242173

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Palmetto Utilities, Inc. for adjustment of rates and charges for, and modification to certain terms and conditions related to the provisions of sewer service.

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

COVER SHEET

DOCKET NUMBER: 2013 - 42 - S

RECEIVED
2013 MAR 12 PM 1:14
SC PUBLIC SERVICE COMMISSION

(Please type or print)

Submitted by: John M. S. Hoefer, Esquire

Address: Post Office Box 8416
Columbia, SC 29202

SC Bar Number: 2549
Telephone: 803-252-3300
Fax: 803-771-2410
Other:
Email: jhoefer@willoughbyhoefer.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ **Emergency Relief demanded in petition**

☐ **Request for item to be placed on Commission's Agenda expeditiously**

☒ **Other:**

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
☐ Electric	☐ Affidavit	☒ Letter	☐ Request
☐ Electric/Gas	☐ Agreement	☐ Memorandum	☐ Request for Certification
☐ Electric/Telecommunications	☐ Answer	☐ Motion	☐ Request for Investigation
☐ Electric/Water	☐ Appellate Review	☐ Objection	☐ Resale Agreement
☐ Electric/Water/Telecom.	☒ Application	☐ Petition	☐ Resale Amendment
☐ Electric/Water/Sewer	☐ Brief	☐ Petition for Reconsideration	☐ Reservation Letter
☐ Gas	☒ Certificate	☐ Petition for Rulemaking	☐ Response
☐ Railroad	☐ Comments	☐ Petition for Rule to Show Cause	☐ Response to Discovery
☒ Sewer	☐ Complaint	☐ Petition to Intervene	☐ Return to Petition
☐ Telecommunications	☐ Consent Order	☐ Petition to Intervene Out of Time	☐ Stipulation
☐ Transportation	☐ Discovery	☐ Prefiled Testimony	☐ Subpoena
☐ Water	☐ Exhibit	☐ Promotion	☐ Tariff
☐ Water/Sewer	☐ Expedited Consideration	☐ Proposed Order	☐ Other:
☐ Administrative Matter	☐ Interconnection Agreement	☐ Protest	
☐ Other:	☐ Interconnection Amendment	☐ Publisher's Affidavit	
	☐ Late-Filed Exhibit	☐ Report	

Print Form Reset Form

WILLOUGHBY & HOEFER, P.A.
ATTORNEYS & COUNSELORS AT LAW
930 RICHLAND STREET
P.O. BOX 8416
COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY
JOHN M.S. HOEFER
RANDOLPH R. LOWELL
TRACEY C. GREEN
BENJAMIN P. MUSTIAN
ELIZABETH ZECK*
ELIZABETHANN LOADHOLT CARROLL
CHAD N. JOHNSTON
JOHN W. ROBERTS

*ALSO ADMITTED IN TX

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

RECEIVED
2013 MAR 12 PM 1:14
SC PUBLIC SERVICE COMMISSION

March 12, 2013

VIA HAND-DELIVERY
The Honorable Jocelyn D. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

RE: Application of Palmetto Utilities, Inc. for adjustment of rates and charges for, and modification to certain terms and conditions related to, the provision of sewer service. Docket No. 2013-42-S

Dear Ms. Boyd:

Enclosed for filing are the original and one (1) copy of the Application of Palmetto Utilities, Inc. in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing.

By copy of this letter, we are providing a copy of this filing to the Executive Director of ORS in accordance with 26 S.C. Code Regs. 103-504. I would appreciate your acknowledging receipt of this Application and Certificate by date-stamping the extra copy that is enclosed and returning it to me via my courier.

If you have any questions or if you need any additional information, please do not hesitate to contact me. With best regards, I am

Sincerely,

WILLOUGHBY & HOEFER, P.A.

John M.S. Hoefer

JMSH/ccm
Enclosures
cc: Honorable C. Dukes Scott

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2013-42-S

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2013 MAR 12 PM 1:14
SC PUBLIC SERVICE COMMISSION

IN RE:

Application of Palmetto Utilities, Inc. for adjustment of rates and charges for, and modification to certain terms and conditions related to, the provisions of sewer service.	)	**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of the **Application and Proposed Notice of Filing** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Honorable C. Dukes Scott
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201

Cindy C. Mills

Cindy C. Mills

Columbia, South Carolina
This 12th day of March, 2013.

242173

BEFORE THE

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2013-42 -S

RECEIVED
2013 MAR 12 PM 1:14
SC PUBLIC SERVICE COMMISSION

IN RE: Application of Palmetto Utilities, Inc. for adjustment of rates and charges for, and modification to certain terms and conditions related to, the provision of sewer service.	))))))))	**APPLICATION**

Palmetto Utilities, Inc. ("Applicant" or "Company") would respectfully show unto, and request of, the Commission as follows:

BACKGROUND

1. Applicant is a corporation organized and existing under the laws of the State of South Carolina.

2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(4) (Supp. 2012), providing sewer services to the public for compensation in certain areas of Richland and Kershaw Counties, South Carolina pursuant to rates approved by the Commission in Order No. 2011-617, dated September 14, 2001, in Docket No. 2011-24-S.

3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representative:**

Mr. R. Stanley Jones, P.E.
Mr. Rick Melcher
Palmetto Utilities, Inc.
1710 Woodcreek Farms Road
Elgin, South Carolina 29045

b. **Legal Counsel:**

John M. S. Hoefer, Esquire
Benjamin P. Mustian, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416
(803) 252-3300

REQUEST FOR RATE RELIEF

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2012) and 26 S.C. Code Ann. Regs. R. 103-512.4.A (Supp. 2010) Applicant requests that the Commission approve the monthly sewer service charges set forth in the five (5) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A." Also, pursuant to R. 103-503 (Supp. 2010), Applicant proposes a modification to the terms and conditions of service related to the obligations of owners of satellite systems, including those defined in S.C. Code Ann. Regs. 61-9.505.8, and the Company's rights with respect to satellite systems.

SUPPORTING DOCUMENTATION

5. Applicant proposes a test year of October 1, 2011, to September 30, 2012, and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit "B," pages 1 through 14. These financial statements include the following:

a. Balance Sheet (Schedule A); and

b. Current and pro forma income and expense statements (Schedule B);

c. Schedule of billed revenue at current and proposed rates (Schedule C);

d. Schedule of fixed assets and depreciation (Schedule D), and

e. Schedule of present and projected customers (Schedule E).

6. Attached hereto and incorporated herein by this reference as Exhibit "C" is the most recent approval letter from the South Carolina Department of Health and Environmental Control ("DHEC").

7. Attached hereto and incorporated herein by this reference as Exhibit "D" is the Company's current customer bill form.

8. There is on file with this Commission a performance bond/certificate of deposit/letter of credit given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2012).

9. Maps depicting Applicant's current service area[1] and its most recent Annual Report are on file with the Commission. Evidence of the Applicant's last period paid Gross Receipts report is attached hereto and incorporated herein by reference as Exhibit "E".

10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules R. 103-512.4.A and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.

---

[1] By its Order No. 2012-960, issued December 21, 2012, in Docket No. 2012-273-S, Applicant's service area will be modified upon the closing of the transaction involving the City of Columbia and Palmetto of Richland County LLC ("PRC") such that a portion of Applicant's current service territory approved by the Commission will become authorized service territory of PRC. This transfer of service area will not, however, affect the within application in view of the fact that Applicant has no customers in this part of its service territory. Upon the closing of the transfer approved in Order No. 2012-960, Applicant will file with the Commission and Office of Regulatory Staff ("ORS") a modified service area map for Applicant.

JWH

NEED AND JUSTIFICATION FOR RATE RELIEF

11. It has been two (2) years since Applicant sought rate relief from this Commission and Applicant is now experiencing an operating margin of 4.88%, which is approximately ten (10) percentage points lower than the 14.86% arising out of the rates authorized to Applicant in Commission Order No. 2011-617. Applicant's total operating expenses have increased by approximately 23% and Applicant has made several millions of dollars worth of capital improvements since its last rate relief proceeding. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, cover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. Said rates are also necessary in order that the Applicant may comply with standards and regulations set by the South Carolina Department of Health and Environmental Control or other environmental regulatory authorities. Said rates will preserve the financial integrity of the Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality sewer services. In anticipation of this filing, Applicant has attempted to make its customers aware of the need for rate relief in four (4) separate "town hall" meetings sponsored by the Company at various locations in its service area during February, 2013.

WHEREFORE, having fully set forth its Application, Palmetto Utilities, Inc. prays that the Commission approve the rates and the modification requested to the terms and conditions of service proposed herein and grant to Applicant such other and further relief as the Commission may deem just and proper.

John M. S. Hoefer
Benjamin P. Mustian
WILLOUGHBY & HOEFER, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416
803-252-3300
Attorneys for Palmetto Utilities, Inc.

This 12th day of March, 2013.
Columbia, South Carolina

PALMETTO UTILITIES, INC.
1710 WOODCREEK FARMS ROAD
COLUMBIA, SC 29045
(803) 699-2422

SEWER RATE SCHEDULE

1. MONTHLY CHARGE

a. Residential - Monthly charge per single-family house, condominium, villa or apartment unit — $39.00

b. Commercial - Monthly charge per single-family equivalent — $39.00

c. The monthly charges listed above are minimum charges and shall apply even if the equivalency rating is less than one (1). If the equivalency rating is greater than one (1), then the monthly charges may be calculated by multiplying the equivalency rating by the monthly charge of $39.00.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

The Utility may, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

2. NONRECURRING CHARGES

a. Sewer service connection charge per single-family equivalent — $250.00

b. Plant Impact fee per single-family equivalent — $800.00

c. The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating is less than one (1). If the equivalency rating is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. BULK TREATMENT SERVICES

The utility will provide bulk treatment services to Richland County ("County") upon request by the County. The rates for such bulk treatment services shall be as set forth above for both monthly charges and nonrecurring charges per single-family equivalent. The County shall certify to the Utility the number of units or taps (residential and commercial) which discharge wastewater into the County's collection system and shall provide all other information required by the Utility in order that the Utility may accurately determine the proper charges to be made to the County. The County shall insure that all commercial customers comply with the Utility's toxic and pretreatment effluent guidelines and refrain from discharging any toxic or hazardous materials or substances into the collection system. The County will maintain the authority to interrupt service immediately where customers violate the Utility's toxic or pretreatment effluent standards of discharge prohibited wastes into the sewer system. The Utility shall have the unfettered right to interrupt bulk service to the County if it determines that forbidden wastes are being or are about to be discharged into the Utility's sewer system.

The County shall pay for all costs of connecting its collection lines into the Utility's mains, installing a meter of quality acceptable to the Utility to measure flows, and constructing a sampling station according to the Utility's construction requirements.

4. NOTIFICATION, ACCOUNT SET-UP AND RECONNECTION CHARGES

a. Notification Fee: A fee of $25.00 shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R.103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating that cost.

b. Customer Account Charge: A fee of $20.00 shall be charged as a one-time fee to defray the costs of initiating service.

c. Reconnection charges: In addition to any other charges that may be due, a reconnection fee of $250.00 shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars ($35.00) shall be due. The amount of the reconnection fee

shall be in accordance with R.103-532.4 and shall be changed to conform with said rule as the rule is amended from time to time.

5. **BILLING CYCLE**

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

6. **LATE PAYMENT CHARGES**

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half (1½%) percent.

7. **TOXIC AND PRETREATMENT EFFLUENT GUIDELINES**

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") 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. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, 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.

8. **REQUIREMENTS AND CHARGES PERTAINING TO SATELLITE SYSTEMS**

a. Where there is connected to the Utility's system a satellite system, as defined in DHEC 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 or regulations.

b. The owner or operator of a satellite system shall construct, maintain, and operate such satellite system in a manner that the prohibited or untreated materials referred to in Section 6 of this rate schedule (including but not limited to Fats, Oils, Sand or Grease), stormwater, and groundwater are not introduced into the Utility's system.

c. The owner or operator of a satellite system shall provide Utility with access to such satellite system and the 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 such repairs, replacements, modifications, cleanings, or other undertakings necessary to meet the requirements of this Section 7 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 a satellite system, including video of the inspection, shall be provided to Utility. Should the owner or operator fail to undertake such inspection, 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 Utility determine that the owner or operator of a satellite system has failed to comply with the requirements of this Section 7 of the rate schedule, with the exception of the requirement that a satellite system be cleaned, the Utility may initiate disconnection of the satellite 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 Utility is entitled are paid. With respect to the cleaning of a satellite system, the owner or operator of a satellite system shall have the option of cleaning same within five (5) business days after receiving written notice from Utility that an inspection reveals that a cleaning is required. Should the owner or operator of such a satellite system fail to have the necessary cleaning performed within that time frame, Utility may arrange for cleaning by a qualified contractor and the cost of same, without mark-up, may be billed to the owner or operator of said system.

9. CONSTRUCTION STANDARDS

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

10. EXTENSION OF UTILITY SERVICE LINES AND MAINS

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into its sewer system. However, anyone or any entity which 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, and, where appropriate, agreeing to pay an acceptable amount for multi-tap capacity.

11. CONTRACTS FOR MULTI-TAP CAPACITY

The Utility shall have no obligation to modify or expand its plant, other facilities or mains to treat the sewerage of any person or entity requesting multi-taps (a commitment for five or more taps) unless such person or entity first agrees to pay an acceptable amount to the Utility to defray all or a portion of the Utility's costs to make modifications or expansions thereto.

12. SINGLE FAMILY EQUIVALENT

A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2010), as may be amended from time to time. Where the Utility has reason to suspect that a 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 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.

Palmetto Utilities, Inc.
Balance Sheet
for the Year Ended September 30, 2012

Line No.	NARUC Account Number and Title (1)		Current Year-End Balance (2)
1		***ASSETS***	
2			
3		**UTILITY PLANT**	
4	101	Utility Plant-in-Service	$ 61,712,120
5	103	Property Held for Future Use	612,832
6	105	Construction Work in Progress	1,637,845
7		**Total Utility Plant**	63,962,798
8			
9		**ACCUMULATED DEPRECIATION**	
10	108.1	Utility Plant-in-Service	(18,969,444)
11	108.3	Property Held for Future Use	(26,215)
12		**Total Accumulated Depreciation**	(18,995,660)
13			
14	114	**Utility Plant - Acquisition Adjustments**	13,906,583
15		**TOTAL NET UTILITY PLANT**	**58,873,721**
16			
17		**OTHER PROPERTY AND INVESTMENTS**	
18			
19		**INVESTMENTS**	
20	123	Investments in Associated Companies	2,023,050
21		**Total Investments**	2,023,050
22		**TOTAL OTHER PROP. AND INVESTMENTS**	2,023,050
23			
24		**CURRENT AND ACCRUED ASSETS**	
25	131	Cash	1,161,440
26	135	Temporary Cash Investments	362,901
27	141	Customer Accounts Receivable	1,109,532
28	142	Other Accounts Receivable	64,644
29	143	Accumulated Provision for Uncollectible Accounts-Credit	(145,554)
30	145	Accounts Receivable from Associated Companies	1,335,961
31	151	Materials and Supplies	92,111
32	162	Prepayments	73,736
33	171	Accrued Interest and Dividends Receivable	199
34		**TOTAL CURRENT AND ACCRUED ASSETS**	4,054,971
35			
36		**DEFERRED DEBITS**	
37	181	Unamortized Debt Discount and Expense	226,392
38	186.1	Unamortized Rate case Expense	79,254
39	186.2	Other Deferred Debits	16,868
40		**TOTAL DEFERRED DEBITS**	322,514
41			
42		**TOTAL ASSETS**	$ 65,274,256

Palmetto Utilities, Inc.
Balance Sheet
for the Year Ended September 30, 2012

Line No.	NARUC Account Number and Title (1)		Current Year-End Balance (2)
1		*EQUITY CAPITAL AND LIABILITIES*	
2			
3		**EQUITY CAPITAL**	
4	201	Common Stock Issued	$ 1,000
5	211	Other Paid-In Capital	9,475,014
6	215	Unappropriated Retained Earnings	4,590,020
7		**TOTAL EQUITY CAPITAL**	14,066,035
8			
9		**LONG-TERM DEBT**	
10	224	Other Long-Term Debt	11,100,233
11		**TOTAL LONG-TERM DEBT**	11,100,233
12			
13		**CURRENT AND ACCRUED LIABILITIES**	
14	231	Accounts Payable	333,211
15	232	Notes Payable	906,585
16	233	Accounts Payable to Associated Companies	2,060,392
17	236.12	Accrued Taxes, Utility Operating Income, Income Taxes	51,417
18	237.1	Accrued Interest on Long-Term Debt	43,876
19	241	Miscellaneous Current and Accrued Liabilities	108,695
20		**TOTAL CURRENT AND ACCRUED LIABILITIES**	3,504,176
21			
22		**DEFERRED CREDITS**	
23	253.2	Other Deferred Credits, Other Deferred Liabilities	270,050
24		**TOTAL DEFERRED CREDITS**	270,050
25			
26		**CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)**	
27	271	Contributions in Aid of Construction	48,167,711
28	272	Accumulated Amortization of CIAC	(13,547,888)
29		**TOTAL NET CIAC**	34,619,823
30			
31		**ACCUMULATED DEFERRED INCOME TAXES**	
32	282	Liberalized Depreciation	1,713,940
33		**TOTAL ACCUM. DEFERRED INCOME TAXES**	1,713,940
34			
35		**TOTAL EQUITY CAPITAL AND LIABILITIES**	$ 65,274,256

Palmetto Utilities, Inc.
Income Statement
for the Year Ended September 30, 2012

Line No.		NARUC Account Number and Title (1)	Per Books (2)	Pro-forma Adjustments (3)		Pro-forma Present (4)	Proposed Increase (5)		Pro-forma Proposed (6)
1		UTILITY OPERATING INCOME							
2		WASTEWATER SALES REVENUE							
3	521	Service Revenues - General Customers							
4	521.1 & 521.5	Residential (including Multiple Family Dwellings)	$ 5,097,127	$ -		$ 5,097,127	$ 1,138,211	13	$ 6,235,338
5	521.2, 521.3	Commercial and Industrial	1,373,157	-		1,373,157	333,547	13	1,706,704
6		Total Service Revenues	6,470,284	-		6,470,284	1,471,758		7,942,042
7		TOTAL WASTEWATER SALES REVENUE	6,470,284	-		6,470,284	1,471,758		7,942,042
8									
9		OTHER WASTEWATER REVENUES							
10	536	Other Wastewater Revenues							
11		Late Fees	55,280	-		55,280	-		55,280
12		Notification Fees	125,200	-		125,200	-		125,200
13		Customer Account Charge	15,700	-		15,700	-		15,700
14		Reconnect Fees	17,210	-		17,210	-		17,210
15		Returned Check Fees	3,375	-		3,375	-		3,375
16		Tap Fees (non-CIAC portion)	115,058	-		115,058	-		115,058
17		TOTAL OTHER WASTEWATER REVENUES	331,823	-		331,823	-		331,823
18	400	TOTAL UTILITY OPERATING INCOME	6,802,107	-		6,802,107	1,471,758		8,273,865
19									
20		UTILITY OPERATING EXPENSES							
21		PUMPING EXPENSES							
22	715	Purchased Power	562,634	24,897	1	587,531	-		587,531
23	736	Contractual Services - Other	168,597	26,933	4	195,530	-		195,530
24	736.1	Contractual Services - Other - ROW Program	280,755	(60,775)	2	219,980	-		219,980
25		TOTAL PUMPING EXPENSES	1,011,986	(8,945)		1,003,041	-		1,003,041
26									
27		TREATMENT AND DISPOSAL EXPENSES							
28	711	Sludge Removal Expense	185,143	-		185,143	-		185,143
29	718	Chemicals	50,158	-		50,158	-		50,158
30	734	Contractual Services - Management Fees	602,813	47,427	2	650,240	-		650,240
31	735	Contractual Services - Testing	37,503	-		37,503	-		37,503
32	736	Contractual Services - Other	2,079	-		2,079	-		2,079

Palmetto Utilities, Inc.
Income Statement
for the Year Ended September 30, 2012

Line No.		NARUC Account Number and Title (1)	Per Books (2)	Pro-forma Adjustments (3)		Pro-forma Present (4)	Proposed Increase (5)		Pro-forma Proposed (6)
1		UTILITY OPERATING EXPENSES							
2		TREATMENT AND DISPOSAL EXPENSES							
3	742	Rental of Equipment	843	-		843	-		843
4	750	Transportation Expenses	6,699	-		6,699	-		6,699
5		TOTAL TREATMENT AND DISPOSAL EXPENSES	885,237	47,427		932,664	-		932,664
6									
7		CUSTOMER ACCOUNTS EXPENSES							
8	720	Materials and Supplies	21,872	45,000	2	66,872	-		66,872
9	734	Contractual Services - Management Fees	363,181	(58,972)	2	304,209	-		304,209
10	736	Contractual Services - Other	-	15,249	3	15,249	-		15,249
11	770	Bad Debt Expense	51,753	-		51,753	8,660	14	60,413
12		TOTAL CUSTOMER ACCOUNTS EXPENSES	436,806	1,277		438,083	8,660		446,742
13									
14		ADMINISTRATIVE AND GENERAL EXPENSES							
15	720	Materials and Supplies	19,000	-		19,000	-		19,000
16	731	Contractual Services - Engineering	5,586	-		5,586	-		5,586
17	732	Contractual Services - Accounting	(5,000)	-		(5,000)	-		(5,000)
18	733	Contractual Services - Legal	5,816	-		5,816	-		5,816
19	736.10	Contractual Services - Other - Office Maintenance	8,673	-		8,673	-		8,673
20	741	Rental of Building/Real Property	110,629	(18,473)	7	92,156	-		92,156
21	757	Insurance - General Liability	39,622	-		39,622	-		39,622
22	759	Insurance - Other	28,056	-		28,056	-		28,056
23	761	Bank Service Charges	64,375	39,196	8	103,572	-		103,572
24	766	Regulatory Commission Expense Amortization	20,683	67,919	9	88,602	-		88,602
25	767	Regulatory Commission Expense	130,208	-		130,208	-		130,208
26	775	Miscellaneous Expenses (includes corporate overhead)	842,771	890,771	5 & 6	1,733,542	-		1,733,542
27		TOTAL ADMINISTRATIVE AND GENERAL EXP.	1,270,421	979,412		2,249,833	-		2,249,833
28									
29	401	TOTAL OPERATING EXPENSES	3,604,450	1,019,171		4,623,621	8,660		4,632,281
30									
31		DEPRECIATION AND AMORTIZATION							
32	403	Depreciation Expenses	2,195,550	67,878	10	2,263,428	-		2,263,428
33	407.5	Amortization of CIAC	(1,587,518)	9,248	10	(1,578,270)	-		(1,578,270)
34		TOTAL DEPRECIATION AND AMORTIZATION	608,032	77,126		685,158	-		685,158

Palmetto Utilities, Inc.
Income Statement
for the Year Ended September 30, 2012

Line No.		NARUC Account Number and Title (1)	Per Books (2)	Pro-forma Adjustments (3)		Pro-forma Present (4)	Proposed Increase (5)		Pro-forma Proposed (6)
1		TAXES OTHER THAN INCOME TAXES							
2	408.10	Utility Regulatory Assessment Fees	37,657	-		37,657	-		37,657
3	408.11	Property Taxes	320,721	-		320,721	-		320,721
4	408.13	Other Taxes and Licenses	20,658	-		20,658	5,953	15	26,611
5		TOTAL TAXES OTHER THAN INCOME TAXES	379,036	-		379,036	5,953		384,989
6									
7		INCOME TAXES							
8	409.10	Federal Income Taxes, Utility Operating Income	(419,257)	567,842	11	148,585	470,658	16	619,243
9	409.11	State Income Taxes, Utility Operating Income	(64,902)	91,358	11	26,456	72,857	16	99,313
10	410.10	Deferred Income Taxes	(25,217)	47,538	11	22,321	-		22,321
11		TOTAL INCOME TAXES	(509,376)	706,738		197,362	543,515		740,877
12									
13		TOTAL UTILITY OPERATING EXPENSES	4,082,142	1,803,035		5,885,177	558,128		6,443,305
14									
15		TOTAL NET UTILITY OPERATING INCOME (LOSS)	2,719,965	(1,803,035)		916,930	913,630		1,830,560
16									
17		OTHER INCOME AND DEDUCTIONS							
18	419	Interest and Dividend Income	$ (2,297)	$ 2,297	12	$ -	$ -		$ -
19	420	AFUDC Equity and Debt	71,840	(71,840)	12	-	-		-
20	421	Non-utility Income	157,472	(157,472)	12	-	-		-
21	426	Miscellaneous Non-Utility Expenses	(88,626)	88,626	12	-	-		-
22									
23		TOTAL OTHER INCOME AND DEDUCTIONS	138,389	(138,389)		-	-		-
24									
25		INTEREST EXPENSE							
26	427.3	Interest on Long-Term Debt	(498,402)	-		(498,402)	-		(498,402)
27	428	Amortization of Debt Discount and Expense	(86,770)	-		(86,770)	-		(86,770)
28		TOTAL INTEREST EXPENSE	(585,172)	-		(585,172)	-		(585,172)
29						-			
30		NET INCOME (LOSS) FOR MARGIN	$ 2,273,183	$ (1,941,425)		$ 331,758	$ 913,630		$1,245,388

Palmetto Utilities, Inc.
Income Statement
for the Year Ended September 30, 2012

Line No.		
1	**Adjustments:**	
2		
3	**Pro-forma Adjustments:**	
4	1 - To annualize increase in electricity rates.	$ 24,897
5	2 - To annualize contract labor and materials for operations and customer service.	(27,320)
6	3 - To reflect cost of converting to the new billing system.	15,249
7	4 - To reflect bad debts for contract work.	26,933
8	5 - To reflect current over head allocation.	936,020
9	6 - To exclude items of overhead not allowed in the previous rate case.	(45,249)
10	7 - To annualize the allocation of rent from PUI to PWR-Alpine and PWR-Woodlands.	(18,473)
11	8 - To annualize the cost of new electronic payment processing fees.	39,196
12	9 - To amortize rate case expense over a 3-year period.	67,919
13	10 - To reflect depreciation expense at the pro-forma level.	77,126
14	11 - To reflect income taxes at statutory rates.	706,738
15	12 - To remove other income from the revenue requirement.	138,389
16	**Total Pro-forma Adjustments**	$ 1,941,425
17		
18	**Adjustments Related to Rate Increase:**	
19	13 - Requested revenue increase.	$ 1,471,758
20	14 - Bad debts expense related to rate increase.	8,660
21	15 - To reflect effect of Blythewood franchise fee on increase.	5,953
22	16 - Income taxes related to rate increase.	543,515
23	**Total Adjustments Related to Rate Increase**	$ 913,630
24		

Palmetto Utilities, Inc.

Billed Revenue at Present and Proposed Rates

Line No.	Customer Class (1)	ERCs (#) (2)	Monthly Rate ($/Mo.) (3)	Revenue ($) (4)
1	**Service Revenue at Present Rates**			
2				
3	**Calculated Service Revenue**			
4	Residential	139,257	33.00	4,595,481
5	Residential - Blythewood	1,049	33.99	35,656
6	Residential - Multi Family	19,522	33.00	644,226
7	Commercial and Industrial	31,292	33.00	1,032,647
8	Commercial and Industrial - Blythewood	5,152	33.99	175,116
9	**Total Calculated Service Revenue**			6,483,126
10				
11	**Billing Adjustments**			(12,841)
12				
13	**Actual Service Revenue**			6,470,284
14				
15	**Service Revenue at Proposed Rates**			
16				
17	**Calculated Service Revenue**			
18	Residential	139,257	39.00	5,431,023
19	Residential - Blythewood	1,049	40.95	42,957
20	Residential - Multi Family	19,522	39.00	761,358
21	Commercial and Industrial*	38,352	39.00	1,495,730
22	Commercial and Industrial - Blythewood	5,152	40.95	210,974
23	**Total Calculated Service Revenue**			7,942,042
24				
25				
26				
27				
28				
29	* Includes 588.31 per month of additional ERCs related to commercial and industrial customers.			

Palmetto Utilities, Inc.

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Original Cost and Annual Depreciation at September 30, 2012

Line No.	Account	Balance Sheet as of 9-30-2012	Adjustments *	Original Cost @ 9-30-12	Pro-forma Additions	Pro-forma Retirements	Pro-Forma Original cost	Service Life	Annual Depr. Rate	Annual Depr. Exp.	Accum. Depr. @ 9-30-12	Pro-Forma Depr. Exp.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	**Plant in Service**											
2												
3	**Collection System**											
4												
5	**Account 360.2 Collection Sewers - Force**											
6	PVC - 4" to 30"	$ 2,837,643	$ (13,532)	$ 2,824,110	$ 1,127,540	$ -	$ 3,951,650	30	3.33%	$ 96,040	$ 692,408	$ 131,722
7	DIP - 4" to 30"	133,710	-	133,710	-	-	133,710	30	3.33%	4,671	29,316	4,457
8	Air Release Manholes	13,964	-	13,964	-	-	13,964	30	3.33%	463	1,409	465
9	**Total Account 360.2**	2,985,317	(13,532)	2,971,784	1,127,540	-	4,099,324			101,174	723,132	136,644
10												
11	**Account 361.2 Collection Sewers - Gravity**											
12	PVC - 4" to 30"	19,970,210	(444,457)	19,525,753	40,800	-	19,566,553	45	2.22%	446,438	4,102,853	434,812
13	DIP - 8" to 24"	1,571,884	-	1,571,884	-	-	1,571,884	45	2.22%	36,060	215,875	34,931
14	Manholes	8,829,119	-	8,829,119	22,503	-	8,851,622	30	3.33%	304,663	2,667,854	295,054
15	**Total Account 361.2**	30,371,213	(444,457)	29,926,756	63,303	-	29,990,059			787,181	6,986,582	764,797
16												
17	**Account 363.2 Services to Customers**											
18	Services	1,840,763	2,157	1,842,920	12,500	-	1,855,420	38	2.63%	49,380	388,638	48,827
19	Elder Valves	1,402,996	-	1,402,996	17,662	-	1,420,658	38	2.63%	37,702	296,585	37,386
20	Grease Traps	13,015	-	13,015	-	-	13,015	38	2.63%	359	728	343
21	**Total Account 363.2**	3,256,775	2,157	3,258,932	30,162	-	3,289,094			87,441	685,951	86,555
22												
23	**Total Collection Plant**	36,613,305	(455,833)	36,157,472	1,221,005	-	37,378,477			975,796	8,395,666	987,996
24												
25	**Pumping Plant**											
26												
27	Account 354.3 Structures and Improvements	3,374,858	1,355	3,376,212	130,858	-	3,507,070	32	3.13%	109,716	979,393	109,596
28	Account 371.3 Pumping Equipment - Fully Accrued	242,115	-	242,115	-	-	242,115	FA	-	-	242,115	-
29	Account 371.3 Pumping Equipment	5,099,338	76,808	5,176,146	599,732	(25,727)	5,750,150	18	5.56%	293,904	1,703,006	319,453
30												
31	**Total Pumping Plant**	8,716,311	78,162	8,794,473	730,590	(25,727)	9,499,336			403,620	2,924,513	429,049
32												
33	**Treatment and Disposal Plant**											
34												
35	Account 353.4 Land and Land Rights	136,355	-	136,355	-	-	136,355	N/D		-	-	-
36	Account 354.4 Structures and Improvements	1,433,667	-	1,433,667	19,070	-	1,452,737	32	3.13%	47,074	761,203	45,398
37	Account 355.4 Power Generating Equipment	364,486	-	364,486	-	-	364,486	20	5.00%	19,118	114,057	18,224
38	Account 371.4 Pumping Equipment - Fully Accrued	145,658	-	145,658	-	-	145,658	FA		-	145,658	-
39	Account 371.4 Pumping Equipment	520,578	4,451	525,029	-	-	525,029	18	5.56%	32,522	259,010	29,168
40	Account 380.4 Treat. and Disp. Eq. - Fully Accrued	304,221	-	304,221	-	-	304,221	FA		-	304,221	-
41	Account 380.4 Treatment and Disposal Equipment	8,144,441	128,183	8,272,624	680,550	-	8,953,174	18	5.56%	471,640	3,459,022	497,398

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Palmetto Utilities, Inc.

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Original Cost and Annual Depreciation at September 30, 2012

Line No.	Account	Balance Sheet as of 9-30-2012	Adjustments *	Original Cost @ 9-30-12	Pro-forma Additions	Pro-forma Retirements	Pro-Forma Original cost	Service Life	Annual Depr. Rate	Annual Depr. Exp.	Accum. Depr. @ 9-30-12	Pro-Forma Depr. Exp.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Plant in Service											
2												
3	Treatment and Disposal Plant											
4												
5	Account 381.4 Plant Sewers	462,441	-	462,441	-	-	462,441	35	2.86%	13,839	112,704	13,213
6	Account 382.4 Outfall Sewer Lines	1,664,046	-	1,664,046	-	-	1,664,046	30	3.33%	58,099	1,187,256	55,468
7	Account 389.4 Oth. Plt. & Misc. Eq. - Fully Accrued	270,194	-	270,194	-	-	270,194	FA		-	270,194	-
8	Account 389.4 Other Plant and Miscellaneous Equip.	1,429,729	-	1,429,729	-	-	1,429,729	18	5.56%	78,026	660,065	79,429
9												
10	Total Treatment and Disposal Plant	14,875,815	132,634	15,008,449	699,620	-	15,708,069			720,318	7,273,388	738,299
11												
12	General Plant											
13												
14	Account 353.7 Land and Land Rights	519,247	-	519,247	-	-	519,247	N/D		-	-	-
	Account 354.7 Structures and Improvs. - Fully Accr.	3,716	-	3,716	-	-	3,716	FA		-	3,739	-
15	Account 354.7 Structures and Improvements	172,467	(31,789)	140,678	-	-	140,678	4.83	20.72%	25,343	46,557	29,149
16												
17	Account 390.7 Office Furniture and Equipment											
18	Furniture and Equipment	32,016	22,574	54,590	-	-	54,590	15	6.67%	2,732	20,451	3,639
19	Computers - Fully Accrued	83,825	-	83,825	-	-	83,825	FA		-	83,825	-
20	Computers	52,665	15,413	68,078	-	-	68,078	6	16.67%	12,258	25,497	11,346
21												
22	Total Account 390.7	168,506	37,987	206,493	-	-	206,493			14,990	129,773	14,986
23												
24	Account 391.7 Transportation Equipment	52,352	(2,884)	49,468	-	-	49,468	6	16.67%	8,211	124,594	8,245
25	Account 392.7 Stores Equipment	-	-	-	3,171	-	3,171	16	6.25%	-	-	198
26	Account 393.7 Tools, Shop and Garage Equipment	177,265	(4,076)	173,189	28,653	-	201,843	16	6.25%	8,219	64,045	12,615
27	Account 394.7 Laboratory Equipment	42,566	-	42,566	-	-	42,566	15	6.67%	2,941	14,152	2,838
28	Account 395.7 Power Operated Equipment	176,666	59,957	236,623	-	-	236,623	12	8.33%	15,494	(63,947)	19,719
29	Account 396.7 Communication Equipment	74,847	6,421	81,268	-	-	81,268	10	10.00%	8,076	44,627	8,127
30	Account 398.7 Other Tangible Plant	119,055	3,026	122,081	-	-	122,081	10	10.00%	12,542	12,337	12,208
31												
32	Total General Plant	1,506,689	68,642	1,575,331	31,825	-	1,607,155			95,817	375,877	108,084
33												
34	Total Plant in Service	61,712,120	(176,395)	61,535,725	2,683,039	(25,727)	64,193,037			2,195,550	18,969,444	2,263,428

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Original Cost and Annual Depreciation at September 30, 2012

Line No.	Account	Balance Sheet as of 9-30-2012	Adjustments *	Original Cost @ 9-30-12	Pro-forma Additions	Pro-forma Retirements	Pro-Forma Original cost	Service Life	Annual Depr. Rate	Annual Depr. Exp.	Accum. Depr. @ 9-30-12	Pro-Forma Depr. Exp.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	**Plant Held For Future Use****											
2												
3	**Treatment and Disposal Plant**											
4												
5	Account 353.4 Land and Land Rights	292,370	-	292,370	-	-	292,370	N/D		-	-	-
6	Account 355.4 Power Generating Equipment	59,208	-	59,208	-	-	59,208	20	5.00%	-	-	-
7	Account 380.4 Treatment and Disposal Equipment	223,263	-	223,263	-	-	223,263	18	5.56%	-	26,215	-
8												
9	**Total Treatment and Disposal Plant**	574,840	-	574,840	-	-	574,840			-	26,215	-
10												
11	**General Plant**											
12												
13	Account 393.7 Tools, Shop and Garage Equipment	14,160	-	14,160	-	-	14,160	16	6.25%	-	-	-
14	Account 398.7 Other Tangible Plant	23,833	-	23,833	-	-	23,833	30	3.33%	-	-	-
15												
16	**Total General Plant**	37,993	-	37,993	-	-	37,993			-	-	-
17												
18	**Total Plant Held for Future Use**	612,832	-	612,832	-	-	612,832			-	26,215	-
19												
20	**Total Plant in Service and Plant Held**											
21	**for Future Use**	$ 62,324,953	$ (176,395)	$ 62,148,558	$ 2,683,039	$ (25,727)	$ 64,805,870			$ 2,195,550	$ 18,995,660	$ 2,263,428
22												
23	* Adjustments made at year end related to 9-30-2012 balances.		(245,036.45)									
24	** No depreciation until property is placed in service.											

Palmetto Utilities, Inc.

Original Cost and Annual Depreciation at September 30, 2012

Line No.	Account	Balance Sheet as of 9-30-2012	Adjustments *	Original Cost @ 9-30-12	Pro-forma Additions	Pro-forma Retirements	Pro-Forma Original cost	Service Life	Annual Depr. Rate	Annual Depr. Exp.	Accum. Depr. @ 9-30-12	Pro-Forma Depr. Exp.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	CIAC											
2												
3	Collection System											
4												
5	Account 360.2 Collection Sewers - Force											
6	PVC - 4" to 30"	$ (2,433,359)	$ 15,393	$ (2,417,966)	$ (271,731)	$ -	$ (2,689,697)	30	3.33%	$ (79,594)	$ (587,503)	$ (89,657)
7	DIP - 4" to 30"	(131,213)	-	(131,213)	-	-	(131,213)	30	3.33%	(4,456)	(28,675)	(4,374)
8	Air Release Manholes	(8,362)	-	(8,362)	-	-	(8,362)	30	3.33%	(284)	(889)	(279)
9	Total Account 360.2	(2,572,935)	15,393	(2,557,542)	(271,731)	-	(2,829,273)			(84,334)	(617,068)	(94,309)
10												
11	Account 361.2 Collection Sewers - Gravity											
12	PVC - 4" to 30"	(17,301,584)	505,560	(16,796,024)	(3,556)	-	(16,799,579)	45	2.22%	(375,705)	(3,601,702)	(373,324)
13	DIP - 8" to 24"	(1,564,197)	-	(1,564,197)	-	-	(1,564,197)	45	2.22%	(34,880)	(212,896)	(34,760)
14	Manholes	(8,446,703)	-	(8,446,703)	(11,218)	-	(8,457,921)	30	3.33%	(283,210)	(2,485,827)	(281,931)
15	Total Account 361.2	(27,312,485)	505,560	(26,806,924)	(14,774)	-	(26,821,698)			(693,795)	(6,300,424)	(690,015)
16												
17	Account 363.2 Services to Customers											
18	Services	(1,743,097)	(2,453)	(1,745,550)	-	-	(1,745,550)	38	2.63%	(45,911)	(372,486)	(45,936)
19	Elder Valves	(1,306,357)	-	(1,306,357)	(7,632)	-	(1,313,989)	38	2.63%	(34,497)	(279,579)	(34,579)
20	Grease Traps	(8,609)	-	(8,609)	-	-	(8,609)	38	2.63%	(231)	(417)	(227)
21	Total Account 363.2	(3,058,063)	(2,453)	(3,060,517)	(7,632)	-	(3,068,148)			(80,638)	(652,482)	(80,741)
22												
23	Total Collection Plant	(32,943,483)	518,500	(32,424,983)	(294,136)	-	(32,719,119)			(858,767)	(7,569,974)	(865,064)
24												
25	Pumping Plant											
26												
27	Account 354.3 Structures and Improvements	(3,067,052)	(1,541)	(3,068,593)	-	-	(3,068,593)	32	3.13%	(96,846)	(808,406)	(95,894)
28	Account 371.3 Pumping Equipment - Fully Accrued	(115,675)	-	(115,675)	-	-	(115,675)	FA	-	-	(115,675)	-
29	Account 371.3 Pumping Equipment	(3,969,424)	(87,367)	(4,056,791)	-	25,727	(4,031,064)	18	5.56%	(226,249)	(1,444,607)	(223,948)
30												
31	Total Pumping Plant	(7,152,151)	(88,908)	(7,241,059)	-	25,727	(7,215,332)			(323,095)	(2,368,688)	(319,842)
32												
33	Treatment and Disposal Plant	-	-									
34												
35	Account 353.4 Land and Land Rights	(60,845)	-	(60,845)	-	-	(60,845)	N/D			-	-
36	Account 354.4 Structures and Improvements	(774,988)	-	(774,988)	-	-	(774,988)	32	3.13%	(24,737)	(381,612)	(24,218)
37	Account 355.4 Power Generating Equipment	(190,541)	-	(190,541)	-	-	(190,541)	20	5.00%	(9,715)	(60,949)	(9,527)
38	Account 371.4 Pumping Equipment - Fully Accrued	(63,030)		(63,030)	-	-	(63,030)	FA	-	-	(30,412)	-
39	Account 371.4 Pumping Equipment	(278,408)	(5,063)	(283,471)	-	-	(283,471)	18	5.56%	(17,374)	(144,416)	(15,748)
40	Account 380.4 Treat. and Disp. Eq. - Fully Accrued	(44,345)		(44,345)	-	-	(44,345)	FA	-	-	(44,345)	-
41	Account 380.4 Treatment and Disposal Equipment	(4,978,321)	(145,805)	(5,124,126)	-	-	(5,124,126)	18	5.56%	(291,156)	(2,271,003)	(284,574)

Palmetto Utilities, Inc.

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Original Cost and Annual Depreciation at September 30, 2012

Line No.	Account	Balance Sheet as of 9-30-2012	Adjustments *	Original Cost @ 9-30-12	Pro-forma Additions	Pro-forma Retirements	Pro-Forma Original cost	Service Life	Annual Depr. Rate	Annual Depr. Exp.	Accum. Depr. @ 9-30-12	Pro-Forma Depr. Exp.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	CIAC											
2												
3	Treatment and Disposal Plant											
4												
5	Account 381.4 Plant Sewers	(333,087)	-	(333,087)	-	-	(333,087)	35	2.86%	(9,690)	(77,206)	(9,517)
6	Account 382.4 Outfall Sewer Lines	(275,382)	-	(275,382)	-	-	(275,382)	30	3.33%	(9,314)	(185,465)	(9,179)
7	Account 389.4 Oth. Plt. & Misc. Eq. - Fully Accrued	(133,438)	-	(133,438)	-	-	(133,438)	FA	-	-	(39,385)	-
8	Account 389.4 Other Plant and Miscellaneous Equip.	(729,003)	-	(729,003)	-	-	(729,003)	18	5.56%	(43,670)	(363,283)	(40,500)
9												
10	Total Treatment and Disposal Plant	(7,861,389)	(150,868)	(8,012,257)	-	-	(8,012,257)			(405,656)	(3,598,077)	(393,364)
11												
12	General Plant											
13												
14	Account 353.7 Land and Land Rights	-	-	-	-	-	-	N/D			-	-
15												
16	Account 390.7 Office Furniture and Equipment											
17	Furniture and Equipment	-	-	-	-	-	-	15	6.67%	-	-	-
18	Computers - Fully Accrued	-	-	-	-	-	-	FA	-	-	-	-
19	Computers	-	-	-	-	-	-	6	16.67%	-	-	-
20												
21	Total Account 390.7	-	-	-	-	-	-			-	-	-
22												
23	Account 391.7 Transportation Equipment	-	-	-	-	-	-	6	16.67%	-	-	-
24	Account 393.7 Tools, Shop and Garage Equipment	-	-	-	-	-	-	16	6.25%	-	-	-
25	Account 394.7 Laboratory Equipment	-	-	-	-	-	-	15	6.67%	-	-	-
26	Account 395.7 Power Operated Equipment	-	-	-	-	-	-	12	8.33%	-	-	-
27	Account 396.7 Communication Equipment	-	-	-	-	-	-	10	10.00%	-	-	-
28	Account 398.7 Other Tangible Plant	-	-	-	-	-	-	10	10.00%	-	-	-
29												
30	Total General Plant	-	-	-	-	-	-			-	-	-
31												
32	Total Plant in Service - CIAC	(47,957,023)	278,724	(47,678,299)	(294,136)	25,727	(47,946,708)			(1,587,518)	(13,536,739)	(1,578,270)

Exhibit "B" to Application
Docket No. 2013-42-S
Page 12 of 14

Palmetto Utilities, Inc.

Original Cost and Annual Depreciation at September 30, 2012

Line No.	Account	Balance Sheet as of 9-30-2012	Adjustments *	Original Cost @ 9-30-12	Pro-forma Additions	Pro-forma Retirements	Pro-Forma Original cost	Service Life	Annual Depr. Rate	Annual Depr. Exp.	Accum. Depr. @ 9-30-12	Pro-Forma Depr. Exp.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	**Plant Held For Future Use - CIAC****											
2												
3	**Treatment and Disposal Plant**											
4												
5	Account 353.4 Land and Land Rights	(161,188)	-	(161,188)	-	-	(161,188)	N/D		-	-	-
6	Account 355.4 Power Generating Equipment	(30,091)	-	(30,091)	-	-	(30,091)	20	5.00%	-	-	-
7	Account 380.4 Treatment and Disposal Equipment	(19,409)	-	(19,409)	-	-	(19,409)	18	5.56%	-	(11,148)	-
8												
9	**Total Treatment and Disposal Plant**	(210,688)	-	(210,688)	-	-	(210,688)			-	(11,148)	-
10												
11	**General Plant**											
12												
13	Account 393.7 Tools, Shop and Garage Equipment	-	-	-	-	-	-	16	6.25%	-	-	-
14	Account 398.7 Other Tangible Plant	-	-	-	-	-	-	30	3.33%	-	-	-
15												
16	**Total General Plant**	-	-	-	-	-	-			-	-	-
17												
18	**Total Plant Held for Future Use - CIAC**	(210,688)	-	(210,688)	-	-	(210,688)			-	(11,148)	-
19												
20	**Total Plant in Service and Plant Held**											
21	**for Future Use - CIAC**	$ (48,167,711)	$ 278,724	$ (47,888,987)	$ (294,136)	$ 25,727	$ (48,157,396)			$ (1,587,518)	$ (13,547,888)	$ (1,578,270)
22												
23												
24												
25												
26												
27												
28	* Adjustments made at year end related to 9-30-2012 balances.											
29	** No depreciation until property is placed in service.											

Palmetto Utilities, Inc.

Schedule E
Page 1 of 1

Present and Expected Customers

Line No.	Date	No.	ERCs
1	**Commercial, Industrial and Multi-family**		
2	9/30/2011	575	5,554
3	9/30/2012	550	5,091
4	9/30/2013	560	5,377
5			
6	**Single Family Residential**		
7	9/30/2011	11,532	11,532
8	9/30/2012	11,601	11,601
9	9/30/2013	11,900	11,900
10			
11	**Total**		
12	9/30/2011	12,107	17,086
13	9/30/2012	12,151	16,692
14	9/30/2013	12,460	17,277
15			
16			

Exhibit "C" to Application
Docket No. 2013-42-S

BOARD:
Allen Amsler
Chairman

Mark S. Lutz
Vice Chairman

D H E C

PROMOTE PROTECT PROSPER

Catherine B. Templeton, Director

Promoting and protecting the health of the public and the environment

BOARD:
R. Kenyon Wells

L. Clarence Batts, Jr.

Ann B. Kirol, DDS

John O. Hutto, Sr., MD

RECEIVED

FEB 26 2013

Willoughby & Hoefer, P.A.

February 26, 2013

John Hoefer
Willoughby & Hoefer, P.A.
PO Box 8416
Columbia, SC 29202-8416

RE: Palmetto Utilities, Inc.
Wastewater Systems: ND0068411 and SC0043451

Dear Mr. Hoefer:

This letter affirms that Palmetto Utilities has the valid DHEC permits to operate these systems.

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

KEEP THIS COPY FOR YOUR RECORDS

Palmetto Utilities, Inc
1713 Suite A Woodcreek Farms Road
Elgin, South Carolina 29045
(803) 699-2422

Office Hours:
8:30 A.M. To 4:30 P.M.
Closed Saturday and Sunday

All rate schedules are approved by the S.C. Public Service Commission and are available for viewing at our office.
For emergencies call 803-699-2422 (24 hours a day)

All past due accounts are subject to a $25.00 Certified Notification Fee

Billing Date 10/4/2012

ACCOUNT NUMBER	DUE DATE	PREVIOUS BALANCE
[redacted]	10/31/2012	$0.00

SERVICE FROM	SERVICE TO
9/1/2012	9/30/2012

NEW CHARGES	
Sewer	$132.00
Late Penalty	$0.00
Reconnect	$0.00
Franchise Fee	$6.60

SERVICE ADDRESS
[redacted]

TOTAL AMOUNT DUE
$138.60

FOLD

Remittance Stub
Palmetto Utilities, Inc
Customer Name [redacted]
Account Number [redacted]
Current Charges Due Date: 10/31/2012
Total Amount Due: $138.60

▲ RETURN ENVELOPE - DETACH HERE ▲

FOLD

Exhibit "D" to Application
Docket No. 2013-42-S
Page 2 of 2

PLACE STAMP HERE
The Post Office will not deliver mail without postage

Palmetto Utilities, Inc.
1713 Suite A Woodcreek Farms Rd
Elgin SC 29045-8755

REMOVE SIDE EDGES FIRST
TO OPEN THIS SIDE - SLIDE FINGER UNDER THIS EDGE

REMOVE THESE EDGES FIRST
FOLD, CREASE AND TEAR ALONG PERFORATION

Palmetto Utilities, Inc.
1713 Suite A Woodcreek Farms Rd
Elgin, SC 29045

PRESORTED
FIRST-CLASS
MAIL
US POSTAGE
PAID
ROANOKE VA
PERMIT 149

SEE OTHER SIDE FOR
OPENING INSTRUCTIONS

[redacted]

Bank of America Higher Standards

Bank of America Direct®

Palmetto Utilities, Inc.
Capital Account
1710 Woodcreek Farms Rd.
Elgin, South Carolina 29045
(803) 699-2422

BANK OF AMERICA, NA
57-443/539

1187

7/10/2012

PAY TO THE ORDER OF S.C. Dept. of Revenue $ **38,136.74

Thirty-Eight Thousand One Hundred Thirty-Six and 74/100 DOLLARS

S.C. Dept. of Revenue
P.O. Box 125
Columbia, S.C. 29214-0006

VOID AFTER 90 DAYS

MEMO PSC Utility Assessment for D&R

Date 07/16/12

South Carolina Dept. of Revenue
Scanner Deposit

Check Info	
Account:	
Amount:	38,136.74
Check #:	1187
Posted Date:	07/16/2012

Electronic Endorsements	
07/16/2012	BANK OF AMERICA, NA
R/T:	
Seq #:	

BOFD - Bank of First Deposit

Bank of America, N.A. Member FDIC.
©2005 Bank of America Corporation. All rights reserved.

State of South Carolina
Department of Revenue
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

PSC UTILITY ASSESSMENT

L PDMS LOA PSCUTIL
PALMETTO UTILITIES INC
1710 WOODCREEK FARMS ROAD

ELGIN, SC 29045-8755
ATTEN:

FILE #	
FEI #	
PERIOD	06/12
ISSUE DATE	06/14/12
AMOUNT DUE	$38,136.74
DUE DATE	07/15/12

Gross Receipts:	$6,000,240.00
Administration Fee:	$8,925.20
Electric:	$0.00
Regulated Gas:	$0.00
Municipality Gas:	$0.00
Telecommunications:	$0.00
Railroads:	$0.00
Water/Waste:	$29,211.53
Transportation:	$0.00
Telecommunications LEC	$0.00
Regulatory Staff Fee OR	$0.00
TOTAL DUE:	**$38,136.74**

G/L ACCT. CODE:

Authorized Signature / Title Phone Number Date

Please attach your remittance to the enclosed copy of this notice and send it to:

SOUTH CAROLINA DEPARTMENT OF REVENUE
L CENSE TAX OFFICE AUDIT
(Address Above)

PHONE NUMBER: (803) 896-1970

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2013-42-S

RECEIVED
2013 MAR 12 PM 12:
SC PUBLIC SERVICE COMMISSION

APPLICATION OF PALMETTO UTILITIES, INC. FOR ADJUSTMENT OF RATES AND CHARGES FOR THE PROVISION OF SEWER SERVICE AND MODIFICATIONS TO CERTAIN TERMS AND CONDITIONS OF THE PROVISION OF ITS SERVICE

Palmetto Utilities, Inc. (Palmetto or the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for an adjustment of the Company's rates and charges for the provision of sewer service and modifications to certain terms and conditions of the provision of its service. Palmetto is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2012), providing water service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket No. 2011-24-S.

Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2012) and 26 S.C. Code Ann. Reg. 103-512.4.A (Supp. 2010), the Company requests that the Commission approve an increase in its monthly sewer service rates. In support of its request for an adjustment in the Company's water rates, Palmetto asserts, among other things, that the proposed sewer rate increases are necessary in order that it may provide reasonable and adequate service to its customers, allow the Company to recover its incurred costs, comply with environmental regulations, and earn a reasonable return on its investment. The Company also asserts that the proposed sewer rate increases are necessary to preserve its financial integrity and to permit continued investment in and maintenance of its facilities so as to provide reliable and high quality services.

The Company also seeks modifications to certain terms and conditions of its rate schedule pertaining to the operation, repairs and maintenance of satellite systems connected to Palmetto's system.

THE PROPOSED CHANGES IN THE RATES AND CHARGES ARE SET FORTH BELOW
(The complete rate schedule is available from the Company at the address below and on the Commission's website at www.psc.sc.gov)

SEWER

Monthly Charges	**Current**	**Proposed**
Residential monthly charge Per single-family house, condominium, villa, or apartment unit	$33.00	$39.00
Commercial – monthly charge	$33.00 per SFE	$39.00 per SFE

A copy of the Company's Application can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211. Additionally, Palmetto's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, South Carolina on _____.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before _____, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. 2013-42-S.***

Any person who wishes to testify and present evidence at the hearing should notify the Docketing Department, in writing, at the address below, the Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211, and John M. S. Hoefer, Esquire, Willoughby & Hoefer, P.A., Post Office Box 8416, Columbia, South Carolina 29202-8416 on or before _____, and indicate the amount of time required for the presentation. ***Please refer to Docket No. 2013-42-S.***

Any person who wishes to request a hearing in his or her county of residence should notify on or before _____, in writing, the Docketing Department at the address below, the Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211, and John M. S. Hoefer, Esquire, Willoughby & Hoefer, P. A., Post Office Box 8416, Columbia, South Carolina 29202-8416. ***Please refer to Docket No. 2013-42-S.***

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department in writing at the address below on or before _____. ***Please refer to Docket No. 2013-42-S.***

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding MUST present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211

__/__/__