Action Item 10

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE

ADMINISTRATIVE MATTER	☐	DATE	**December 16, 2015**
MOTOR CARRIER MATTER	☐	DOCKET NO.	**2015-199-WS**
UTILITIES MATTER	☑	ORDER NO.	

SUBJECT:
DOCKET NO. 2015-199-W/S - Application of Carolina Water Service, Incorporated for Adjustment of Rates and Charges and Modifications to Certain Terms and Conditions for the Provision of Water and Sewer Service – Staff Presents for Commission Consideration the Request for Approval of the Application for Adjustment of Rates and Charges and Modifications to Certain Terms and Conditions for the Provision of Water and Sewer Service Filed on Behalf of Carolina Water Service, Incorporated.

COMMISSION ACTION:
In the Application of Carolina Water Service for Adjustment of Rates and Charges and Modification of Certain Terms and Conditions for the Provision of Water and Sewer Service, the Utility, the Forty Love Point Homeowners Association, and the Office of Regulatory Staff have presented a joint stipulation, or settlement agreement, representing a compromise resolution of the Application. Mr. Don Long, who intervened in the docket and opposed the Application, was not a signatory to the agreement. The stipulating parties presented their proposed settlement to the Commission at the hearing on November 17, 2015. Mr. Long was present at the hearing, testified and cross-examined witnesses.

The proposed settlement would provide new rates producing additional revenue of $3,068,441. This figure is $1,153,308 less than the increase requested in the Company's initial application. The resulting Operating Margin would be 11.95%. The stipulating parties agreed to a Return on Equity of 9.34%, and the Rate of Return on rate base after the increase would be 7.99%.

For his part, Mr. Long opposed the settlement, raising general questions about the accuracy and veracity of the data in support of the settlement. However, he did not present specific evidence to show that the Utility's claimed expenses and capital improvements were imprudent or not actually incurred.

After a full review of all of the evidence presented in this docket, I move that we approve the proposed settlement as a just and reasonable resolution of this case. The South Carolina Supreme Court has held that a utility seeking rate relief is entitled to a presumption of reasonableness as to its claimed expenses and capital improvements, and absent specific evidence rebutting the data in the Application, the utility must be allowed to recover. Furthermore, the Supreme Court has held that customer testimony regarding poor quality of service and high rates, alone, are not generally sufficient to support a denial or reduction in rate relief. This Commission has denied requests for rate increases by Carolina Water Service and Utilities Services of South Carolina in recent years. Both denials were subsequently reversed by the South Carolina Supreme Court. Our decision today is consistent with those recent Supreme Court decisions and fully supported by the evidence in the record of this case.

PRESIDING: Whitfield

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

	MOTION	YES	NO	OTHER
ELAM	☐	☑	☐	
FLEMING	☐	☑	☐	voting via telephone

HALL	☐	☐	☐	Absent	Annual Leave
HAMILTON	☑	☑	☐		
HOWARD	☐	☑	☐		
RANDALL	☐	☐	☐	Absent	Commission Business
WHITFIELD	☐	☑	☐		

(SEAL)

RECORDED BY: J. Schmieding