment &
Annual Effluent Disposal Fee Adjustment
File #102-05

Dear Bob:

For our fiscal year 2017, effective July 1, 2016, the water transportation fee for water delivered to Harbor Island Utilities, Inc. will remain unchanged at $0.34 per thousand gallons. The Commission for the Fripp Island Public Service District approved continuing the current rate during the June 14, 2016 meeting in accordance with the March 24, 1999 Water Service Agreement.

Effective July 1, 2016, the effluent disposal fee will remain the same as the prior year: $0.08 per thousand gallons. If the effluent requires additional treatment prior to disposal, the fee will be the same as our current commercial rate of $6.15 per thousand gallons. The Commission for the Fripp Island Public Service District approved the rate during the June 14, 2016 meeting in accordance with the March 30, 2004 FIPSD – HIU Settlement Agreement.

Sincerely,

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Angel L. Hughes

Angel L. Hughes
Manager

Enclosure

ATTACHMENT W-3
NOTIFICATION FROM BJWSA
May 10, 2016

BEAUFORT-JASPER WATER & SEWER AUTHORITY

6 SNAKE ROAD, OKATIE, SC 29909-3937
Phone 843.987.9292 Fax 843.987.9293
Customer Service 843.987.9200
Operations & Maintenance 843.987.9220
Engineering 843.987.9250
www.bjwsa.org

"Inspire trust and enhance public health"

ED SAXON, PE, GENERAL MANAGER
843.987.9249 (o) | 843.263.1924 (c)

May 10, 2016

Harbor Island Utilities, Inc.
Mr. Robert G. Gross, President
P.O. Box 1028
Beaufort, SC 29901-1028

Re: Wholesale Water Rate Increase

Dear Mr. Gross,

Please accept this letter as notification that your Wholesale Water Rate will be increasing effective July 1, 2016. After updating our cost of service model, the new rate per 1,000 gallons will be $2.66 which is a 1% ($0.03/kgal) increase. We anticipate our Board will adopt this rate at the June 23, 2016 meeting.

There have been no allocation changes or methodology changes in the calculation of your rate. For FY2017, total Operating expenses are increasing 1.5% over FY2016 budget primarily due to increases in personnel and benefit costs and power. This operating expense increase is coupled with decreasing demand projections which results in the need to raise rates.

Much like the water industry as a whole, BJWSA continues to experience decreased customer demand which impacts retail and wholesale revenues. FY2017 wholesale consumption is projected to decrease 10% from FY2016 and FY2017 retail consumption is also projected to decrease slightly (2% from FY2016).

You are a valued wholesale customer and we welcome any inquiries you may have about our rates. If you have any questions or concerns, please feel free to contact me at 843-987-9290 or email me at dottieh@bjwsa.org.

Sincerely,

Dottie Hofmann

Dottie Hofmann
DGM – Finance & Administration

DAVID S. LOTT
CHAIR

DONNA L. ALTMAN
VICE CHAIR

JAMES N. SCOTT
SECRETARY/TREASURER

JAMES E. BAKER
JACK E. BURKE
DR. WILLIAM SINGLETON

MICHAEL L. BELL
BRANDY M. GRAY
W. R. "SKEET" VON HARTEN

LORRAINE W. BOND
DONALD A. MANSON

SECTION 3

SEWER RATES

HIU collects, treats, disinfects, and filters wastewater from residential and commercial properties on Harbor Island. HIU pumps the highly treated wastewater to the FIPSD where it merges with FIPSD's treated effluent. FIPSD pumps the combined effluents onto the Ocean Point Golf Course for disposal.

Capital Improvements

HIU reconfigured the treatment plant, converting it from a contact stabilization process to a conventional two-stage activated sludge process. This has allowed for significantly improve ease of operation and more consistency in the effluent quality.

HIU had to rebuild the clarifier drive at the treatment plant. This was a major repair since the clarifier is a central component of the treatment plant. The repair required three months of manufacturing time at a substantial cost plus labor.

HIU replaced the old "thread" effluent filters which had aged to the point of needing frequent major repairs. HIU installed a new state-of-the-art wastewater effluent filter to provide the final effluent treatment required to meet the very stringent permit requirement of reclaimed water standards.

HIU resurfaced (painted) the sewer tank as directed by SCDHEC and as requested by the HIOA. The HIOA selected the color that was used.

At SCDHEC's direction, HIU purchased new stainless steel weirs for the treatment plant clarifier to ensure an even flow rate from the clarifier.

HIU purchased two aeration blowers for the wastewater treatment plant to replace the existing blowers that failed.

HIU acquired a new backup generator to provide backup power supply to the wastewater treatment system when commercial power is interrupted. The generator also will supply power to the water pumps, so one-half is allocated to each the water system and the sewer system.

HIU installed a new Mag-Mater to accurately measure the amount of water discharged to the FIPSD.

New Rate Calculation

Operational Cost Increase

The more notable operational increases include:

HIU has spent approximately $142,000 since 2007 repairing and replacing sewer pumping systems. That equates to an average of $15,762 per year.

HIU has spent approximately $76,659 since 2007 disposing of waste activated sludge. That equates to an average of $8,629 per year, and that figure has been increasing.

Chemical costs for the sewer system increased steadily and sharply from $240 in 2007 to $8,390 in 2015. These chemical costs will continue to increase as the amount of chemicals required to keep the system in compliance increases.

New Rate Calculation

Operational Cost

Sewer revenues for the test year were $197,310. Sewer system expenses were $188,853. Administrative expenses allocated to the sewer system were $37,612. The actual net sewer system income, therefore, was -$29,155. A reasonable operating margin would generate +29,597. For Operational Cost Increases, the sewer rates need to be raised by $58,752 annually.

The new O&M contract contains an increase, the first since 2000, and a new Engineering & Management fee. The O&M increase allocated to sewer is $5,486 per year and the Engineering & Management fee allocated to sewer is $22,986. Estimates taxes and interest allocated to the water system is $36,007 annually. The sewer rates need to be raised by $64,479 annually to cover this deficit.

The total rate increase necessary to cover these costs, therefore, is $123,231. This amounts to $22.77 per user per month.

Capital Improvement Depreciation Cost Increase

The capital costs and proposed depreciation schedules for the sewer system improvements are shown below.

SEWER SYSTEM COSTS & DEPRECIATION

ITEM	COST	DEPREC YEARS	DEPREC Per YEAR
Clarifier Rebuild	$41,757.07	13	$3,212.08
Blower Replacement	$7,028.54	13	$540.66
Clarifier Weirs	$5,464.99	13	$420.38
Tank Painting	$9,481.89	10	$948.19
Generator Replacement	$5,596.83	15	$373.12
Sewer Pump Station	$9,168.76	20	$458.44
Mag Meter (sewer)	$2,255.71	13	$173.52
Effluent Filter	$94,021.88	13	$7,232.45
TOTAL	$174,775.67		$13,358.84

The sewer capital improvement depreciation costs amount to $13,358.84 annually. Based on 451 users, these capital cost increases result in a monthly user increase of $2.47.

The sum of the operational cost increase and the capital costs increase is $25.24. Based on the above calculations, the new sewer rate should be $62.42 per user. **HIU hereby requests PSCSC approval to implement an increase in the monthly sewer of $25.24 per month from the current rate of $37.18 per month to a new flat rate of $62.42 per month.**

Flat Rate

Historically sewer service has been provided to the residential and commercial customers on Harbor Island at a fixed monthly rate. It is recommended that the utility continue with a fixed monthly rate so that even cash flow will correspond with the essentially even operating expenses.

As in the past, commercial customers should be charged a sewer rate in proportion to residential rates using the contributory loading schedule for wastewater load allocation. With a residential load allocation of 300 gpd, commercial rates should be:

Customer Type	Load Allocation	Factor
Residential	300 gpd	1.0
Country Clubs	50 gpd/member	1.0
Restaurants	30 gpd/seat	0.1 x number of seats
Retail	200 gpd/1,000 ft^2	0.67 x no, 1,000 ft^2
Office	25 gpd/employee	0.083 x no. employees

Tap Fees

No change requested unless sewer tap does not exist at property. In that case, HIU requests that the Tap Fee shall be the actual costs of installing a sewer tap at the property. The approved rates are:

Residential	$500.00
Commercial (for 1½" water meter)	$850.00

NON-RECURRING CHARGES FOR WATER & SEWER

Administrative set-up fee

No change requested to the $25.00 fee to set up an account for a new customer.

Administrative and legal fees

Delinquent Notification Fee – The Utility requests approval of an increase in the delinquent notification fee of $10 to $15 to cover the clerical and mailing costs associated with mailing delinquent notices.

Returned Check Charge (NSF) – State statute allows a $30.00 recovery of NSF checks. The Utility requests approval to assess a fee of $30.00 for each returned check as allowed by the SC Code of Laws §34-11-70(A)(3).

Late Fees - Any unpaid balance within thirty (30) days of the billing cycle shall be assessed a late charge of one and one-half percent (1½%) of the unpaid balance.

Reconnection Fees - Customers who ask to be reconnected within nine months of disconnection shall be charged the monthly charge for the service period they were disconnected. The reconnection fee also shall be due prior to reconnection if water or sewer service has been disconnected at the request of the customer. In the case where a customer's sewer service has been disconnected for any reason as set forth in Commission Rule R. 103-532.4 a reconnection fee in the amount of $500.00 shall be due at the time the customer requests reconnection of service. Where an elder valve or equivalent device has been previously installed, a reconnection fee of $40.00 shall be charged. In the case where a customer's water service has been disconnected for any reason as set

forth in Commission Rule R. 103-732.5 a reconnection fee in the amount of $40.00 shall be due at the time the customer requests reconnection of service.

Toxic and Pretreatment Guidelines - HIU will not accept or treat any material or substance that has been defined by the US Environmental Protection Agency (USEPA) or the SCDHEC as a toxic pollutant, hazardous waste, or hazardous substance , including pollutants falling within the provisions of 40 CFR §§ 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR §§ 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards.

No user may introduce or cause or allow to be introduced any material into the sewer system that, in the Utility's opinion, would damage or interfere in any way with the operation of the system. This includes stormwater, salt water, sand, or debris.

Any person or entity introducing or causing or allowing to be introduced such prohibited or untreated materials into the Utility's treatment sewer system may have service interrupted without notice until such discharge ceases, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

Requirements And Charges Pertaining To Satellite Systems

a. Where there is connected to the Utility's sewer system a satellite system, as defined in SCDHEC Regulation 61-9.505.8 or other pertinent law, rule, or regulation, the owner or operator of such satellite system shall operate and maintain same in accordance with all applicable laws, rules, and regulations.
b. The owner or operator of a satellite system shall construct, maintain, and operate such satellite system in such a manner that the prohibited or untreated materials referred to above of this rate schedule (including but not limited to fats, oils, grease, sand, debris, and stormwater, and groundwater) are not introduced into the Utility's system.
c. The owner or operator of a satellite system shall provide the Utility with access to such satellite system and property upon which it is situated in accordance with the requirements of Commission Regulation 103-537.
d. The owner or operator of a satellite system shall not less than annually inspect such satellite system and make repairs, replacements, modifications, cleanings, or other undertakings necessary to meet the requirements of this section of the rate schedule. Such inspection shall be documented by written reports and video recordings of television inspections of lines, and a copy of the inspection report received by the owner or operator of the satellite system, including video of the inspection, shall be provided to the Utility. Should the owner or operator fail to undertake such inspection, the Utility shall have the right to arrange for such inspection and to recover the cost of same, without mark-up, from the owner or operator of the satellite system.

e. Should the Utility determine that the owner or operator of a satellite system has failed to comply with the requirements of this rate schedule, with the exception of the requirement that a satellite system be cleaned, the Utility may disconnect the satellite system from the Utility's system in accordance with the Commission's regulations, said disconnection to endure until such time as said requirements are met and all charges, costs, and expenses to which the Utility are entitled are paid. With respect to the cleaning of a satellite system, the owner or operator of the satellite system shall have the option of cleaning same within five (5) business days after receiving written notice from the Utility that an inspection reveals that a cleaning is required. Should the owner or operator of a satellite system fail to have the necessary cleaning performed within that timeframe, the Utility may arrange for cleaning by a qualified contractor and the cost of same, without mark-up, may be billed to and shall be paid by the owner or operator of said system.

Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility may require that more stringent construction standards be followed in constructing parts of the sewer system.

Extension Of Utility Service Lines And Mains

The Utility shall have no obligation to extend its utility service lines or mains at its expense in order to allow any customer to discharge acceptable wastewater into its sewer system. However, anyone or any entity that is willing to pay all costs associated with extending an appropriately sized and constructed

main or utility service line from his/her/its premises to an appropriate connection point on the Utility's sewer system may receive service, subject to

- paying the appropriate fees and charges set forth in this rate schedule,
- complying with the guidelines and standards hereof,
- agreeing to pay an acceptable capacity fee, and
- the Utility having sufficient capacity to accommodate the requested flow.

The Utility in its sole discretion shall be the final authority in all aspects of this matter.

Capacity Fees

If sewer service does not exist at a property and service for that property has not been reserved in the sewer system, the Utility may charge a Sewer Capacity Fee in addition to the Sewer Tap Fee. That Sewer Capacity Fee will be the same as the Sewer Capacity Fee charged by BJWSA. That rate currently is:

One sewer Residential Equivalent Unit (REU) = 300 gallons per day (GPD)

Wastewater Capacity Fee: $9.20/GPD

Fee for one sewer REU: $2,760 ($9.20 X 300 GPD)

Single Family Equivalent

A single family equivalent (SFE) shall be determined by using the Unit Contributory Loading for Domestic Wastewater Treatment Facilities - 25 S.C. Code Ann. Regs. 61-67 Appendix A (supp. 2015), as may be amended from time to time. Where the Utility has reason to suspect that the person or entity is exceeding design loadings established by the Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities, the Utility shall have the right to request and receive water usage records from the provider of water to such person or entity. Also, the Utility shall have the right to conduct an "on premises" inspection of the customer's premises. If it is determined that the actual flows or loadings are greater than the design flows or loadings, then the utility shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

Administrative Loan Repayment

Harbor Island Utilities, Inc. has secured a loan to make the necessary capital improvements described herein. The amount of the loan is up to $300,000 and the terms are 8% interest for eight years. The monthly payments are $4,213.

SECTION 3

PRO FORMA INCOME & EXPENSE STATEMENT USING PROPOSED RATES FOR TEST YEAR

This section summarizes the adjustments made to the test year (CY-15) and the effects of the proposed rate adjustments.

TABLE 3-1

HARBOR ISLAND UTILITIES, INC
PRO FORMA INCOME & EXPENSE STATEMENT and TRIAL BALANCE
USING PROPOSED RATES APPLIED TO TEST YEAR CY-2015

A	B	C	D	E	F	G
ACTIVITY	PER BOOKS	PRO FORMA ADJUSTMENT		AFTER ADJUSTMENT	EFFECT OF PROPOSED INCREASE	AFTER PROPOSED INCREASE
Operating Revenues						
Water Revenue	211,712	0		211,712	164,557	376,269
Sewer Revenue	197,310	0		197,310	136,599	333,909
Total Revenues	409,022	0		409,022	301,156	710,178
Operating Expenses						
Administration	102,734	0		102,734	0	102,734
Estimated State Taxes	0	0	(1)	0	6,918	7,275
Estimated Federal Taxes	0	0	(2)	0	47,040	49,598
Water & Sewer O&M	255,067	45,972	(3)	301,039	0	301,039
Cost of Water	82,178	0		82,178	0	82,178
Rate Case Expenses	0	5,000	(4)	5,000	0	5,000
Interest Expense	0	24,000	(5)	24,000	24,000	24,000
Total Expenses	439,979	50,972		490,951	77,958	571,824
Net Operating Income	-30,957	-50,972		-81,929	223,198	138,354

Notes:

(1) State Taxes estimated at 5%

(2) Federal Taxes estimated at 34%

(3) New Contract O+M Rates went into effect January 1, 2016

(4) Rate Case expenses of $15,000 amortized over three years

(5) Interest on loan to finance capital expenditures

Monthly Effects of Rate Adjustments

Sewer	Current	Proposed	Increase
Residential	$37.18	$62.42	$25.24
Commercial (SFE)	$37.18	$62.42	$24.24
Water Base Rate			
Residential & Commercial	$17.24	$35.61	$18.37
Water Commodity Rate			
100 GPD Usage	$13.86	$21.51	$7.65
200 GPD Usage	$27.72	$43.02	$15.30
300 GPD Usage	$41.58	$64.53	$22.96

APPENDIX A

CY-15 REVENUE AND EXPENSE STATEMENT

	Jan - Dec 15
Ordinary Income/Expense	
Income	
4000 · Revenues	
4001 · Water consumption	211,711.59
4002 · Sewer use	197,310.15
Total 4000 · Revenues	409,021.74
Total Income	409,021.74
Cost of Goods Sold	
5000 · Cost of Sales	
5002 · Water - BJWSA	82,178.27
Total 5000 · Cost of Sales	82,178.27
Total COGS	82,178.27
Gross Income	326,843.47
Expense	
5100 · Administrative Expenses	
5201 · Accounting & auditing	6,779.36
5226 · Bank charges	748.33
5290 · Donations	250.00
5339 · Interest on Deposit	23.52
5340 · Interest Paid to RAE	16,777.92
5341 · Interest Paid to Shareholder	532.54
5342 · Interest Paid to PSB	7,882.91
5346 · Insurance	6,195.63
5356 · Legal fees	445.99
5361 · Licenses & permits	1,065.00
5362 · Line location services	2,525.00
5366 · Administration fees	38,360.04
5376 · Office supplies	271.07
5386 · Postage & freight-admin	2,199.24
5391 · Printing	700.00
5438 · Regulatory Fees	3,881.74
5439 · Taxes - Property	3,994.06
5441 · Telephone-admin	1,395.53
Total 5100 · Administrative Expenses	94,027.88

5200 · Water System Expenses	
5266 · Chemicals-water	3,119.98
5270 · Contract Maintenance	21,780.00
5291 · Controls & instrmt-water	40.14
5296 · Depreciation-water	5,454.03
5316 · Electricity-water	11,689.99
5318 · Field supplies	2,926.77
5381 · Operator services-water	12,658.80
5451 · Water lines & hydrants	4,852.91
5456 · Water meter installation	2,251.76
5461 · Water quality monitoring	1,440.00
Total 5200 · Water System Expenses	66,214.38
5300 · Sewer System Expenses	
5257 · Buildings & grounds-sewer	492.00
5267 · Chemicals-sewer	7,992.65
5271 · Contract Maintenance	44,220.00
5292 · Controls & instrmt-sewer	1,834.26
5297 · Depreciation-sewer	14,838.00
5310 · Effluent PS & force main	1,974.75
5311 · Effluent monitoring	4,818.00
5312 · Effluent Disposal	8,924.55
5317 · Electricity-sewer	27,784.34
5319 · Field Supplies	2,678.29
5382 · Operator services-sewer	25,701.24
5401 · Secondary treatment units	26,340.08
5416 · Sewer pump systems	8,759.20
5421 · Sludge disposal	11,245.73
5430 · Water	1,249.95
Total 5300 · Sewer System Expenses	188,853.04
Total Expense	349,095.30
Net Ordinary Income	-22,251.83
	-22,251.83

APPENDIX B

BALANCE SHEET

	Dec 31, 15
ASSETS	
Current Assets	
Checking/Savings	
1000 · Palm St checking	-354.12
Total Checking/Savings	-354.12
Accounts Receivable	
1200 · Receivables	9,318.44
Total Accounts Receivable	9,318.44
Other Current Assets	
1210 · Other Current Assets	
1201 · Utility billing	446.07
Total 1210 · Other Current Assets	446.07
Total Other Current Assets	446.07
Total Current Assets	9,410.39
Fixed Assets	
1500 · Fixed Assets	
1505 · WS-Pump equipment	42,020.48
1506 · WS-Mains	18,702.29
1507 · WS-Services	10,616.15
1508 · WS-Hydrants	13,853.31
1509 · WS-Support equipment	50,984.10
1510 · Supplemental Chlorine	5,207.12
1523 · Contributed mains & services	17,040.59
1525 · Contributed systems 1986-1995	22,529.75
1526 · Contributed systems 1996 forwar	223,046.25
1535 · SS-Pump equipment	32,287.23
1536 · SS-Collection system	9,300.00
1537 · Contributed sewer costs	8,187.43
1538 · Effluent Line Replacement	86,582.90
1545 · TP-Treatment units	
1546 · WWTP Upgrade	92,400.86
1547 · Plant Reconfiguration	4,281.12
1545 · TP-Treatment units	127,211.23
Total 1545 · TP-Treatment units	223,893.21
1551 · Water Tap Fees	28,354.14
1552 · Sewer Tap Fees	9,992.74
1561 · Land	5,700.00
1500 · Fixed Assets - Other	1,643.66
Total 1500 · Fixed Assets	809,941.35

1600 · Accumulated Depreciation	
1605 · WS-Pump equipment	-39,178.78
1606 · WS-Mains	-13,272.00
1607 · WS-Services	-7,123.00
1608 · WS-Hydrants	-10,267.00
1611 · WS-Support equipment	-24,490.00
1623 · Contributed mains	-8,430.01
1624 · Contributed meters	-25,840.00
1625 · Contributed systems 1986-1995	-16,416.01
	-
1626 · Contributed systems 1996 forwar	146,313.00
1635 · SS-Pump equipment	-25,158.50
1636 · SS-Collection systems	-7,812.00
1637 · Contributed sewer costs	-7,458.00
1638 · Effluent Line Relocation	-48,204.00
	-
1645 · TP-Treatment units	104,585.96
1650 · Accumulated Depr - Sewer Taps	-5,841.00
	-
Total 1600 · Accumulated Depreciation	490,389.26
Total Fixed Assets	319,552.09
Other Assets	
1800 · Other Assets	
1801 · Deposits	580.08
1802 · Parts inventory	600.00
Total 1800 · Other Assets	1,180.08
Total Other Assets	1,180.08
TOTAL ASSETS	**330,142.56**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Payables	11,957.51
Total Accounts Payable	11,957.51
Other Current Liabilities	
Accrued interest	213.62
2102 · Notes payable - RAE (Principal)	258,246.80
2104 · Loan from Shareholder	-1,467.41
2109 · Loan from Shareholder CCg	94,860.97
2200 · Water/sewer deposits	566.50

Total Other Current Liabilities	352,420.48
Total Current Liabilities	364,377.99
Long Term Liabilities	
2103 · Note Payable - Palmetto State	141,764.59
Total Long Term Liabilities	141,764.59
Total Liabilities	506,142.58
Equity	
3700 · Contributed Tap-In Fees	
3702 · Prior year tap-in fees	138,684.97
3703 · Current year water tap fees	2,400.00
3704 · Current year sewer tap fees	1,000.00
3705 · Capital contribution fee-water	3,600.00
3706 · Capital contribution fee-sewer	8,280.00
3751 · 1986 & prior systems	81,550.81
3753 · 1986 - 1995 systems	62,314.91
3754 · 1986 - 1995 cash	22,068.92
3755 · Westmarsh systems	223,046.25
3756 · Cash after 1996	5,360.00
3764 · Accum Amort - Water Tap Fees	-25,840.00
3765 · Amortization-tap fee costs	-12,089.00
3766 · Amortization-since 1986 systems	-17,626.00
	-
3767 · Amortization-1996 forward system	154,743.00
Total 3700 · Contributed Tap-In Fees	338,007.86
3801 · Common stock	81,000.00
	-
3802 · Treasury stock	516,100.00
3900 · Retained Earnings	-55,571.47
Net Income	-23,336.41
	-
Total Equity	176,000.02
TOTAL LIABILITIES & EQUITY	**330,142.56**

APPENDIX C

DEPRECIATION SCHEDULE

Harbor Island Utilities, Inc.
PSC Depreciation
Calendar Year 12/31/15

N-1
WCP
2/2/2016

Acct No.	Description	Date Acquired	Cost 10/31/2015	Accum Dep 10/31/2014	Method	Life	Rate HY Conv	2015 Current Annual Depr	Accum Dep 10/31/2015	Revised Life	Years to 12/31/2014	Months to 12/31/2015	Calculated Accum Depr 12/31/2014	2015 Current Annual Depreciation	Accum Depr 12/31/2015	
Depreciable Water Assets:																
1505	**Pump Equipment**															
	Water system - upgrade	6/1/1986	7,706.00	7,706.00	SLP	17.0	0.0588	0.00	7,706.00	17	28.60		7,706.00	0.00	7,706.00	**
	Water system - upgrade	9/12/2000	6,767.80	6,765.00	SLP	15.0	0.0667	2.80	6,767.80	17	14.31		5,697.00	398.00	6,095.00	
	Water system - upgrade	4/30/2001	12,883.07	10,612.00	SLP	17.0	0.0588	758.00	11,370.00	17	13.68		10,367.00	758.00	11,125.00	
	Fence around pump	8/19/2004	2,906.00	2,906.00	SLP	7.0	0.1429	0.00	2,906.00	25	10.37		1,205.00	116.00	1,321.00	
	Pete Duty & Associates	1/23/2006	1,149.75	1,149.75	SLP	7.0	0.1429	0.00	1,149.75	17	8.94		605.00	68.00	673.00	
	Carolina Pumpworks	5/4/2007	4,463.50	4,147.00	SLP	7.0	0.1429	316.50	4,463.50	17	7.67		2,014.00	263.00	2,277.00	
	Comercial Electric Company	7/9/2007	1,174.73	1,092.00	SLP	7.0	0.1429	82.73	1,174.73	17	7.48		517.00	69.00	586.00	
	Mechanical Equipment	10/28/2010	4,632.34	2,979.00	SLP	7.0	0.1429	662.00	3,641.00	17	4.18		1,139.00	272.00	1,411.00	
			41,683.19	37,356.75				[redacted]	39,178.78				29,250.00	1,944.00	31,194.00	#1605
1506	**Water Mains**															
	Bridge Crossing	7/1/1986	6,863.00	4,988.00	SLP	40.0	0.0250	172.00	5,160.00	32	28.52		6,117.00	214.00	6,331.00	
	Phase I Water Line	8/1/1986	1,220.00	899.00	SLP	40.0	0.0250	31.00	930.00	32	28.44		1,084.00	38.00	1,122.00	
	Beach Walk Phase I	11/27/1989	10,620.00	6,916.00	SLP	40.0	0.0250	266.00	7,182.00	32	25.11		8,333.00	332.00	8,665.00	
			18,703.00	12,803.00				469.00	13,272.00				15,534.00	584.00	16,118.00	#1606
1507	**Services**															
	Beach Walk Phase I	11/27/1989	10,286.00	6,682.00	SLP	40.0	0.0250	257.00	6,939.00	33	25.11		7,827.00	312.00	8,139.00	
	Kelp & Teal Court Connections	5/16/1993	330.00	176.00	SLP	40.0	0.0250	8.00	184.00	33	21.64		216.00	10.00	226.00	
			10,616.00	6,858.00				265.00	7,123.00				8,043.00	322.00	8,365.00	#1607
1508	**Hydrants**															
	Fire Hydrants	7/1/1986	7,600.00	5,510.00	SLP	40.0	0.0250	190.00	5,700.00	40	28.52		5,419.00	190.00	5,609.00	
	Beach Walk Phase I	11/27/1989	2,569.00	1,664.00	SLP	40.0	0.0250	64.00	1,728.00	40	25.11		1,613.00	64.00	1,677.00	
	Hydrants	8/3/2000	1,300.00	975.00	SLP	20.0	0.0500	65.00	1,040.00	40	14.42		469.00	33.00	502.00	
	Hydrants	2/10/2000	2,100.00	1,575.00	SLP	20.0	0.0500	105.00	1,680.00	40	14.90		782.00	53.00	835.00	
	Hydrants	10/29/2007	285.00	105.00	SLP	20.0	0.0500	14.00	119.00	40	7.18		51.00	7.00	58.00	
			13,854.00	9,829.00				438.00	10,267.00				8,334.00	347.00	8,681.00	#1608
1509/1611	**Support Equipment**															
	Centrifical Pump	6/1/1986	1,197.00	1,197.00	SLP	3.0	0.3333	0.00	1,197.00	15	28.60		1,197.00	0.00	1,197.00	
	Flushquip Retrival Sys Model T-1	1/12/1995	1,570.00	1,570.00	SLP	3.0	0.3333	0.00	1,570.00	15	19.98		1,570.00	0.00	1,570.00	
	Gastech Gas Monitor GT-402	1/12/1995	2,972.00	2,972.00	SLP	5.0	0.2000	0.00	2,972.00	15	19.98		2,972.00	0.00	2,972.00	
	Sampler	4/17/1995	2,297.00	2,297.00	SLP	5.0	0.2000	0.00	2,297.00	15	19.72		2,297.00	0.00	2,297.00	
	Flow meter	4/17/1995	3,200.00	3,200.00	SLP	5.0	0.2000	0.00	3,200.00	15	19.72		3,200.00	0.00	3,200.00	
	Chlorine scales	4/17/1995	1,075.00	1,075.00	SLP	5.0	0.2000	0.00	1,075.00	15	19.72		1,075.00	0.00	1,075.00	
	Tap costs (non-capital contributio	6/29/2000	2,022.00	2,022.00	SLP	15.0	0.0667	0.00	2,022.00	15	14.52		1,957.00	65.00	2,022.00	
	Equipment	8/23/2005	745.00	745.00	SLP	5.0	0.2000	0.00	745.00	15	9.36		465.00	50.00	515.00	
	Used Generator	4/15/2011	11,862.00	8,302.00	SLP	5.0	0.2000	2,372.00	10,674.00	15	3.72		2,942.00	791.00	3,733.00	
	[redacted]															
	Valve Exercier	**12/15/2015**	**1,815.00**							**12**		**0.50**		**6.00**	**6.00**	
	Generator Replacement	**12/15/2015**	**13,693.66**		**SLP**	**7.0**	**0.1429**	**88.00**	**88.00**	**14**		**0.50**		**41.00**	**41.00**	
	Generator Disposed of		-11,862.00												-3,733.00	
	[redacted]															
			35,793.78	23,380.00				2,460.00	25,840.00				17,675.00	1,352.00	15,294.00	#1611
	Total Water Equipment		120,649.97	90,226.75				5,454.03	95,680.78				78,836.00	4,549.00	79,652.00	
	[redacted]															

Harbor Island Utilities, Inc.
PSC Depreciation
Calendar Year 12/31/15

N-1
WCP
2/2/2016

Acct No.	Description	Date Acquired	Cost 10/31/2015	Accum. Dep 10/31/2014	Method	Life	Rate HY Conv	2015 Current Annual Depr	Accum. Dep 10/31/2015	Revised Life	Years to 12/31/2014	Months to 12/31/2015	Calculated Accum Depr 12/31/2014	2015 Current Annual Depreciation	Accum Depr 12/31/2015	
Contributed Water Assets:																
1524/1624	**Contributed- Water Meters**															
	Water Tap Costs 1987	10/31/1987	504.00	504.00	Amort	15.0	0.0667	0.00	504.00	15.0	27.19		504.00	0.00	504.00	
	Water Tap Costs 1988	10/31/1988	204.00	204.00	Amort	15.0	0.0667	0.00	204.00	15.0	26.18		204.00	0.00	204.00	
	Water Tap Costs 1989	10/31/1989	183.00	183.00	Amort	15.0	0.0667	0.00	183.00	15.0	25.18		183.00	0.00	183.00	
	Water Tap Costs 1990	10/31/1990	140.00	140.00	Amort	15.0	0.0667	0.00	140.00	15.0	24.18		140.00	0.00	140.00	
	Water Tap Costs 1991	2/28/1991	478.00	478.00	Amort	15.0	0.0667	0.00	478.00	15.0	23.85		478.00	0.00	478.00	
	Water Tap Costs 1992	10/31/1992	729.00	729.00	Amort	15.0	0.0667	0.00	729.00	15.0	22.18		729.00	0.00	729.00	
	Water Tap Costs 1993	10/31/1993	1,436.00	1,436.00	Amort	15.0	0.0667	0.00	1,436.00	15.0	21.18		1,436.00	0.00	1,436.00	
	Water Tap Costs 1994	10/31/1994	1,893.00	1,893.00	Amort	15.0	0.0667	0.00	1,893.00	15.0	20.18		1,893.00	0.00	1,893.00	
	Water Tap Costs 1995	10/31/1995	1,273.00	1,273.00	Amort	15.0	0.0667	0.00	1,273.00	15.0	19.18		1,273.00	0.00	1,273.00	
	Water Tap Costs 1996	10/31/1996	1,947.00	1,947.00	Amort	15.0	0.0667	0.00	1,947.00	15.0	18.18		1,947.00	0.00	1,947.00	
	Water Tap Costs 1997	10/31/1997	3,100.00	3,100.00	Amort	15.0	0.0667	0.00	3,100.00	15.0	17.18		3,100.00	0.00	3,100.00	
	Water Tap Costs 1998	10/31/1998	2,502.00	2,502.00	Amort	15.0	0.0667	0.00	2,502.00	15.0	16.18		2,502.00	0.00	2,502.00	
	Water Tap Costs 1999	10/31/1999	1,817.00	1,817.00	Amort	15.0	0.0667	0.00	1,817.00	15.0	15.18		1,817.00	0.00	1,817.00	
	Water Tap Costs 2000	4/30/2001	6,148.14	5,534.00	Amort	15.0	0.0667	410.00	5,944.00	15.0	13.68		5,607.00	410.00	6,017.00	
	Water Tap Costs 2004	1/1/2005	2,420.00	1,530.00	Amort	15.0	0.0667	161.00	1,691.00	15.0	10.00		1,613.00	161.00	1,774.00	
	Water Tap Costs 2007	10/31/2007	3,085.00	1,545.00	Amort	15.0	0.0667	206.00	1,751.00	15.0	7.17		1,475.00	206.00	1,681.00	
	Water Tap Costs 2008	10/31/2008	495.00	215.00	Amort	15.0	0.0667	33.00	248.00	15.0	6.17		204.00	33.00	237.00	
	Water Tap Costs 2014	6/30/2014	2,513.55	0.00	Amort	15.0	0.0667	84.00	84.00	15.0	0.50		84.00	168.00	252.00	
	Water Tap Costs 2015	6/30/2015	2,386.76		Amort	15.0	0.0667	0.00	0.00	15.0	-		-	159.00	159.00	
			33,254.45	25,030.00				894.00	25,924.00				25,189.00	1,137.00	26,326.00	#1624
1625	**Contributed systems**															
	Kelp & teal court - water mains	5/14/1993	4,597.00	2,471.00	Amort	40.0	0.0250	115.00	2,586.00	38.00	21.65		2,619.00	121.00	2,740.00	
	kelp & teal court - water services	5/14/1993	3,819.00	3,819.00	Amort	15.0	0.0667	0.00	3,819.00	38.00	21.65		2,176.00	101.00	2,277.00	
	Sea Cottages mains & connections	9/9/1993	8,968.00	4,744.00	Amort	40.0	0.0250	224.00	4,968.00	38.00	21.32		5,032.00	236.00	5,268.00	
	Sea Cottages fire hydrants	9/9/1993	900.00	762.00	Amort	25.0	0.0400	36.00	798.00	40.00	21.32		480.00	23.00	503.00	
	Sea Cottages services	9/9/1993	4,245.00	4,245.00	Amort	15.0	0.0667	0.00	4,245.00	38.00	21.32		2,382.00	112.00	2,494.00	
			22,529.00	16,041.00				375.00	16,416.00				12,689.00	593.00	13,282.00	#1625
	Total - Contributed - Water		55,783.45	41,071.00				1,269.00	42,340.00				37,878.00	1,730.00	39,608.00	
	Grand Total - Water Fixed Assets		176,433.42	131,297.75				6,723.03	138,020.78				116,714.00	6,279.00	119,260.00	
Depreciable Wastewater Fixed Assets:																
1535	**Wastewater Pump Equipment**															
	Pump stations	2/6/1995	20,000.00	20,000.00	SLP	11.0	0.0909	0.00	20,000.00	15.00	19.91		20,000.00	0.00	20,000.00	
	Effluent Line	8/2/2002	2,623.00	1,703.00	SL	20.0	0.0500	131.00	1,834.00	15.00	12.42		2,172.00	175.00	2,347.00	
	2 4-HP Sewage Pumps	6/24/2004	2,000.00	1,463.00	SLP	15.0	0.0667	133.00	1,596.00	15.00	10.53		1,404.00	133.00	1,537.00	
	Material	8/19/2004	2,118.28	2,118.28	SL	7.0	0.1429	0.00	2,118.28	15.00	10.37		1,464.00	141.00	1,605.00	
	Pete Duty & Associates	8/13/2007	1,107.45	632.00	SL	7.0	0.0714	79.00	711.00	15.00	7.39		546.00	74.00	620.00	
	Sewer Grinder Pump	10/15/2015	1,033.50		SL	7.0	0.0714	3.00	3.00	15.00	-	2.50	-	14.00	14.00	
	240 Volt Tesco Phase Converter	10/31/2015	1,106.78		SL	7.0	0.0714	3.00	3.00	15.00	-	2.00	-	12.00	12.00	
			29,989.01	25,916.28				349.00	26,265.28				25,586.00	549.00	26,135.00	#1635
1636	**Wastewater Collection Systems**															
	Sewer collection systems	2/6/1995	9,300.00	7,440.00	SLP	25.0	0.0400	372.00	7,812.00	40.00	19.91		4,629.00	233.00	4,862.00	
			9,300.00	7,440.00				372.00	7,812.00				4,629.00	233.00	4,862.00	#1636
1638	**Effluent Line Replacement**															
	Utility Drawings	2/10/2003	298.00	180.00	SLP	20.0	0.0500	15.00	195.00	15	11.90		236.00	20.00	256.00	
	Cast Iron Pump	1/2/2003	1,492.00	1,192.00	SLP	15.0	0.0667	99.00	1,291.00	17	12.00		1,053.00	88.00	1,141.00	
	Effluent Line Replacement	11/1/2003	780.00	468.00	SLP	20.0	0.0500	39.00	507.00	30	11.17		290.00	26.00	316.00	
	Effluent Line Replacement	9/28/2005	84,013.14	42,010.00	SLP	20.0	0.0500	4,201.00	46,211.00	30	9.26		25,932.00	2,800.00	28,732.00	
			86,583.14	43,850.00				4,354.00	48,204.00				27,511.00	2,934.00	30,445.00	#1638

Harbor Island Utilities, Inc
PSC Depreciation
Calendar Year 12/31/15

N-1
WCP
2/2/2016

Acct No	Description	Date Acquired	Cost 10/31/2015	Accum Dep 10/31/2014	Method	Life	Rate HY Conv	2015 Current Annual Depr	Accum Dep 10/31/2015	Revised Life	Years to 12/31/2014	Months to 12/31/2015	Calculated Accum Depr 12/31/2014	2015 Current Annual Depreciation	Accum Depr 12/31/2015	
1545	**Wastewater Treatment Units**															
	Treatment plant	2/6/1995	40,000.00	32,000.00	SLP	25.0	0.0400	1,600.00	33,600.00	27	19.91		29,496.00	1,481.00	30,977.00	
	Blower	4/12/2002	3,102.43	3,102.00	SL	12.0	0.0833	0.00	3,102.00	12	12.73		3,102.00	0.00	3,102.00	
	Blower	4/7/2004	3,134.48	2,871.00	SL	12.0	0.0833	261.00	3,132.00	12	10.74		2,805.00	261.00	3,066.00	
	Blower	5/8/2004	5,522.07	5,060.00	SL	12.0	0.0833	460.00	5,520.00	12	10.67		4,910.00	460.00	5,370.00	
	Fencing	8/19/2004	2,906.00	1,276.00	SLP	25.0	0.0400	116.00	1,392.00	15	10.37		2,009.00	194.00	2,203.00	
	WW Treatment Plant Upgrade	10/21/2005	1,306.66	650.00	SLP	20.0	0.0500	65.00	715.00	27	9.20		445.00	48.00	493.00	
	WW Treatment Plant Upgrade	9/25/2006	92,400.86	41,485.00	SLP	20.0	0.0500	4,620.00	46,105.00	27	8.27		28,302.00	3,422.00	31,724.00	
	Treatment Units - Other	10/1/2006	16,922.23	10,153.00	SLP	15.0	0.0667	1,128.00	11,281.00	27	8.25		5,171.00	627.00	5,798.00	
	Treatment plant	10/31/2007	10,144.49	5,070.00	SLP	15.0	0.0667	676.00	5,746.00	27	7.17		2,694.00	376.00	3,070.00	
	Treatment Units - Other	10/31/2008	6,347.23	2,750.00	SLP	15.0	0.0667	423.00	3,173.00	27	6.17		1,450.00	235.00	1,685.00	
	Plant Reconfiguraton	2/20/2014	4,281.12	202.00	SLP	15.0	0.0667	285.00	487.00	27	0.86		136.00	159.00	295.00	
	Rosemont Magnetic Flowmeter	8/22/2015	1,815.71		SL	15.0	0.0333	13.00	13.00	15	-	4.30	-	43.00	43.00	
	Motin Industries (Clarifier Drive)	10/20/2015	26,720.70		SL	12.0	0.0417	46.00	46.00	12	-	2.40	-	445.00	445.00	
	6 HP Phillips Wholesale Blower	10/22/2015	4,100.50		SL	12.0	0.0417	7.00	7.00	12	-	2.30	-	65.00	65.00	
			218,704.48	104,619.00				9,700.00	114,319.00				80,520.00	7,816.00	88,336.00	#1645
	Total Wastewater Equipment		344,576.63	181,825.28				14,775.00	196,600.28				338,246.00	11,532.00	149,778.00	
	[redacted]															
	Total Depreciable Assets		465,226.60	272,052.03				30,229.03	292,281.06				212,082.00	16,083.00	229,430.00	
	[redacted]															
Contributed Wastewater Assets:																
1702	**Sewer Tap Costs**															
	Sewer Taps - 2006	10/31/2006	3,680.00	2,083.00	SL	15.0	0.0667	245.00	2,328.00	15	8.17		2,004.00	245.00	2,249.00	
	Sewer Taps - 2007	10/31/2007	5,340.24	2,670.00	SL	15.0	0.0667	356.00	3,026.00	15	7.17		2,553.00	356.00	2,909.00	
	Sewer Taps - 2008	10/31/2008	972.50	422.00	SL	15.0	0.0667	65.00	487.00	15	6.17		400.00	65.00	465.00	
			9,992.74	5,175.00				666.00	5,841.00				4,957.00	666.00	5,623.00	#1650
1537/1637	**Contributed sewer taps**															
	Sewer tap costs 1995	10/31/1995	20.00	20.00	Amort	15.0	0.0667	0.00	20.00	15	19.18		20.00	0.00	20.00	
	sewer tap costs 1996	10/31/1996	260.00	260.00	Amort	15.0	0.0667	0.00	260.00	15	18.18		260.00	0.00	260.00	
	sewer tap costs 1997	10/31/1997	380.00	380.00	Amort	15.0	0.0667	0.00	380.00	15	17.18		380.00	0.00	380.00	
	sewer tap costs 1999	10/31/1999	5,107.43	5,107.00	Amort	15.0	0.0667	0.00	5,107.00	15	15.18		5,107.00	0.00	5,107.00	
	sewer tap costs 2004	1/1/2005	2,420.00	1,530.00	Amort	15.0	0.0667	161.00	1,691.00	15	10.00		1,613.00	161.00	1,774.00	
			8,187.43	7,297.00				161.00	7,458.00				7,380.00	161.00	7,541.00	#1637
1623	**Contributed Wastewater Sewer Extensions**															
	Kelp & teal court connections	5/18/1993	730.00	391.00	Amort	40.0	0.0250	18.00	409.00	30	21.64		527.00	24.00	551.00	
	Ocean Marsh Sewer Ext	3/14/1996	16,311.00	7,613.00	Amort	40.0	0.0250	408.00	8,021.00	30	18.81		10,227.00	544.00	10,771.00	
			17,041.00	8,004.00				426.00	8,430.00				10,754.00	568.00	11,322.00	#1623
1626	**1996 Forward Systems**															
	Harbor Key (Westmarsh)	11/1/1996	38,394.00	17,279.00	Amort	40.0	0.0250	960.00	18,239.00	30	18.18		23,267.00	1,280.00	24,547.00	
	Harbor Key (Westmarsh)	11/1/1996	8,775.00	3,946.00	Amort	40.0	0.0250	219.00	4,165.00	30	18.18		5,318.00	293.00	5,611.00	
	Harbor Key (Westmarsh)	11/1/1996	35,930.00	35,930.00	Amort	5.0	0.2000	0.00	35,930.00	30	18.18		21,774.00	1,198.00	22,972.00	
	Harbor Key (Westmarsh)	11/1/1996	68,502.00	49,320.00	Amort	25.0	0.0400	2,740.00	52,060.00	30	18.18		41,512.00	2,283.00	43,795.00	
	Harbor Key (Westmarsh)	11/1/1996	5,855.00	5,855.00	Amort	15.0	0.0667	0.00	5,855.00	30	18.18		3,548.00	195.00	3,743.00	
	Ocean Marsh sewer ext	7/29/1997	65,589.00	28,424.00	Amort	40.0	0.0250	1,640.00	30,064.00	30	17.44		38,129.00	2,186.00	40,315.00	
			223,045.00	140,754.00				5,559.00	146,313.00				133,548.00	7,435.00	140,983.00	#1626
	Total - Contributed Wastewater Assets		258,266.17	161,230.00				6,812.00	168,042.00				156,639.00	8,830.00	165,469.00	
	[redacted]															
	Total - Contributed Assets		314,049.62	202,301.00				8,081.00	210,382.00				194,517.00	10,560.00	205,077.00	
	[redacted]															
	Grand Total		779,276.22	474,353.03				28,310.03	502,663.06				411,599.00	26,641.00	434,507.00	
	[redacted]															
	Land		5,700.00	0.00				0.00	0.00				0.00	0.00	0.00	
	Water Utility Plant	'+E24+E30+E38	120,649.97	90,226.75				5,454.03	95,680.78				78,836.00	4,549.00	79,652.00	229,430.00
	Wastewater Utility Plant	+E62+E70+E824	344,576.63	181,825.28				[redacted]	196,600.28				[redacted]			
	Contributed Water Plant	=+E78+E87	55,783.45	41,071.00				[redacted]	42,340.00				[redacted]			
	Contributed Sewer Plant	57+E142+E151+	258,266.17	161,230.00				6,812.00	168,042.00				156,639.00	8,830.00	165,469.00	
			784,976.22	474,353.03				28,310.03	502,663.06				411,599.00	26,641.00	434,507.00	
	Land not on Depreciation Schedule		-5,700.00	0.00				0.00	0.00				0.00	0.00	0.00	

APPENDIX D

PLANT INVESTMENT

PLANT INVESTMENT

YEAR	ACTIVITY	Materials Vendor
2016	Replace treatment plant blower	Blocker & Wallace Service, LLC
2016	Replace effluent filter	Springs Industries and Aqua-Aerobics
2016	Acquire Magnetic flow meter (water)	BETLLC and Instrumart
2016	Replace water distribution pumping system	Carolina Pumpworks, LLC
2016	Acquire replacement pump station	West Coast Power
2015-16	Replace wastewater treatment plant weirs	Pender Brothers and HD Supply Waterworks
2015-16	Acquire water system replacement valves	L&W Surplus
2015	Acquire Wachs Valve Exerciser	Professgrade
2015	Acquire magnetic flow meter (sewer)	Select Surplus of Detroit
2015	Replace one sewer pump in pump station	Carolina Pumpworks, LLC
2015	Replace clarifier drive	Motion Industries
2015	Addition of supplemental chlorination to drinking water	The Beaufort Group, LLC
2015	Resurfacing water and wastewater tanks	J.B. Moore, LLC
2015	Purchase backup generator	Ina Breazeal
2015	Replace treatment plant blower	Philips Wholesale
2015	Replace phase converter at pump station	TEMCO
2014	Reconfigure wastewater treatment plant	HD Supply Waterworks
2008	Pumps for filters	Carolina Pumpworks, LLC
2007	Rebuild pump in sewer pump station	Pete Duty & Associates, Inc.

APPENDIX E

CURRENTLY APPROVED RATE SCHEDULE

SEWER SERVICE	CURRENT RATE
Residential	$37.18/month
Commercial	$37.18 for 10,500 gallons plus $1.50/1,000 excess usage
Tap Fees	
Residential	$500.00
Trailer Park	$250.00 /pad
Commercial (water supplied through 1" to 1½" meter)	$850.00
GENERAL	
Set-Up Fee for New Customers	$25.00
Pass Through Rate Increases from Beaufort-Jasper Water & Sewer Authority or the Fripp Island Public Service District	At Cost
Administrative Fee for Delinquent Accounts	$10.00
Late Fees	In PSCSC Regulations
Returned Check Fee	In PSCSC Regulations

ITEM	CURRENT RATE
WATER SER`VICE	
Residential ¾" meter (base)	$17.24/month
Residential 1" meter (base)	$21.00/month
Residential 1½" meter (base)	$26.50/month
Usage	$4.62/1,000 gallons
Commercial ¾" meter (base)	$24.00/month
Commercial 1" meter (base)	$27.00/month
Commercial 1½" meter (base)	$33.00/month
Usage	$4.62/1,000 gallons
Irrigation ¾" meter (base)	$17.24/month
Irrigation 1" meter (base)	$21.00/month
Irrigation 1½" meter (base)	$26.50/month
Usage	$4.62/1,000 gallons
Multiple Residence Meters (base)	$17.24/month
Usage	$4.62/1,000 gallons
Fire Hydrant Usage	
Meter Usage Charge	$65.00
Water Deposit	$75.00
Usage	$4.17/1,000 gallons
Tap Fees	
¾" meter	$1,200.00
1" meter	$1,600.00
1½" meter	$1,800.00
2" inch meter	$2,700.00
Multiple Residence Meter	
1" - 2"	$1,200.00/unit
Greater than 2"	$600.00/unit
Water Deposit for Construction	$100.00

APPENDIX F

PROPOSED RATE SCHEDULE

Harbor Island Utilities, Inc. proposes the following rate schedule for sewer service:

SEWER SERVICE	CURRENT RATE	PROPOSED NEW RATE
Residential	$37.18/month	$62.42/month
Commercial	$37.18 for 10,500 gallons plus $1.50/1,000 excess usage	$62.42 for 10,500 gallons plus $1.50/1,000 excess usage
Tap Fees		
Residential	$500.00	$500.00
Trailer Park	$250.00 /pad	$250.00 /pad
Commercial (water supplied through 1" to 1½" meter)	$850.00	$850.00
GENERAL		
Set-Up Fee for New Customers	$25.00	$25.00
Pass Through Rate Increases from Beaufort-Jasper Water & Sewer Authority or the Fripp Island Public Service District	At Cost	At Cost
Administrative Fee for Delinquent Accounts	$10.00	$15.00
Late Fees	In PSCSC Regulations	1½% of unpaid balance
Returned Check Fee	In PSCSC Regulations	$30

ITEM	CURRENT RATE	PROPOSED NEW RATE
WATER SERVICE		
Residential ¾" meter (base)	$17.24/month	$35.61/month
Residential 1" meter (base)	$21.00/month	$39.37/month
Residential 1½" meter (base)	$26.50/month	$44.87/month
Usage	$4.62/1,000 gallons	$7.17/1000 gallons
Commercial ¾" meter (base)	$24.00/month	$42.37/month
Commercial 1" meter (base)	$27.00/month	$45.37/month
Commercial 1½" meter (base)	$33.00/month	$51.37/month
Usage	$4.62/1,000 gallons	$7.17/1000 gallons
Irrigation ¾" meter (base)	$17.24/month	$35.61/month
Irrigation 1" meter (base)	$21.00/month	$39.37/month
Irrigation 1½" meter (base)	$26.50/month	$44.87/month
Usage	$4.62/1,000 gallons	$7.17/1000 gallons
Multiple Residence Meters (base)	$17.24/month	$27.09/month
Usage	$4.62/1,000 gallons	$7.17/1000 gallons
Fire Hydrant Usage		
Meter Usage Charge	$65.00	$65.00
Water Deposit	$75.00	$75.00
Usage	$4.17/1,000 gallons	$7.17/1000 gallons
Tap Fees		
¾" meter	$1,200.00	$1,200.00
1" meter	$1,600.00	$1,600.00
1½" meter	$1,800.00	$1,800.00
2" inch meter	$2,700.00	$2,700.00
Multiple Residence Meter		
1" - 2"	$1,200.00/unit	$1,200.00/unit
Greater than 2"	$600.00/unit	$600.00/unit
Water Deposit for Construction	$100.00	$100.00

APPENDIX G

PERFORMANCE BOND

THE PERFORMANCE BOND IS ON FILE

WITH THE

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

APPENDIX H

SERVICE AREA MAP

A MAP THE SERVICE AREA IS ON FILE

WITH THE

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

APPENDIX I

SCDHEC APPROVAL

D H E C
PROMOTE PROTECT PROSPER
Catherine E. Heigel, Director
Promoting and protecting the health of the public and the environment

June 20, 2016
via e-mail

Robert G. Gross, President
Harbor Island Utilities, Inc.
P.O. Box 1028
Beaufort, SC 29901-1028

RE: Harbor Island Utilities
Water system #0750013
Wastewater System #ND0088013
PSC Rate Case (water and sewer)

Dear Mr. Gross:

This letter serves to confirm that the systems above have the valid DHEC permits needed to operate.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonet, P.E., Director
Water Facilities Permitting Division

cc: Russell Berry

APPENDIX J

BILL FORM

Harbor Is. Utilities Inc
P.O. Box 1028
Beaufort, SC 29901-1028
843-982-0405

FIRST-CLASS MAIL
U.S. POSTAGE
PAID

PERMIT NO.

TYPE OF SERVICE	METER READING PRESENT	METER READING PREVIOUS	USED	CHARGES
Water	191030	189510	1,520	24.26
Sewage				37.18

CUSTOMER ROUTE	CUSTOMER ACCOUNT	DUE DATE
22		9/10/16

NET AMOUNT TO BE PAID

MAIL THIS STUB WITH YOUR PAYMENT

DO NOT PAY-Draft in 15 days...

ACCOUNT 8/12/16

METER READ MONTH	METER READ DAY	CLASS	NET AMOUNT TO BE PAID
8	10	1	

Service from July 11-August 10: 31 days
Late fee of 1.5% charged on past due balances
Applicable rate schedule will be furnished upon request