

November 6, 2009

Mr. Charles Terreni
Chief Clerk and Administrator
PSC of SC
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Mr. C. Dukes Scott
Executive Director
Office of Regulatory Staff
PO Box 11263
Columbia, SC 29211

Re: Avondale Mills, Inc.

Dear Mr. Terreni and Mr. Scott,

Pursuant to S.C. Code Ann. §§ 58-5-270 and 58-5-290, we submit the following:

On December 23, 2008, Avondale Mills, Inc. ("Avondale") applied with the South Carolina Public Service Commission ("PSC") for a new schedule of water and sewer rates. On June 18, 2009, the PSC issued an order granting Avondale's proposed rate increase. Avondale implemented the rate increase with its billing period June 26, 2009 – July 25, 2009; however, Avondale's customers did not receive notice that the PSC had approved the proposed rate increase until they received their bills on July 31, 2009, after the new rates had been implemented.

We and members of the Aiken County Legislative Delegation petitioned the Aiken County Circuit Court for a temporary restraining order on August 13, 2009, based on the PSC's failure to provide Avondale's customers with notice of the approved rate increase as required by S.C. Code Ann. § 58-5-260 and the procedural due process requirements of the United States and South Carolina Constitutions. On August 24, 2009, the Circuit Court enjoined Avondale from implementing the new rate schedule until July 31, 2009, the date Avondale's customers received notice of the approved rate increase.

Specifically, Circuit Court's order was based on the following:

(1) The PSC approved Avondale's new schedule of rates on June 18, 2009. In its order, the PSC indicated that "the [new rate] schedules shall be deemed to be filed with the Commission pursuant to S.C. Code Ann. §58-5-240 (Supp. 2008)." Order Approving Rates and Charges, p. 10.

(2) According to S.C. Code Ann. § 58-5-260, the PSC must publish notice of the new rates within 10 days after the filing of a new or changed schedule. The PSC did not notify Avondale's customers of the approved rate increase – by publication or otherwise – as required by the statute.

(3) Avondale implemented the new rate schedule for the billing period June 26, 2009 – July 25, 2009.

(4) Avondale's customers first received notice of the approved rate increase with the bills dated July 31, 2009, after the new rates had been implemented.

Avondale appealed the Circuit Court's order to the Supreme Court, and we received notice yesterday that the Supreme Court has vacated the injunction because the Circuit Court did not have jurisdiction to grant the injunction.

In its order vacating the injunction, the Supreme Court referenced S.C. Code Ann. §§ 58-5-270 and 58-5-290 and suggested we should address our concern regarding lack of notice to the PSC directly.

On August 3, 2009, members of the Aiken County Legislative Delegation asked the PSC to require a 30-day notice to customers prior to Avondale's implementation of the new rates. On August 5, 2009, the PSC issued a directive suspending the rate increase for various reasons. In that unanimously approved directive, the PSC noted "that Avondale Mills' customers should have received advance notice of an increase of this magnitude." PSC Directive, 2008-460-WS, August 5, 2009. The PSC later lifted that suspension. However, neither the legislators nor the PSC addressed S.C. Code Ann. §58-5-260 or the constitutional due process requirements that we address today.

Based on the PSC's recognition that Avondale's customers should have received advance notice of the rate increase, S.C. Code Ann. § 58-5-260's requirement of notice by publication of the new rate schedule, the general constitutional requirements of procedural due process, and the Supreme Court's direction that we address these concerns to the PSC, we request that the PSC and/or ORS intervene to require Avondale to implement the new schedule of rates no earlier than July 31, 2009, the date Avondale's customers received notice that the rate increase had been approved.

Additionally, while the PSC considers this request, we ask that the PSC prohibit Avondale from (1) collecting payments under the new rate schedule for the June 26 - July 25 billing period, (2) terminating customers' water and sewer service for not paying the new rate schedule for the June 26 - July 25 period, and (3) imposing late fees or other penalties on customers who do not pay the new rate schedule for the June 26-July 25 period.

Sincerely,



Michael Hunt
509 Laurel Drive
Graniteville, SC 29829



Joe A. Taylor
105 Laurel Drive
Graniteville, SC 29829

cc: Senator Shane Massey
Representative Roland Smith
Representative Tom Young
Scott Elliott, Esq.