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October 11, 2011

VIA ELECTRONIC FILING

Randall Dong, Esquire
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Additional Rate Case Expenses in Docket No. 2011-47-WS (Application of Carolina Water Service, Incorporated for Approval of an Increase in Its Rates for Water and Sewer Services Provided to All of Its Service Areas in South Carolina).

Dear Mr. Dong:

Counsel for Carolina Water Service, Inc. ("CWS") filed with the Commission today what appears to be a request that the Commission accept for filing certain additional rate case expenses.

As noted in my letter to the Commission dated September 21, 2011, the hearing in this case was concluded, and the record in this docket closed, on September 8, 2011. On that date Chairman Howard requested that ORS review, and report to the Commission, any additional rate case expenses submitted by CWS. Counsel for CWS neither moved any items into evidence nor requested a hearing exhibit be reserved for a later filed document. The record was not held open for, nor was CWS ordered or granted permission by the Commission, to submit a late filed exhibit regarding additional rate case expenses.

On September 21, 2011 CWS provided ORS with 476 pages of invoices, correspondence, bills and other documentation totaling $415,924.46. As stated in my letter of September 21, 2011, ORS recommended that the Commission deny the awarding of any additional rate case expenses as CWS' submission included Utilities, Inc. expenses unrelated to CWS, bills and invoices going back as far as 2008, and other costs clearly unrelated to this docket. Proposed Orders were filed by all parties with the Commission on October 6, 2011 and this matter is on the Commission's Agenda for a vote on CWS rate application the day after tomorrow; Thursday, October 13, 2011. At the eleventh hour, CWS has now requested the Commission to both accept for filing and consider awarding the company, at the ratepayer's expense, additional unaudited expenses allegedly incurred by the Company in bringing this rate case.

Given the eleventh hour filing of this new collection of materials, ORS is unable to provide the Commission with a detailed or meaningful response as this batch of bills, invoices and other materials appear to be a part, but not all of, the 476 pages provided to ORS on September 21, 2011. Additionally, our review of these materials shows that there are still certain expenses or costs included, such as lobbyist costs, which are clearly non-allowable. Other invoices are dated as much as 10 months prior to the ORS audit cut-off date of July 27, 2011 and therefore are not "updated rate case expenses" but should have been submitted for review during ORS' audit of the Application.

Based on the facts that the record in this case was closed on September 8, 2011, that the requested expenses have not been audited or reviewed by ORS, and that these materials were filed subsequent to the Commission's filing date for proposed Orders, ORS objects to the inclusion of these materials in the record of this case. Should the Commission choose to permit the submission of these documents into the record, ORS asks that the hearing in this case be reopened, that CWS be required to present a witness to sponsor the materials as a exhibit, and that ORS be permitted to cross-examine any such witness.

Sincerely,

Jeffrey M. Nelson

cc: Scott Elliott, Esquire
Charles L.A. Terreni, Esquire
Charles Cook, Esquire
Laura P. Valtorta, Esquire