BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NOS. 94-727-S AND 94-728-S - ORDER NO. 96-44

JANUARY 19, 1996

IN RE: Application of Development Service, Inc. for Approval of an Increase in Rates and Charges for Sewer Service.	)	ORDER APPROVING RATES AND CHARGES
and	)	
Application of Bush River Utilities, Inc. for Approval of an Increase in Rates and Charges for Sewer Service.	)	

INTRODUCTION

This matter comes before the Public Service Commission of South Carolina ("the Commission") on the separate Applications for an increase in sewer rates and sewer charges filed by Development Service, Inc. ("DSI") and by Bush River Utilities, Inc. ("Bush River") (hereafter collectively referred to as "the Companies" or "the Applicants"). The Companies' Applications were filed pursuant to S.C. Code Ann. §58-5-240 (Supp. 1994) and 26 S.C. Code Ann. Regs. 103-821 (1976, as amended) of the Commission's Rules of Practice and Procedure. Both Applications were filed on July 24, 1995.

By separate letters dated September 6, 1995, the Commission's Executive Director instructed both DSI and Bush River to publish a prepared Notice of Filing, one time, in newspapers of general circulation in the areas affected by the Applications. The Notices of Filing indicated the nature of the Companies'

Applications and advised all interested parties desiring participation in the proceedings of the manner and time in which to file the appropriate pleadings for inclusion in the proceedings. The Companies were also instructed to notify directly all customers affected by the proposed rates and charges. Both Companies filed affidavits which indicated that the Companies complied with the instructions of the Executive Director regarding publishing and issuing the Notices of Filing. Petitions to Intervene were filed on behalf of the Consumer Advocate for the State of South Carolina in both the DSI and Bush River dockets and by Baker & Baker and Howard Johnson Associates in the DSI docket.

The Commission Staff made on-site investigations of the Companies' facilities, audited the Company's books and records, and gathered other detailed information concerning both Companies' operations.

A public hearing regarding DSI's Application was held in the Commission's hearing room at 111 Doctors Circle, Columbia, South Carolina on December 20, 1995, at 10:30 a.m. Pursuant to S.C. Code Ann. §58-3-95 (Supp. 1994), a panel of three (3) Commissioners was designated to hear and rule on this matter. The panel consisted of Commissioners Scott, Bradley, and Saunders. Commissioner Scott presided over the proceeding. Frank R. Ellerbe, III, Esquire represented DSI; Elliott F. Elam, Jr., Esquire represented the Consumer Advocate; Steven M. Anastasion, Esquire represented Baker & Baker and Howard Johnson Associates; and Florence P. Belser, Staff Counsel represented the Commission Staff.

DSI presented the testimony of Keith G. Parnell, Operations Manager for DSI, and Stan C. Bennett, Certified Public Accountant. The Commission Staff presented the testimony of Bruce Hulion, Public Utilities Accountant, and Robert W. Burgess, Utilities Rate Analyst. Neither of the Intervenors presented witnesses.

On December 21, 1995, at 10:30 a.m., a public hearing on Bush River's Application was held in the Commission's hearing room at 111 Doctors Circle, Columbia, South Carolina. As with the DSI hearing, a panel of three (3) Commissioners was designated to hear and rule on the Bush River Application. The same panel which heard the DSI matter (Commissioners Scott, Bradley, and Saunders) also heard the Bush River case. Commissioner Scott presided. Frank R. Ellerbe, III, Esquire, represented Bush River; Elliott F. Elam, Jr., Esquire, represented the Consumer Advocate; and Florence P. Belser, Staff Counsel, represented the Commission Staff.

Bush River presented the testimony of Keith G. Parnell, Operations Manager for Bush River; Stan C. Bennett, Certified Public Accountant; and Robin Foy of the South Carolina Department of Health and Environmental Control (DHEC). The Commission Staff presented the testimony of Bruce Hulion, Public Utilities Accountant, and Robert W. Burgess, Utilities Rate Analyst. The Consumer Advocate did not present any witnesses.

THE APPLICANTS AND TREATMENT FOR RATEMAKING PURPOSES

DSI is a privately owned company operating a collection only system in Richland County in the area around Dutch Square Shopping Mall. At the time of its Application, DSI provided sewer service

to 59 commercial customers and 62 residential customers. DSI's present rate schedule was approved by the Commission in Order Number 87-1094 dated September 29, 1987 (Docket Number 86-423-S). The wastewater collected by DSI is treated by Bush River, making DSI a wholesale customer of Bush River.

Bush River is a privately owned company furnishing sewer collection and sewer treatment in Richland and Lexington Counties. At the time of its Application, Bush River provided sewer service to 36 commercial customers, which includes apartments and condominiums. Bush River also provides service to one (1) wholesale customer, which is DSI.

Bush River and DSI are both owned by common owners, and Keith Parnell, who testified at both hearings, is Operations Manager for both Bush River and DSI. Additionally, DSI is a wholesale customer of Bush River and is by far the largest customer of Bush River. The Applications for the rate increases address substantially identical issues, and the Companies have filed identical rate schedules for their residential and commerical customers.

At the time of the last rate cases for Bush River and DSI, the Companies were owned by different parties. However, the relationship (i.e. that DSI is a large customer of Bush River) between the two Companies was evident. The last rate case orders approved identical rates for residential and commercial customers of the Companies, although the ownership of the Companies was not the same. The Commission also set a wholesale rate for DSI which was dependent upon the rates charged by Bush River. Mr. Parnell

testified that in preparing for the current rate cases it was determined that any questions about whether the customers of the two Companies were being treated fairly could be resolved by maintaining the same rate structure approved by the Commission in the last rate cases in 1987. Additionally, Mr. Parnell testified that the Companies proposed identical rates in the current proceedings so that the customers of the Companies are charged similar rates for similar services.

The Commission has carefully considered the Applications filed by the Companies and the relationship between the Companies. Due to the relationship between the Companies' Applications and the interdependence of the Companies upon each other, the Commission concludes that it is the best interest of the Companies and the customers to combine the Companies for ratemaking purposes. The Commission will therefore examine the combined operations of the Companies for the purpose of rate relief. The Commission also encourages the Companies to review the possibility of merging the companies.

After thorough consideration of the entire record in these two cases, including the testimony and all exhibits, and the applicable law, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Companies are sewer utilities operating in Richland and Lexington Counties, South Carolina and are subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. §58-5-10 *et seq*.

2. The Companies proposed that the appropriate test year to consider the requested rate increase is the twelve month period ending December 31, 1994. Based on the Companies' proposed test year, the Staff utilized the same test period for its accounting and pro forma adjustments. The Commission finds that the appropriate test year is the test year ending December 31, 1994.

3. Under present rates, the appropriate operating revenues for the Companies for the test year, after accounting and pro forma adjustments on which to base rates are $318,417.

4. The appropriate operating expenses for the combined operations of the Companies during the test year, after accounting and pro forma adjustments approved herein, are $486,797.

5. The Companies' combined net operating income for the test year, after accounting and pro forma adjustments approved herein, is calculated to be ($168,380), and the Companies' combined net income for return for the test year after accounting and pro forma adjustments approved herein is calculated to be ($168,380).

6. The Commission will use the operating margin as a guide in determining the lawfulness of the Companies' proposed rates and for the fixing of just and reasonable rates.

7. Under the presently approved rates, Staff computed the Companies' combined operating margin, after interest and after the herein approved accounting and pro forma adjustments, to be (52.88%). Staff calculated that the Companies' proposed increase in rates and charges, after the herein approved accounting and pro forma adjustments, would result in an operating margin for the Companies combined operations of 8.22%.

8. The appropriate level of operating revenues under the rates approved herein are $552,476 which reflects a net authorized increase in operating revenues of $234,059.

9. The appropriate operating expenses under the rates approved herein are $504,261.

10. The Companies' appropriate level of net operating income for return after accounting and pro forma adjustments under the rates approved herein is $48,215.

CONCLUSIONS OF LAW

1. The Companies are sewer utilities under S.C. Code Ann. §58-5-10 and are providing service in their approved service area located in Richland and Lexington Counties, South Carolina. The Companies' operations in South Carolina are subject to the jurisdiction of this Commission pursuant to S.C. Code Ann. §58-5-10 et seq.

2. A fundamental principle of the ratemaking process is the establishment of a historical test year with the basis for calculating a utility's operating margin and, consequently, the validity of the utility's requested rate increase. While the Commission considers a utility's proposed rate increase based upon occurrences within the test year, the Commission will also consider adjustments for any known and measurable out-of-test year changes in expenses, revenues, and investments, and will also consider adjustments for any unusual situations which occurred in the test year. See, Parker V. South Carolina Public Service Commission, 280 S.C. 310, 313 S.E.2d 290 (1984), citing City of Pittsburgh v. Pennsylvania Public Utility Commission, 187 P.A.

Super. 341, 144 A.2d 648 (1958); Southern Bell v. The Public Service Commission, 270 S.C. 590, 244 S.E.2d 278 (1978).

The Companies chose the test year ending December 31, 1994. The Commission Staff used the same test year in calculating its adjustments. Based on the information available to the Commission, the Commission is of the opinion, and therefore concludes, that the test year ending December 31, 1994 is appropriate for the purposes of this rate request.

3. The Commission concludes that the Staff's adjustments to the Companies' operating revenues are appropriate for the purposes of this Order. The Companies removed "uncollectibles" from test year revenues. Staff made an adjustment which included the "uncollectibles" in test year revenues. In effect, the Companies' revenue figure showed revenues actually collected, while the Staff's revenue figure reflected the annualized amount billed to customers. The Commission believes and concludes that the proper revenue amount to use in the determination of rates in this case is the amount of revenues billed during the test year. The revenues billed are revenues which the Companies had the opportunity to earn during the test year and therefore should be the amount used on which to set rates. Therefore, the Commission accepts Staff's adjustment to operating revenues and concludes that the appropriate operating revenues for the Companies for the test year under present rates and after accounting and pro forma adjustments are $318,417.

4. For the reasons set forth below, the Commission makes the following accounting and pro forma adjustments:

(a) Uncollectible Expense - As discussed above, the Companies removed "uncollectibles" from operating revenues for the test year. Staff adjusted the test year operating revenues to include the "uncollectibles" in the test year. At the hearing, the Companies pointed out that while the Staff included the "uncollectibles" during the test year, the Staff did not allow a corresponding expense to account for the uncollected revenues during the test year. The Commission believes that since Staff included the "uncollectibles" in revenues that a corresponding expense item should be allowed for the Companies. The Commission adopts as reasonable, an expense adjustment of one and one-half (1 1/2%) per cent of revenues for uncollectible expense.

(b) Rate Case Expenses - At the hearings, the Companies updated rate case expenses and supplied the Commission with summaries of bills associated with these rate cases. The Commission has examined these expenses (for attorney fees and accountant fees associated with these cases) and believes that the fees are reasonable. The Commission will therefore accept the Companies' updated rate case expenses and will allow the rate case expenses amortized over a three (3) year period. The Commission adopts a three year amortization as reasonable as such a period will allow the Companies to recover these expenses within a reasonable time without placing undue hardship on ratepayers. The Commission therefore will allow $5,132 in expenses for the Companies to recover expenses associated with these rate cases.

(c) Salary Increases - In the Applications, the Companies proposed to increase salaries to provide a fifteen (15%) per cent

increase. The Companies presented testimony that the fifteen (15%) per cent raises were calculated by allowing for a three (3%) per cent inflation factor over the past five (5) years. Mr. Parnell testified that salaries had not been increased in over five (5) years and further testified that he had promised his employees a raise if granted a rate increase. During the hearing on the Bush River Application, Mr. Parnell stated that the employees had not been paid in two weeks as the Company had not had the cash to meet its payroll. The Commission finds that a salary increase of fifteen (15%) per cent is reasonable considering that the employees have not received a salary increase in over five (5) years. Therefore, the Commission approves the Companies' adjustments for employee salary increase of $7,138 for Collection Salaries and of $3,280 for Administrative Salaries. However, the Commission does not approve the Companies proposed adjustment for an increase for Officers' Salaries. Further, the salary increases shall be subject to Staff verification, and the Company shall provide the necessary information to the Staff for verification of the salary increases.

(d) Payroll Taxes - As the Commission has found the proposed salary increases for the employees to be reasonable, the Commission approves the adjustments for the associated payroll taxes also. The adjustment for associated payroll taxes is $1,307.

(e) Property Taxes - The Companies proposed to adjust property taxes to include 1994 property taxes which had been billed to the Company but which had not been paid. At the

hearing, Mr. Parnell testified that the 1994 property taxes had not been paid because the Companies did not have the cash on hand to pay the taxes. The Commission adopts the Companies position on the property taxes and will allow inclusion of property taxes in the rates. The Commission realizes that the taxes must be paid, and the Companies must have the cash to pay the property taxes. The ratepayers are benefiting from the property which is the subject of the property taxes. Therefore, the Commission believes that the property taxes is a necessary expense which are properly included in operating expenses for ratemaking purposes.

(f) South Carolina Highway Department note - The Companies also proposed to include the principal payments on a note, now reduced to a judgment, to the South Carolina Highway Department (SCHD). During road construction in the Bush River service area, the SCHD moved some lines belonging to Bush River. In 1985, Bush River signed a note payable to the SCHD for the costs associated with moving the lines. The Company has not repaid the note. During the test year, the Company included the amount of principal payments on the note in expenses, but the Staff rejected the inclusion of those amounts because the Companies had not actually paid the money on the note. The Commission believes that the amount to be paid under the note should be included in rates and accepts the Companies' position on this adjustment. Mr. Parnell testified that the note payments had not been made due to lack of funds. The amount of the payments is known and measurable. The lines were moved out of necessity and had the SCHD not moved the lines, the Company would have been forced to move the lines and

incur the expense. As such, the work done and the expenses incurred were necessary. Therefore, the Commission will allow the amount of the payments on the note in operating expenses.

(g) Depreciation - The Companies proposed to compute depreciation of plant by the twenty (20) year straight line method, which is the method which the Companies use for income tax purposes. Staff rejected the Companies' proposal and adjusted depreciation allowing 50 years depreciation which Staff considers to be the actual life of the plant. The Commission rejects the Companies proposal for a more accelerated depreciation and adopts Staff's adjustment as reasonable for regulatory purposes.

(h) Other Adjustments - At the hearings, counsel for the Companies orally stipulated that the Companies agreed with all other Staff adjustments. Therefore, based on counsel's stipulation and no opposition to Staff's other accounting adjustments, the Commission accepts all other Staff accounting adjustments.

Accordingly, the Commission concludes that the Companies' appropriate operating expenses for the test year, after accounting and pro forma adjustments as described herein, are $486,797.

5. Based on the accounting and pro forma adjustments herein approved, the Companies' appropriate total income (loss) for return for the test year is ($168,380). The calculation of total

income for return is shown in Table A.

TABLE A
TOTAL INCOME FOR RETURN

(FOR COMBINED COMPANIES' OPERATIONS):

Operating Revenues	$ 318,417
Operating Expenses	486,797
Net Operating Loss	($ 168,380)
Customer Growth	-0-
Total Income for Return	($ 168,380)

6. Under the guidelines established in the decisions of Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia, 262 U.S. 679 (1923), and Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591 (1944), this Commission does not ensure through regulation that a utility will produce net profits. As the United States Supreme Court noted in Hope, a utility "has no constitutional rights to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures." However, employing fair and enlightened judgment and giving consideration to all relevant facts, the Commission should establish rates which will produce revenues "sufficient to assure confidence in the financial soundness of the utility and ... that are adequate under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties." Bluefield, supra, at 692-693.

7. There is no statutory authority that prescribes the method which this Commission must utilize to determine the lawfulness of the rates of a public utility. For a sewer utility

whose rate base has been substantially reduced by customer donations, tap fees, contributions in aid of construction, and book value in excess of investment, the Commission may decide to use the "operating ratio" and/or "operating margin" method for determining just and reasonable rates. The operating ratio is the percentage obtained by dividing total operating expenses by operating revenues; the operating margin is determined by dividing the net operating income for return by the total operating revenues of the utility. This method was recognized as an acceptable guide for ratemaking purposes in Patton v. South Carolina Public Service Commission, 280 S.C. 288, 312 S.E.2d 257 (1984).

Based on the Company's gross revenues for the test year, after accounting and pro forma adjustments, under the presently approved schedules, the Company's operating expenses for the test year, after accounting and pro forma adjustments, and customer growth, the Company's present operating margin is shown in Table B as follows:

TABLE B
OPERATING MARGIN

BEFORE RATE INCREASE (FOR COMBINED COMPANIES' OPERATIONS):

Operating Revenues	$ 318,417
Operating Expenses	486,797
Net Operating Income	$(168,380)
Customer Growth	-0-
Total Income for Return	$(168,380)
Operating Margin (After Interest Expense)	(52.88%)

8. The Commission is mindful of the standards delineated in the Bluefield decision and of the need to balance the respective

interests of the Companies and the consumers. It is incumbent upon this Commission to consider not only the revenue requirement of the Company but also the proposed price for the sewer service, the quality of the sewer service, and the effect of the proposed rates upon the consumer. See, Seabrook Island Property Owners Association v. South Carolina Public Service Commission, 303 S.C. 493, 401 S.E.2d 672 (1991).

9. The three fundamental criteria of a sound rate structure have been characterized as follows:

> ... (a) the revenue-requirement or financial-need objective, which takes the form of a fair-return standard with respect to private utility companies; (b) the fair-cost apportionment objective which invokes the principle that the burden of meeting total revenue requirements must be distributed fairly among the beneficiaries of the service; and (c) the optimum-use or consumer rationing under which the rates are designed to discourage the wasteful use of public utility services while promoting all use that is economically justified in view of the relationships between costs incurred and benefits received.
>
> Bonbright, Principles of Public Utility Rates (1961), p. 292.

10. Based on the considerations enunciated in Bluefield and Seabrook Island and on the fundamental criteria of a sound rate structure as stated in Principles of Public Utility Rates, the Commission determines that the Companies should have the opportunity to earn an operating margin in the range of 8.0% - 9.5%. The Commission concludes that rates shall be set at 8.22%. In order to have a reasonable opportunity to earn an operating margin in the range of 8.0% - 9.5%, the Companies will need to produce $552,476, or an additional $234,059 in annual operating revenues. Therefore, the Commission approves additional revenues

of $234,059. Table C illustrates a 8.22% operating margin:

TABLE C
OPERATING MARGIN

AFTER RATE INCREASE (FOR COMBINED COMPANIES' OPERATIONS):

Operating Revenues	$ 552,476
Operating Expenses	504,261
Net Operating Income	$ 48,215
Customer Growth	-0-
Total Income for Return	$ 48,215
Operating Margin (After Interest Expense)	8.22%

11. In fashioning rates to give the Companies the required amount of operating revenues so that it will have the opportunity to achieve an 8.22% operating margin, the Commission has carefully considered the needs of the Companies' customers with the needs of the Companies. The Commission encourages the Companies to continue to provide the quality of service it provides its customers. The rates designed herein consider the quality of service provided by the Company to its customers, the need for the continuance of the provision of adequate service, and the need of the Companies to meet their financial obligations, as well as the impact of the increase on those customers receiving service.

12. Based on the foregoing discussions and the record of this matter, the Commission believes and concludes that the amount of increase as proposed by the Companies is just and reasonable. The Commission hereby approves the rates and charges as filed by the Companies and as stated in this Order and attached hereto as Appendix A as being just and reasonable. The rates and charges approved are designed in such a manner as to produce and distribute the necessary revenues to provide the Companies with

the opportunity to earn the approved operating margin.

13. Based on the testimony from the hearing, the Commission instructs the Companies to use time sheets or time cards to keep a record of the time that common employees spend working for each Company. Further, the Companies are encouraged to review and explore the possibilities of merging these two Companies into one company.

IT IS THEREFORE ORDERED THAT:

1. The rates and charges attached hereto in Appendix A are approved for service rendered on or after the date of this Order. The rate schedule is hereby deemed filed with the Commission pursuant to S.C. Code Ann. §58-5-240 (Supp. 1995).

2. Should the approved schedule not be placed in effect before the expiration of three (3) months after the effective date of this Order, then the approved schedule may not be charged without written permission of the Commission.

3. The Companies shall maintain their books and records for sewer operations in accordance with the NARUC Uniform System of Accounts for Class A and B Sewerage Utilities, as adopted by this Commission.

4. The Companies are instructed to institute the use of time sheets or time cards to keep a record of the time which common employees spend working for each Company.

5. The Companies are encouraged to review and explore the possibilities of merging into one Company.

6. The Companies shall provide the necessary information to the Staff so that Staff may verify the salary increases as provided herein.

7. This Order shall remain in full force and effect until further Order of this Commission.

BY ORDER OF THE COMMISSION:

Rudolph Mitchell
Chairman

ATTEST:

Charles Saxon
Executive Director

(SEAL)

APPENDIX A

BUSH RIVER UTILITIES, INC.
POST OFFICE BOX 258
LEXINGTON, S. C. 29072
(803) 359-4803

FILED PURSUANT TO DOCKET NOS. 94-727-S AND 94-728-S - ORDER NO.96-44

EFFECTIVE DATE: JANUARY 19, 1996

SCHEDULE OF RESIDENTIAL RATES

TYPE OF RESIDENCE	MONTHLY SERVICE CHARGE
Single Family	$18.00
Apartment (Per Unit)	$17.10

SCHEDULE OF COMMERCIAL RATES

TYPE OF ESTABLISHMENT	MONTHLY SERVICE CHARGE
Monthly Minimum Charge	$18.00
Car Washes (per car)	$ 2.84
Churches	$18.00
Factories:	
Each Employee (No showers)	$ 0.84
Each Employee (With Showers)	$ 1.11
Each Employee (With Kitchen Facilities)	$ 1.39
Food Service Operations	
Ordinary Restaurant (Not 24 hours) (Per Seat)	$ 2.80
24 Hour Restaurant (Per Seat)	$ 4.19
Curb Service (Drive-in) (Per Car Space)	$ 2.80
Fast-Food Restaurant (Drive-thru) (Per Car Space)	$ 2.80
Vending Machine Restaurant	$ 1.67
Institutions:	
Per Resident	$2.38

Laundries:

Self Service (Per Machine)	$ 9.52

Mobile Homes:

Per Person	$ 2.38

Motels:

Per Unit (No Restaurant)	$ 2.38

Nursing Homes:

Per Bed (No Laundry)	$ 2.38
Per Bed (With Laundry)	$ 2.80

Offices:

Per Person (No Restaurant)	$ 0.70

Picnic Parks:

Average Attendance	$ 0.84

Rest Homes:

Per Bed (No Laundry)	$ 2.38
Per Bed (With Laundry)	$ 2.80

Schools:

Per Person (No Showers, Gym, Cafeteria)	$ 0.56
Per Person (With Cafeteria, No Gym, Showers)	$ 0.70
Per Person (With Cafeteria Gym & Showers)	$ 0.84

Service Stations:

Without Bay	$19.66
First Bay (Per Bay)	$27.98
Each Additional Bay (Per Bay)	$13.99

Shopping Centers:

Per 1,000 sq. Ft. Space	$ 5.60

Swimming Pools:

Per Person (With Sanitary Facilities and Showers)	$ 0.56

Theaters:

Drive-In - Stall	$ 0.30
Indoor - Seat	$ 0.30

SCHEDULE OF WHOLESALE RATE

A wholesaler is a person or entity which collects the sewerage of one or more customers through the use of wholesaler's own mains and which charges a fee approved by this Commission for such service. In turn, the combined collected sewerage is discharged into a Bush River Utilities main.

The monthly service charge to a wholesaler shall be computed by aggregating the monthly service charges which Bush River would charge each customer if the customer was directly on the Bush River's system. Seventy-five (75%) percent of this aggregate figure will be charged to the wholesaler as a monthly service charge. No charges may be rendered directly to any customer or wholesaler.

The monthly service charge shall be computed and adjusted annually and when a change is approved to the rate schedule of Bush River.

SCHEDULE OF TAP FEES

THE "Water Pollution Control Division Guidelines for Unit Contributory Loadings of Waste Water Treatment Facilities (1972)" are incorporated herein by reference. To determine tap fees the following formula is used if the customers' BOD factor is greater than the BOD factor for a residence.

$$\frac{\text{Total Volume (gpd)}}{400\ \text{(gpd)}} \times \frac{\text{Unit BOD of Customers/100 gal.}}{0.17\ \text{lbs.}} \times 300$$

If the customer's BOD factor is less than the BOD factor of an equal volume of residential waste, the following formula should be used.

$$\frac{\text{Total Volume (gpd)}}{400\ \text{(gpd)}} \times 300$$

APPENDIX A

DEVELOPMENT SERVICE, INC.
POST OFFICE BOX 258
LEXINGTON, S. C. 29072
(803) 359-4803

FILED PURSUANT TO DOCKET NOS. 94-727-S AND 94-728-S - ORDER NO. 96-44
EFFECTIVE DATE: JANUARY 19, 1996

SCHEDULE OF RESIDENTIAL RATES

TYPE OF RESIDENCE	MONTHLY SERVICE CHARGE
Single Family	$18.00
Apartment (Per Unit)	$17.10

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TYPE OF ESTABLISHMENT	MONTHLY SERVICE CHARGE
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Fast-Food Restaurant (Drive-thru) (Per Car Space)	$ 2.80
Vending Machine Restaurant	$ 1.67
Institutions:	
Per Resident	$2.38

Laundries:

Self Service (Per Machine)	$ 9.52

Mobile Homes:

Per Person	$ 2.38

Motels:

Per Unit (No Restaurant)	$ 2.38

Nursing Homes:

Per Bed (No Laundry)	$ 2.38
Per Bed (With Laundry)	$ 2.80

Offices:

Per Person (No Restaurant)	$ 0.70

Picnic Parks:

Average Attendance	$ 0.84

Rest Homes:

Per Bed (No Laundry)	$ 2.38
Per Bed (With Laundry)	$ 2.80

Schools:

Per Person (No Showers, Gym, Cafeteria)	$ 0.56
Per Person (With Cafeteria, No Gym, Showers)	$ 0.70
Per Person (With Cafeteria Gym & Showers)	$ 0.84

Service Stations:

Without Bay.....	$19.66
First Bay (Per Bay).....	$27.98
Each Additional Bay (Per Bay).....	$13.99

Shopping Centers:

Per 1,000 sq. Ft. Space.....	$ 5.60

Swimming Pools:

Per Person (With Sanitary Facilities and Showers).....	$ 0.56

Theaters:

Drive-In - Stall.....	$ 0.30
Indoor - Seat.....	$ 0.30

SCHEDULE OF TAP FEES

THE "Water Pollution Control Division Guidelines for Unit Contributory Loadings of Waste Water Treatment Facilities (1972)" are incorporated herein by reference. To determine tap fees the following formula is used if the customers' BOD factor is greater than the BOD factor for a residence.

$$\frac{\text{Total Volume (gpd)}}{400\text{(gpd)}} \times \frac{\text{Unit BOD of Customers/100 gal.}}{0.17\text{ lbs.}} \times 350$$

If the customer's BOD factor is less than the BOD factor of an equal volume of residential waste, the following formula should be used.

$$\frac{\text{Total Volume (gpd)}}{400\text{ (gpd)}} \times 350$$