

Notice to Customers on the Public Service Commission’s Decision in Docket 2019-290-WS

The Public Service Commission of South Carolina (“PSC”) approved an increase in the South Carolina retail rate schedule of Blue Granite Water Company (“Blue Granite” or “Company”). The rate case began on October 2, 2019 when the Company filed an Application for Approval to Adjust Its Rate Schedules and Increase Rates. Six customer public hearings were held in early 2020. The PSC held a hearing on the Company’s request from February 26, 2020, to March 2, 2020. In Order No. 2020-306, the PSC denied a large portion of the Company’s rate request, and the Company appealed. On September 1, 2020, while the appeal was pending, the Company increased its rates to those approved by the PSC. On September 1, 2021, the Supreme Court of South Carolina issued an order on the appeal. The Court agreed with the PSC on some issues, reversed and sent other issues back to the PSC for more review. *In re Blue Granite Water Co.*, 434 S.C. 180, 862 S.E.2d 887 (2021).

The issues returned to the PSC for review dealt with the amount of money Blue Granite can get back from its customers via rates charged in five areas: (1) deferred costs paid to third-party providers of wholesale water and sewer treatment services; (2) ongoing costs paid to third-party providers of wholesale water and sewer treatment services; (3) certain legal fees paid in prior cases filed with the PSC; (4) legal fees paid in Administrative Law Court (“ALC”) hearings relating to Blue Granite’s I-20 system; and (5) rent expense for the Company’s office.

The South Carolina Office of Regulatory Staff, the South Carolina Department of Consumer Affairs, the 40 Love Point Homeowners’ Association, and Blue Granite proposed a settlement on these issues. The settlement sets the amount of money the company can get back from its customers via rates as: (1) \$2,563,596, collected over five years, for deferred purchased services; (2) \$7,591,016 in ongoing costs for purchased services; (3) \$36,864, collected over three years, for legal fees paid in previous cases filed at the PSC; (4) \$282,721, collected over five years, for legal fees spent on ALC hearings; and (5) \$48,834 for office rent expense.

On March 24, 2022, the PSC approved the settlement. The new rates as based on the order will be starting April 22, 2022:

SUMMARY OF RATE CHANGES

Service Territory	Customer Group	Charge Type	Original Request	Approved 9/1/2020 Rates	New Settlement 4/22/2022 Rates
Water Territory #2	Residential - Wells	Base	\$38.58	\$28.59	\$28.59
		Volume	\$13.86	\$12.71	\$12.84
	Residential - Purchased Water	Base	\$38.58	\$28.59	\$28.59
		Volume	\$15.99	\$14.66	\$14.82
Consolidated Sewer	Residential Per SFE	Base	\$101.30	\$78.25	\$86.47

HOW NEW RATES AFFECT THE AVERAGE CUSTOMER

Service Territory	Customer Group	Use/ Month	Current Rates Effective September 1, 2020				New Settlement Rates Effective April 22, 2022				% Change
			Volume Rate	Volume Charge	Base Charge	Total Bill	Volume Rate	Volume Charge	Base Charge	Total Bill	
Water Territory #2	Residential - Wells	3,900	x \$12.71	= \$49.57	+ \$28.59	= \$78.16	x \$12.84	= \$50.08	+ \$28.59	= \$78.67	0.65%
	Residential - Purchased Water	3,600	x \$14.66	= \$52.78	+ \$28.59	= \$81.37	x \$14.82	= \$53.35	+ \$28.59	= \$81.94	0.70%
Consolidated Sewer	Residential Per SFE				\$78.25	= \$78.25			\$86.47	= \$86.47	10.50%