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BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2011-248- WS

IN RE: Petition of the Office of Regulatory Staff for Commission to Order a Rule To Show Cause as to Why The Respondent Water and/or Wastewater Utilities should not be Ordered to Cease Charging for Services And Penalized	))))))	PETITION FOR A RULE TO SHOW CAUSE AS TO WHY THE RESPONDENT UTILITIES SHOULD NOT BE ORDERED TO CEASE CHARGING FOR SERVICES AND PENALIZED

The Office of Regulatory Staff ("ORS"), by filing this petition, would respectfully show and request of the Commission that:

1. The Public Service Commission of South Carolina ("the Commission") is a state agency constituted pursuant to the laws of the State of South Carolina with its business offices located in Columbia, South Carolina. Further, the Commission is responsible for the regulation of water and wastewater utilities operating for compensation as set forth in S.C. Code Ann. §§58-5-10, et seq. (Supp. 2010).

2. The ORS is charged with the duty to protect the public interest pursuant to S.C. Code Ann. §§58-4-10, et seq. (Supp. 2010).

3. The water and wastewater utilities listed in Exhibit A have all been certificated by the Commission as "public utilities" as defined in S.C. Code Ann. §58-5-10(4) (Supp. 2010) in that they are persons or corporations furnishing or supplying water and/or wastewater service to the public, or any portion thereof, for compensation.

4. The water and wastewater utilities listed in Exhibit A are subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. §58-5-210 (1976). Further, these

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water and wastewater utilities have voluntarily submitted themselves to the jurisdiction of the Commission by their holding a Certificate of Public Convenience and Necessity as indicated in Exhibit A.

5. The water and wastewater utilities listed in Exhibit A, upon receiving their Certificates of Public Convenience and Necessity from the Commission, were found to possess the technical, financial, and managerial resources sufficient to provide the services requested.

6. ORS has the responsibility to ensure that water and wastewater utilities are filing annual reports and certain special reports. Subject to the approval of the Commission, the ORS may require any water and wastewater utility to file annual reports in such form and of such content as the ORS may require and special reports concerning any matter about which the ORS is authorized to inquire or to keep itself informed of or which it is required to enforce. See, S.C. Code Ann. §58-4-55 (Supp. 2010) and S.C. Code Ann. §58-3-190 (Supp. 2010).

7. Commission regulations further provide that all wastewater and water utilities "operating in the State shall file an annual report with the commission and provide a copy to the ORS giving accounting and other information as the commission orders." Water and Wastewater companies whose books are maintained on a calendar year must submit their annual report by April 1 of each year. 26 S.C. Code Regs. 103-512.1 and 103.712.1. The water and wastewater companies listed in Exhibit A have failed to file annual reports by April 1, 2011, for the year ending 2010.

8. Pursuant to 26 S.C. Code Regs. 103-830 (B) (1) (Supp. 2010), "If a person other than the petitioner is named in a petition for a declaratory order or in a petition for a rule to show cause, the Chief Clerk shall cause a copy of the petition to be mailed to such named person within 14 days of the filing of the petition." In order to assist the Commission in the service of

this Petition, ORS has provided in Exhibit A the status and address of each water and wastewater company named as a Respondent in this Petition.

9. The information for the entities listed in Exhibit A accurately reflects the information on file with the South Carolina Secretary of State as of June 10, 2011. See Exhibit B, Affidavit of Hannah K. Majewski.

10. All water and wastewater utilities certificated by the Commission are required to comply with each and every requirement of every order, decision, direction, rule, or regulation made or prescribed by the Commission and every directive, rule or regulation made or prescribed by the ORS in the performance of its duty in relation to any other matter in any way relating to or affecting the business of such water and wastewater utility and shall do everything necessary or proper in order to secure compliance with and observance of every such order, decision, direction, rule or regulation by all of its officers, agents and employees. See, S.C. Code Ann. §§58-3-140, 58-4-55 (Supp. 2010) and §58-5-210 (1976).

11. Pursuant to S.C. Code Ann. §58-4-50 (Supp. 2010), it is the duty and responsibility of the ORS to make inspections, audits, and examination of public utilities regarding matters within the jurisdiction of the ORS and the Commission and to make appropriate recommendations to the Commission with respect to the service furnished by any public utility.

12. Pursuant to S.C. Code Ann. §§58-3-10, et seq. (Supp. 2010) and S.C. Code Ann. §§58-5-10, et. seq. (Supp. 2010), the Commission may conduct such hearings as may be required in the administration of the powers and duties conferred by the laws relating to public utilities providing water and wastewater service.

WHEREFORE, the ORS staff prays that the Commission:

1. Enter an order establishing a Rule to Show Cause and institute a formal proceeding against the persons and/or business entities listed in Exhibit A.

2. For the persons and business entities listed in Exhibit A, pursuant to 26 S.C. Code Regs. 103-830(B)(1), cause a copy of this petition to be served upon such named respondents or other proper person or entity within 14 days of the filing of the petition.

3. Require the respondents listed in Exhibit A to submit an Answer to this Petition within the deadlines prescribed by the Commission's rules and regulations.

4. Schedule and conduct a formal administrative hearing to address disputed issues of fact and law regarding the utilities listed in Exhibit A obligation to comply with the submission of annual reports.

5. Pursuant to 26 S.C. Code Regs. 103-846 (c), take judicial notice of the Commission's records in that the required annual reports have not been filed for the companies listed in Exhibit A.

6. Find that the water and wastewater companies listed in Exhibit A have not complied with orders, decisions, directions, rules and regulations made or prescribed by the Commission.

7. Enter a final order for the companies listed in Exhibit A to cease charging for water and/or wastewater service, and/or impose and assess a penalty against the utilities listed in Exhibit A for not complying with the annual report submission requirement.

8. For any additional action or relief which the Commission may deem necessary.

C. Lessie Hammonds, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201
Ph: (803) 737-0800
Fax: (803) 737-0895

June 15, 2011
Columbia, South Carolina

Out of Compliance RTSC - Annual Reports
Docket No. 2011-_____-WS

EXHIBIT A

	Organization Name	Registered Agent	Secretary of State Status	Foreign or Domestic	Docket No.	Order No.	Date Certificate Issued
1	Rural Water, Inc. PO Box 359 Ware Shoals, SC 29692	W. Erwin Warner 305 Davis Ave. Greenwood, SC	Good Standing	Domestic	1983-212-W	1983-584	September 14, 1983
2	Water Head, LLC 402 Memorial Dr. Ext. Greer, SC 29651	Stanley Brown 171 Sliding Rock Rd. Pickens, SC 29671	Good Standing	Domestic	2007-64-WS	2007-651	September 17, 2007
3	Guerin Creek Wastewater Utility, Inc. 1111 Chuck Dawley Blvd, Mt. Pleasant, SC 29464	Joseph C. Northcutt 1111 Chuck Dawley Blvd, Mt. Pleasant, SC 29464	Forfeiture	Domestic	1997-333-S	1997-718	August 19, 1997
4	Daufuskie Island Utility Co., Inc. 6 Beacon St., Suite 410 Boston, MA 02108	Terry R. Lee 9688 Speedway Blvd Hardeeville, SC 29927	Good Standing	Domestic	1987-333-WS	1988-522	May 24, 1988
	Yellow - water only						
	Red - sewer only						
	Green - water & sewer						

EXHIBIT B

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2011-___-WS

June 15, 2011

IN RE: Petition of the Office of Regulatory Staff for Commission to Order a Rule To Show Cause as to Why The Respondent Water and/or Wastewater Utilities should not be Ordered to Cease Charging for Services And Penalized	))))))	AFFIDAVIT OF HANNAH K. MAJEWSKI

The Affiant, after having been first duly sworn, deposes and states as follows:

1) My name is Hannah Majewski and I am employed by the Office of Regulatory Staff ("ORS") as the Program Specialist in the Water and Wastewater Department.

2) My office is located at 1401 Main Street, Suite 900, Columbia, South Carolina, 29201.

3) It is the regular business practice of ORS to maintain certain business records required to be filed by the water and/or wastewater utilities that are subject to the jurisdiction of the PSC.

4) As a result of my duties and responsibilities, I have knowledge of the manner in which the books and records are kept and of any books or records which are not complete or which are not on file with ORS.

5) On May 18, 2011, I examined the business records on file with ORS.

6) As a result of that examination, I attest that the Annual Reports have not been filed with ORS by the following water and/or wastewater utilities as of June 10, 2011. (Exhibit A). Water and Wastewater companies whose books are maintained on a calendar year must submit their annual report by April 1 of each year.

7) I researched the South Carolina Secretary of State's website in order to determine the corporate status of the business entities listed in Exhibit A of this petition. I attest that, to the best of my knowledge, the corporate statuses of the business entities listed in Exhibit A are accurate.

AND FURTHER THE AFFIANT SAYETH NOT.

Hannah K. Majewski

HANNAB K. MAJEWSKI
Program Specialist, WaterIWastewater
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201

Sworn and subscribed before me
this 15th day of JUNE, 2011

Notary Public for South Carolina
My Commission Expires: May 3rd, 2011

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2011-____-WS

IN RE:	)	
Petition of the Office of Regulatory Staff for a	)	**CERTIFICATE OF**
Declaratory Order Against Nature's Development,	)	**SERVICE**
Inc. Requiring Certification as a Water/ Sewer	)	
Utility and the Posting of a Performance Bond	)	

This is to certify that I, Kelly A. Hanrahan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **PETITION** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Rural Water, Inc.
c/o W. Erwin Warner
305 Davis Avenue
Greenwood, SC 29646

Water Head, LLC
c/o Stanley Brown
171 Sliding Rock Road
Pickens, SC 29671

Guerin Creek Wastewater Utility, Inc.
c/o Joseph C. Northcutt
1111 Chuck Dawley Blvd.
Mt. Pleasant, SC 29464

Daufuskie Island Utility Co., Inc.
c/o Terry R. Lee
9688 Speedway Blvd.
Hardeeville, SC 29927

Kelly A. Hanrahan

June 15, 2011
Columbia, South Carolina