



The Public Service Commission

State of South Carolina

COMMISSIONERS
Elizabeth B. "Lib" Fleming, Fourth District
Chairman
John E. "Butch" Howard, First District
Vice Chairman
David A. Wright, Second District
Randy Mitchell, Third District
G. O'Neal Hamilton, Fifth District
vacant, Sixth District
Swain E. Whitfield, At-Large

Charles L.A. Terreni
Chief Clerk/Administrator
Phone: (803) 896-5133
Fax: (803) 896-5246

Administrative Department
Phone: (803) 896-5100
Fax: (803) 896-5246

***** FOR IMMEDIATE RELEASE *****

August 5, 2009

Public Service Commission Reexamines Avondale Rate Increase

The Public Service Commission took up a request from Senator Shane Massey, Rep. J. Roland Smith, and Rep. Tom Young, Jr. in its weekly meeting this afternoon. The three legislators expressed concerns about the impact of a recently approved rate increase to the customers of the Avondale Mills water and sewer system.

On June 18, 2009, the Commission approved the first rate increase in 28 years for the system, which has continued to operate on a standalone basis since the closing of Avondale Mills in July of 2006. The Commission was faced with a water and sewer utility that was losing nearly \$500,000 per year, and the utility needed a substantial rate increase to make it solvent.

Today the Commission acknowledged that some of Avondale's customers appeared to have been taken by surprise by the rate increase. The Commission ordered Avondale to suspend the new rates until further notice, and directed the Commission staff to work with Avondale and the Office of Regulatory staff to find ways to ease the effects of the increase on customers and ensure that adequate notice is given.

The parties were told to bring their proposed solutions to the Commission at its next meeting on Wednesday, August 12th.

A copy of the Commission's directive in the matter accompanies this press release. Please contact PSC Chief Administrator Charlie Terreni with any questions at (803) 896-5133 or at charles.terreni@psc.sc.gov.

I urge the parties to make every effort to find an equitable resolution to this matter. If they are unable to find a viable solution, the Commission may well have to proceed on its own, but it would be better in the long run for all involved if the parties can work together to solve this problem.

Finally, everyone understands that Avondale's water and sewer rates are going up; we're really just arguing about how much and how quickly at this point. I urge Avondale's customers to look at their water usage patterns and implement conservation measures. They should check their systems for leaks, and consider installing separate meters for irrigation systems so that they are not paying unnecessary sewerage charges.

Amendment and clarification by Commissioner Mitchell:

I want to clarify two aspects of my motion:

- By suspending cut offs and penalties, I had intended that the Commission suspend Avondale's recently adopted rates until further action by the Commission.
- I also want to be clear that parties are to report to the Commission on their discussion and proposed solutions at the Commission's meeting next Wednesday.

PRESIDING: Fleming

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MITCHELL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(SEAL)

RECORDED BY: J. Schmieding

