

1 STATE OF SOUTH CAROLINA

2 COUNTY OF BERKELEY

3

In Re:)

4)

PUBLIC COMMENT

SANTEE COOPER,)

MEETING

5

PROPOSED RATE ADJUSTMENT)

6

7

8 DATE: September 24, 2024

9 TIME: 9:00 a.m.

10 LOCATION: Webex and South Carolina Public Service

11 Authority (Santee Cooper), One Riverwood Drive,

12 Moncks Corner, South Carolina

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20 REPORTED BY:

21 Marie H. Bruegger, CCR, RPR, CRR

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1 A P P E A R A N C E S

2 SANTEE COOPER BOARD OF DIRECTORS:

3 CHARLES (SAM) BENNETT, First District
4 KRISTOFER CLARK, Third District
5 HERB LEAIRD, Fifth District
6 STEVE MUDGE, At Large
7 DAN RAY, Georgetown County
8 ALYSSA RICHARDSON, Sixth District
9 DAVID SINGLETON, Horry County
10 STACY TAYLOR, Second District
11 JOHN WEST, Berkeley County

12 SANTEE COOPER EXECUTIVE STAFF MEMBERS:

13 VICKY BUDREAU, Chief Customer Officer
14 RAHUL DEMBLA, Chief Planning Officer
15 KEN LOTT, Chief Financial & Administrative Officer
16 JIMMY STATON, President & Chief Executive Officer
17 MONIQUE WASHINGTON, Chief Audit & Risk Officer
18 MARTY WATSON, Chief Commercial Officer
19 PAMELA WILLIAMS, Chief Public Affairs
20 Officer & General Counsel

21 STAFF MEMBERS & OUTSIDE COUNSEL:

22 NICOLE AIELLO, Manager-Corporate Communications
23 MIKE SMITH, Director of Billing and Pricing
24 JOHN CALHOUN, Financial Analyst III
25 MIKE COOL, Manager-Economic Development &
Local Government
ZACK COX, Engineer II
NANETTE EDWARDS, Partner, Burr Forman
B. SHAWAN GILLIANS, Director Sustainability &
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JACK GROOMS, Financial Analyst III
CATHY HARKNESS, Administrative Associate
BRANDY INCORVIA, Manager-Community Relations
NEIL JAMES, Director Distribution Engineering &
Operations
JONATHAN KITTS, Manager-Network Services
CHRIS MCFARLAND, Energy Advisor II - Commercial
GEORGE MERGE, Financial Analyst III

PROCEEDINGS

1 MS. BUDREAU: Good morning. At this time,
2 I'd like to call the Public Comment
3 Meeting to order, so good morning, and
4 welcome everybody that's online with us
5 today. I'm Vicky Budreau. I'm the chief
6 customer officer.

7 So first, this is a -- since this is
8 a virtual meeting, I'll go over the format
9 of the meeting. Your microphone is muted
10 by default. If you registered to comment,
11 you will be unmuted when it is your turn
12 to comment. You may notice that the video
13 is also not an option for commenters.
14 This is due to some application
15 constraints with Webex.

16 If you have questions about how to
17 register to comment or if you have issues
18 with the Webex application, please submit
19 a question in the Q and A section at the
20 bottom right of your Webex screen.

21 Please do not use the Q and A section
22 to ask questions related to the rate
23 adjustment or your account in the comment
24 box. We ask that questions related to the
25 adjustment come through as a public

1 comment, and questions specific to your
2 account go to our customer care center.
3 The contact information for the customer
4 care center is located at the top of the Q
5 and A section.

6 We'll give specific instructions on
7 how to comment in just a minute, but
8 first, I'd like to introduce Jimmy Staton,
9 our president and CEO, to say a few words.
10 MR. STATON: Thanks, Vicky, and good
11 morning and welcome to Santee Cooper's
12 Virtual Public Comment Meeting.

13 Santee Cooper was started 90 years
14 ago to provide affordable and reliable
15 electricity to South Carolina. We've been
16 blessed to have done that for the last 90
17 years, and we thank you for the privilege
18 of continuing to do that today.

19 I want you to know Santee Cooper has
20 the lowest rates amongst the major
21 utilities in the state, and our goal and
22 our expectation, even with the rate
23 changes that we're talking about today, is
24 that we will continue to have the lowest
25 rates amongst the major utilities in South

1 Carolina.

2 We have not adjusted our rates for
3 nearly eight years. I'm sure I don't have
4 to tell everyone today, but over the last
5 eight years, inflation has increased by
6 nearly 25 percent, interest rates have
7 increased significantly, and the costs of
8 materials have doubled in certain areas,
9 particularly those that require a lot of
10 steel.

11 Despite these challenges, to date,
12 Santee Cooper has managed to absorb all of
13 these cost increases. Unfortunately, we
14 can no longer manage without a modest rate
15 increase so that we can continue to
16 provide the affordable, reliable power
17 that South Carolina has come to expect
18 from us.

19 The increase we propose is well below
20 the rate of inflation I talked about
21 earlier, and in addition, though, to the
22 rate change, we proposed a rate design
23 that gives customers the opportunity to
24 control their own costs. You'll hear more
25 about that from Mike Smith here in just a

1 moment.

2 The Santee Cooper board is
3 considering our proposed rates, but today
4 is about hearing from you all. We want to
5 hear from our customers as part of our
6 transparent rate-making process. Our
7 objective today is to hear directly from
8 you all.

9 And so with that, I look forward to
10 the conversation, and I'll turn it back
11 over to Vicky.

12 MS. BUDREAU: Thank you. Thank you.

13 So today's agenda is as follows:
14 We'll make some additional introductions,
15 we'll give an overview of the retail rate
16 process and the need for the adjustment,
17 and then we'll move into the public
18 comment portion of the meeting.

19 And then for the record, the notice
20 of the proposed rate adjustment in this
21 meeting complies with FOIA and South
22 Carolina Code Section 58-31-710. The
23 notice was provided on June 10th, 2024,
24 via first-class mail or electronically to
25 customers. The notice was also provided

1 via press, news release, and on Santee
2 Cooper's website. The notice of this
3 meeting was posted online and provided to
4 the media 24 hours in advance.

5 So today we have members of the
6 Santee Cooper board online to observe the
7 process and listen to your comments. At
8 this time, I'd like to introduce our board
9 members in attendance, starting with
10 Director Herb Leaird, from the Fifth
11 District; Director Dan Ray, from
12 Georgetown County; Director Alyssa
13 Richardson, from the Sixth District;
14 Director David Singleton, from Horry
15 County; Director Stacy Taylor, Second
16 District; Director John West, representing
17 Berkeley County; and Director Steve Mudge,
18 Director at Large. For the record, a
19 quorum of the board is present.

20 Also with me today is members of our
21 C staff and management who are involved in
22 the rate process, and they're here to
23 answer questions. So I have Pamela
24 Williams, our chief public affairs officer
25 and general counsel, and Mike Smith, our

1 director of billing and pricing.

2 Also in the room are members of our
3 executive staff. I have Rahul Dembla,
4 chief planning officer; Ken Lott, our
5 chief financial and administrative
6 officer; Monique Washington, our chief
7 audit and risk officer; and Marty Watson,
8 our chief commercial officer. I'll also
9 note that staff from ORS is in attendance.

10 And going back to our directors, I
11 understand Director Kristofer Clark,
12 representing the Third District, has also
13 joined us.

14 So this is a public meeting, and a
15 court reporter is present in the room and
16 will transcribe the meeting to provide a
17 public record. This transcript will be
18 provided to the board prior to its
19 consideration and vote on the proposed
20 rate adjustment.

21 The purpose of the public meeting is
22 to provide an overview of Santee Cooper's
23 proposed rate adjustment and receive
24 information from you, our customers,
25 related to the proposed rate adjustment.

1 We're looking forward to hearing your
2 comments today. We are receiving
3 information in this meeting only about the
4 proposed rate adjustments. If you have
5 questions about your existing account, our
6 customer care center is open, and we have
7 customer service representatives available
8 to help you. The customer care phone
9 number and email address are in the Q and
10 A section of the Webex screen.

11 With regard to the proposed rate
12 adjustments, no deliberations will be
13 conducted today, no decisions will be made
14 today, and no votes will be taken today.
15 Before we begin taking public comment, we
16 have a brief overview of the process and
17 the need for the proposed rate adjustment.

18 I'd also like to note that Director
19 Sam Bennett has joined us as well, and he
20 represents the First District.

21 So at this time, I'm going to turn it
22 over to Mike Smith, again, our director of
23 billing and pricing.

24 MR. SMITH: Thank you very much, Vicky,
25 and good morning to everyone.

1 As Vicky said, my name is Mike Smith.
2 I'm the director of billing and pricing
3 here at Santee Cooper. It's my pleasure
4 to welcome you to our public meeting this
5 morning.

6 The purpose of my presentation is
7 really threefold: First, to talk about
8 why the rate adjustment is necessary, I'll
9 also talk about one of the major
10 structural changes that we have that's
11 going -- we believe is going to be an
12 ultimate benefit to our customers as they
13 adjust to this rate adjustment, then
14 finally to talk about the process going
15 forward.

16 I'll be working from a document that
17 you should have received in an email. It
18 was a one-pager that describes the rate
19 adjustment. I'll be walking through it as
20 we discuss this process.

21 First, why is the Santee Cooper rate
22 adjustment necessary, and why are we
23 proposing these changes? If you look on
24 the screen, also on the one-pager, you can
25 see that it says that inflation has

1 outgrown our ability to manage it, and
2 revenues from current rates will not cover
3 our expenses in 2025.

4 Inflation is something that you're
5 all familiar with. You've seen it in your
6 budgets in your own homes. Santee Cooper
7 has felt that as well. Our rates have
8 been flat since 2017, but inflation, and
9 as Vicky said just a little while ago, has
10 increased 25 percent in that time, and
11 that's from the Consumer Price Index-Urban
12 from the Bureau of Labor Statistics.

13 But if you look at specific
14 commodities that Santee Cooper considers
15 very important, iron and steel, inflation
16 on those commodities has increased
17 anywhere from 60 percent to well over
18 100 percent. It's been very difficult for
19 Santee Cooper to deal with inflation.

20 In order for us to help ourselves get
21 through this inflation that we've had to
22 deal with, we've cut budgets \$100 million,
23 refinanced debt, saving customers over
24 \$765 million over time, and strategically
25 reduced our head count by about

1 10 percent, saving \$20 million or so in
2 that process, and we've also taken other
3 steps to address rising prices.

4 Inflation is real, as I said before,
5 you felt it, and Santee Cooper has had to
6 deal with it as well, and that's part of
7 the reason for this adjustment.

8 The second reason is we need to
9 invest in our electric system to maintain
10 the high reliability of that system that
11 you all have become accustomed to and
12 deserve and to comply with new regulations
13 related to the environment, grid
14 operations, and security.

15 All of these things have added
16 additional expenses to our budget that we
17 simply did not contemplate in 2015, when
18 our current rates were developed, and
19 implemented in 2017. A lot of these
20 things didn't exist back then, and so we
21 have to cover those costs for our system.

22 Recognizing that increased costs are
23 only part of the equation, we need to
24 provide a way for our customers to handle
25 those costs, and that's why one of the

1 proposed changes for our residential
2 customers is a change in the structure to
3 the residential general service rate.

4 If you look on your handout, right in
5 the middle, it says: "Rate
6 recommendations include a new rate
7 structure that lowers the energy charge by
8 approximately 40 percent and adds a demand
9 charge." It continues and says: "The new
10 structure for the RG rate, which covers
11 most residential customers, gives
12 customers the power to lower their bill if
13 they shift use of high-demand appliances
14 to the 21 hours outside of daily peak
15 hours." And peak hours are then defined
16 as only three hours that are from
17 3:00 p.m. to 6:00 p.m. in summer months,
18 6:00 a.m. to 9:00 a.m. in winter months.

19 And if you look over just to the
20 right in that table, you can see our
21 current residential general service rate,
22 which has an energy charge of about
23 12 cents or so in the summer and about
24 10 cents in the winter, and then over just
25 to the right of that is our proposed rate,

1 which has, again, about the same customer
2 charge -- it's increased by about
3 50 cents -- and then a demand charge
4 that's about \$10 per kilowatt, with a
5 kilowatt being the amount of energy that
6 you use in a given hour, the maximum
7 amount of energy used in a given hour,
8 during that peak period.

9 And if you look, you can see that the
10 energy charge is now about 7 cents. What
11 we have done there is we have taken some
12 of the costs that were previously in the
13 energy charge in our old residential
14 general service rate, and we've moved
15 those costs to the demand charge.

16 The demand charge is not something
17 new that's added onto your bill, it's
18 proposed to be added onto your bill, but
19 the demand charge is just simply the
20 shifting of some of the costs that are
21 actually in the energy component over to
22 the demand charge.

23 Now, I talked about peak periods
24 lasting three hours or so, and if you just
25 flip over your handout, if you've printed

1 it out, you'll see that there's a section
2 at the very top that says: "How can you
3 save money on your bill?" And it says:
4 "Use your higher-demand appliances during
5 the 21 green hours each day -- 21 green
6 hours -- to avoid system peaks and help
7 control your bill."

8 Typically, the three highest-demand
9 appliances are water heaters, clothes
10 dryers, and heat pumps. The higher your
11 demand during the three on-peak hours
12 shown in the orange below, the higher your
13 bill.

14 Something to consider is during a
15 normal month are about 720 hours, if it's
16 a month of 30 days. 720 hours. The peak
17 hours are three hours each day. Three
18 hours each day. And so if out of those 30
19 days, you multiply that times three hours,
20 you get 90 hours. That's your total
21 peak -- that's your total peak period for
22 the entire month out of the 720, but your
23 demand, the \$10 per kilowatt, will only be
24 calculated on one of those 90 hours, just
25 one, and so by keeping appliances outside

1 of those peak hours, you can save.

2 How much can you save? Well, if you
3 look in the center section on the handout,
4 it says: "How this could impact your
5 bill," and it says: "Customers who choose
6 to use high-demand appliances outside of
7 peak hours can significantly reduce their
8 monthly bills."

9 And on the chart below, it notes the
10 difference in those bills, and if you look
11 at the white section, the center row, it
12 says -- excuse me, column, it says:
13 "Monthly bill current," and then it shows
14 the average monthly energy that's
15 typically used for an average customer,
16 1,000 kilowatt hours, and then it shows
17 the average monthly bill of \$115.69. That
18 bill is based on our old rates, the rates
19 that exist right now.

20 And then you see just below that a
21 light green row that says: "Monthly bill
22 proposed." You'll see a demand there as
23 well. And 5.1 KW happens to be the
24 median, or middle, demand number for all
25 185,000 of our customers. That's the

1 middle number.

2 And again, assuming an average
3 monthly energy amount of 1,000 kilowatt
4 hours, if you look just to the right, you
5 can see that the increase in the typical
6 bill will be \$125.98, for an added \$10.29
7 a month. That would be the increase for a
8 typical customer based on the proposed
9 rates.

10 What's interesting and where I'd like
11 to draw your attention particularly is to
12 that very bottom row that says 4.3 for the
13 on-peak demand. What's happened there is
14 we've made an assumption that the customer
15 has just shifted their demand by 8/10ths
16 of a kilowatt. By using the same amount
17 of energy, 1,000 kilowatt hours, we see
18 that the monthly bill now is at \$119.35.
19 Again, same amount of energy, just reduced
20 demand in that one hour by 8/10ths of a
21 kilowatt. And what happens is the monthly
22 increase for that customer, instead of
23 being \$10.29, is \$3.66. The key here is
24 that you can use the amount of energy and
25 save money with this new residential

1 general service rate.

2 You'll see some common appliances and
3 sample demands in the lower left-hand
4 corner. They're there for your use, as
5 you can see what would happen if you just
6 shift your water heater or your clothes
7 dryer or your dishwasher to an off-peak
8 period, rather than to an on-peak period.

9 This rate will be very important for
10 our customers, and we're doing all that we
11 can to help folks understand so they can
12 understand the benefit of this rate.

13 And the last thing I'd like to
14 discuss today is the process going
15 forward. This is the last of our public
16 comment meetings. We'll also have, on
17 October 8th, a meeting where the rates
18 group will actually take all of the
19 comments that have been received to date,
20 both written comments and oral comments
21 from all of our public meetings -- we've
22 had four -- all those public meetings, and
23 will report that to our board of
24 directors. We'll give them a report that
25 contains all of that information.

1 Additionally, on October 8th, there
2 will be an opportunity for the public to
3 comment directly to the board. Customers
4 will be able to comment to the board at
5 that meeting as well, as well as the South
6 Carolina Office of Regulatory Staff and
7 the Department of the Consumer Advocate,
8 and any other interested parties will be
9 able to do so at that time.

10 The board will take that information,
11 and management will as well, and then on
12 November 7, what we'll do is we'll come
13 back to the board, and we'll present any
14 changes made to the proposed rates at that
15 time.

16 On December 9, the board will
17 actually vote on those proposed rates, and
18 any rates that are presented and approved
19 by the board on that date will not be
20 implemented until April 1st of 2025.

21 That's all I have, and now I'd like
22 to recognize Pamela Williams.

23 MS. WILLIAMS: Thank you, Mike, and good
24 morning, everyone. Thank you for joining
25 us here this morning.

1 And we are looking forward to hearing
2 our customer comments, but just a few
3 things before we get to that. I want to
4 go over some information, the rules around
5 the public comments and give you some
6 instructions.

7 And so a couple things I want to make
8 you aware of. First is that the
9 registration list for this meeting and the
10 commenters list will be made part of the
11 public record that accompanies the rate
12 adjustment process.

13 And as Vicky said, we have a court
14 reporter here in the room, and she will be
15 preparing a transcript of this meeting.
16 That transcript will be made available to
17 our board prior to their vote on the rate
18 recommendation.

19 Santee Cooper may decline to consider
20 some comments that are made if they are
21 inappropriate. For example, this is a
22 customer comment meeting, so we will only
23 be considering comments today from our
24 customers, and only those who are
25 registered to comment are going to be

1 called on to comment right now.

2 And so when you registered for the
3 meeting, you had to register separately to
4 comment. So if you didn't register to
5 comment, and you want to do so at this
6 point, please go to the Q and A section of
7 your Webex screen, send us a note, and a
8 representative will give you a link to get
9 signed up to comment.

10 So for those of you commenting, when
11 your name is called, please use the "Raise
12 Your Hand" feature. That's the little
13 hand down at the bottom of your Webex
14 screen. It will be pointed out right
15 there with the orange arrow. So if you
16 click on that, then we will unmute you and
17 recognize you to speak.

18 And so once you're unmuted, we
19 need -- you'll let us know a few things:
20 First, your name, the name of your street,
21 but not your street number, because this
22 will be made part of a public record
23 posted on our website, and we want to
24 respect your privacy. So your name, the
25 name of your street, the town or the

1 county where you live, and please confirm
2 that you are a Santee Cooper customer.

3 So we have a three-minute limit on
4 the comments, and there will be a timer
5 displayed in the top right section of your
6 screen, and depending on what type of
7 device you're on, you may get a prompt to
8 allow the pop-up for that timer, and so if
9 you want to see the timer, and you get
10 that prompt, click on the prompt, and you
11 will then see the timer.

12 This is the fourth public meeting of
13 four that we plan to have. We had one at
14 our headquarters here in Moncks Corner
15 last month, and then we had two last week:
16 One in Pawleys Island and one in Myrtle
17 Beach. And you may only present at one of
18 the meetings, so if you made comments at
19 one of those prior meetings, you're not
20 eligible to make comments today.

21 And so aside from these meetings,
22 customers can also submit questions and
23 requests by the end of the oral comment
24 period, which Mike just said is
25 October 8th of 2024, so questions or if

1 you want information, by October 8th, and
2 you may also comment at the October 8th
3 meeting. So even if you commented at one
4 of the public meetings, you can still show
5 up and comment at the October 8th meeting.

6 So we want to hear from you today on
7 the rate adjustments. If you have
8 questions about other things, your
9 existing accounts, as Vicky said, please
10 either call or email our customer care
11 center, and the contact information is
12 provided in the Q and A section of the
13 Webex today.

14 Our customer service representatives
15 can also provide additional information
16 about the rate adjustments and the impact
17 we project it will have on your individual
18 accounts.

19 So we will not be asking you
20 questions today. We're here to receive
21 your comments and your questions. The
22 board is here to listen. They are not
23 here in a position to respond, so any
24 response will be coming from management
25 today.

1 So that's the end of the long list of
2 rules, and I'll turn it back over to
3 Vicky.

4 MS. BUDREAU: Okay. So let's get started
5 with the public comments. So the first
6 customer is Jay Jeffcoat.

7 Jay, if you will raise your hand to
8 be unmuted and then state your name,
9 street name, and the town or county that
10 you live in.

11 MR. JEFFCOAT: I'm Jay Jeffcoat. I live
12 on Pier Pointe Drive, in Little River, and
13 I am a Santee Cooper customer.

14 I've got a couple comments to make,
15 the first one being around the fuel
16 adjustment. Not a lot's been mentioned
17 about that in this -- the rates, and I
18 feel like Santee Cooper is not being up
19 front about the effect of what that has on
20 the -- going to have on the bill.

21 Right now, the fuel adjustment's been
22 frozen for the last five years, and it's
23 been a significant credit, about -- on my
24 bill, it's been 11 to 11-and-a-half
25 percent. So if you add that to the

1 8.7 percent average rate increase, we're
2 talking about a 20 percent rate increase
3 that y'all are kind of glossing over and
4 not presenting.

5 The second thing I wanted to comment
6 on was the demand charge. I understand
7 the demand charge, but what I don't like
8 about it is the what I call the one bad
9 day penalty. You can have -- you can do
10 great all month during your demand -- your
11 peak demands, and one day, something
12 happens, you have to wash clothes, you
13 have to do something, whatever happens,
14 and then you take that penalty for the
15 whole month. You may have only used 5 KW
16 during peak for the whole month. One day
17 you use ten. You're penalized for the
18 whole month because of that. There needs
19 to be some form of averaging or, you know,
20 throw out the highest demand, something to
21 that effect.

22 In the winter, with that demand
23 charge, there's very little a customer can
24 do, because on my bill, the peak during
25 winter is very high, because it's in the

1 morning, and it's cold, the heat pumps
2 cannot keep up, and there's very little
3 you can do except be cold, and that's the
4 coldest time of the morning is during
5 those peak times. And the only usage I
6 have is my heat pump. There's not a lot I
7 can do about that. So it's just -- to me,
8 it's just nothing I can do about that in
9 the winter.

10 The other thing is with the heat
11 pump -- Santee Cooper's always encouraged
12 all electric, so everybody went all
13 electric, put in heat pumps. They're not
14 very efficient during the winter. Now gas
15 looks a whole lot more attractive, so that
16 falls back.

17 I'm trying to get everything in here.

18 One thing also for rental properties.
19 People in Myrtle Beach have a lot of
20 rental properties. They rent them out.
21 They have no control over what those
22 people are doing. They come in off the
23 beach at 3:00 in the afternoon. They take
24 showers. They wash clothes. They throw
25 something in the oven. There's nothing

1 you can do about it.

2 My mother-in-law has a unit, and her
3 peak -- her bill will be up 3 percent --
4 MS. BUDREAU: Jay, Mr. Jeffcoat.

5 THE WITNESS: -- plus the fuel adjustment.
6 I understand. Three minutes is up.

7 Thank you.

8 MS. BUDREAU: Thank you for your comments,
9 Mr. Jeffcoat.

10 MR. SMITH: If I could, I'd like to just
11 address a couple of things. First, the
12 fuel adjustment. I appreciate you
13 bringing that up. Thank you for that.

14 We have, based on our most recent
15 projections, shown that we believe the
16 fuel adjustment will not change much
17 between December of 2024 and January of
18 2025, when fuel actually unlocks.

19 And again, fuel is -- while it's part
20 of our rate structure, the unlocking of
21 fuel is not part of this rate adjustment;
22 it is simply something that's going to
23 happen.

24 Now, as we go from, again, December
25 of '24 to January of '25, we believe there

1 won't be much of a change, but that could
2 change into 2025 itself, in other words,
3 for the rest of the year.

4 Right now, we think that maybe fuel
5 rates will be a little bit higher than
6 projected, but again, that's well into the
7 future, so we're not sure what's going to
8 happen there. But the bottom line is in
9 December to January, we don't expect much
10 of a difference.

11 You mentioned the demand charge and a
12 one bad day penalty. What I'd like to
13 offer up is something that we considered
14 heavily when we developed this demand
15 charge. The majority of our customers who
16 are on demand charges are on what's called
17 a half hour integration. That's a fancy
18 rates thing, and I'm not going to even get
19 into the depth of it. Basically, what it
20 means is we just take a short window of
21 time, and then we multiply that times
22 something to get to the total hour.

23 What we're doing with this
24 residential demand charge is we're taking
25 the entire hour, and we're saying whatever

1 your demand was for that entire hour,
2 that's what your demand will be in that
3 peak period, again, for that hour.

4 So that means if you turn on your
5 dryer for five minutes, and then you
6 think, oh, my goodness, I should not have
7 turned on my dryer. I'm going to go ahead
8 and turn it off. Well, what happens is
9 you only got five minutes of that
10 increased demand, and 55 more minutes
11 there to go ahead and get away from that.
12 We believe that's a benefit to our
13 customers, and it provides a little bit of
14 flexibility and wiggle room that you would
15 not normally see in a demand charge.

16 MS. BUDREAU: Thank you, Mike.

17 So our next customer is Ramona
18 Grimsley. Ramona, if you will raise your
19 hand to be unmuted.

20 You don't see Ramona? Okay. So
21 we'll come back and try again.

22 So the next person would be Libby
23 Dvorsak. Ms. Dvorsak, would you please
24 state your name, the street you live on,
25 and the town or county which you are

1 served by Santee Cooper.

2 Well, next on the list is Michael
3 Mizell. Michael Mizell is not on the
4 call?

5 The next person is Caryn Goldman.

6 Let's go back and call for Ramona
7 Grimsley to see if she has joined us.

8 So I think we have gone through the
9 list and have not had the other four
10 comment or join us to comment, and so at
11 this time, I understand there's nobody
12 else that has asked to comment in the Q
13 and A, and so at this point, on behalf of
14 the board and management, we --

15 Jay has his hand up again. At this
16 time, I understand Jay Jeffcoat has his
17 hand up again, so we'll allow -- Jay,
18 we'll allow you a few more minutes of
19 time.

20 MR. JEFFCOAT: I was just wondering if I
21 could take a few more minutes. I had a
22 few more points.

23 The next point I had was about time
24 of use rate. That's the only other option
25 for residential customers. The rate for

1 on-peak demand is five times the regular
2 rate, and you extend it an hour, extend
3 the peak hours one hour in the morning and
4 in the afternoon on whether it's winter or
5 summer, and I just don't understand why
6 it's so high and why you extend it an
7 hour.

8 I think Santee Cooper needs to
9 present more rate options. You've got
10 your AMI metering system installed, you've
11 got the ability to analyze and come up
12 with more offerings, and I just would like
13 to see that happen.

14 I've got a couple of other just
15 comments, really, is PayGo customers, the
16 prepay customers, and your solar
17 customers, I haven't seen anything on the
18 website on how they are affected.

19 And the prepay really confuses me on
20 how you would -- how you would catch them
21 in a demand charge, because they're paying
22 as they go, and you're charging the rest
23 of the customers for the whole month. How
24 are you going to get those prepaid
25 customers for a whole month?

1 And your solar customers, I saw a
2 comment from the previous meeting, and it
3 didn't appear that there was a solid
4 answer on how they're going to be billed.
5 So how do these prepaid customers and
6 solar customers, how are they expected to
7 comment during this public comment period
8 when they can't even see what the rate is
9 going to be?

10 And another thing is you mentioned
11 comparing rates, that y'all are -- we're
12 the lowest -- I say we. Santee Cooper is
13 the lowest cost provider around. How are
14 you going to compare your rates to other
15 utilities with this new rate? Because
16 we've always compared energy charges to
17 other utilities, so I just don't see how
18 you're going to be able to compare apples
19 to apples in that window, which I'm sure
20 that doesn't have to be answered now. I
21 just would like to know.

22 The other thing is with going -- when
23 we go to this KW -- the demand charge, I
24 would like to see on the website, on MEL
25 portal, we need to have some way to

1 display KW usage under the peaks. You
2 know, right now, you go in there and look,
3 you've got to go day by day, drill down.
4 It just takes forever to go through 30
5 days of a month to try to figure out what
6 your peak was.

7 I'd like to go in and look and say,
8 okay, how did I do -- okay. I peaked on
9 this one day. How did I do the other
10 hours during that time frame, or was it
11 just an anomaly there, or was I always
12 right there at it? Those type of things I
13 think you need to be able -- you're going
14 to need to rework some of the displays you
15 have on your MEL portal.

16 MS. BUDREAU: Mr. Jeffcoat, we appreciate
17 all your comments.

18 At this time, I don't know, Mike, if
19 there were any of those you wanted to
20 speak to.

21 MR. SMITH: There are just a couple of
22 things I'd like to comment on briefly.

23 First, you talked about bill
24 comparisons, and that's a very important
25 concept, I believe. It's important for us

1 to be able to compare what our rates look
2 like as compared to the other in-state
3 utilities, so that makes a world of sense.

4 You'll know -- I'm sure you're aware
5 that the South Carolina Office of
6 Regulatory staff has average bill
7 comparisons. In other words, for the
8 1,000 kilowatt hour per month customer
9 that I mentioned previously, the Office of
10 Regulatory Staff has on their website
11 those calculations for investor-owned
12 utilities.

13 And it just so happens that the
14 number that I talked about just a little
15 while ago, the 5.1 KW number with 1,000
16 kilowatt hours, is effectively our average
17 number that we compare to those folks,
18 because it's our medium demand, and it's
19 also based on the 1,000 watts per month
20 that the Office of Regulatory Staff
21 considers to be a normal or an average
22 customer.

23 So that's a pretty solid comparison,
24 and when we do that, again, we get that
25 number that's in the 120s or so, and what

1 we find is that our close competitors are
2 a good bit higher than that, and so that
3 comparison has been reasonable for us, and
4 we've been conveying that information on
5 occasion.

6 But thank you for bringing that point
7 up. It's good to have the opportunity to
8 talk about that.

9 More rate offerings, thank you for
10 that as well. We actually did two things
11 to try to give our customers rate
12 offerings that they were asking for,
13 specifically residential customers. We
14 asked them what they wanted via a survey.

15 Prior to the rate development
16 process, we conducted a survey of our
17 residential customers. Everyone that had
18 an email in our system was sent a survey,
19 and they had the opportunity to go ahead
20 and respond, and what we found was that
21 the customers did want rates that allowed
22 them to control their bill. They wanted a
23 rate that allowed them to do something to
24 shift the periods, if they could, and save
25 money, and so we provided those options

1 for them.

2 They didn't go much beyond that, as a
3 matter of fact, in what we saw in the
4 survey, but that was a great exercise for
5 us, and it was a neat opportunity for us
6 to hear about what our customers wanted.

7 And then finally, we surveyed
8 effectively the entire United States, and
9 the way we did that was via our
10 consultant. They put together what was
11 called a rate trends report for us. Our
12 rates consultant, NewGen Strategies &
13 Solutions, they put together a report that
14 actually showed us what other offerings
15 were available throughout the United
16 States in public power.

17 It was a neat exercise for us,
18 because we were able to see what was
19 available and what was possible from a
20 rate-making perspective around the
21 country.

22 We actually threw some of those ideas
23 to our customers and surveyed them, and we
24 didn't find any traction in those areas.
25 So we have evaluated additional rates, and

1 we believe we have rates that our
2 customers are ready for and that they have
3 asked for.

4 You mentioned PayGo and solar.

5 I'm just going to continue, if that's
6 okay.

7 You mentioned PayGo and solar. The
8 pay-as-you-go process, it's a difficult
9 one, and what we've assumed that we would
10 do is for those pay-as-you-go customers,
11 they most likely would be on a time of use
12 rate. That seems to make the most sense,
13 it's a little simpler from a billing
14 perspective, and I believe it'll be a
15 little simpler for those pay-as-you-go
16 customers. They'll most likely not be on
17 a demand charge, but again, that's yet to
18 be fully determined, but that looks like
19 what we're going to do.

20 From a solar perspective, a lot of
21 folks look at our distributed generation
22 rider and what that's looked like in the
23 past, and there have been some issues with
24 it. What we've done is we have actually
25 modified our distributed generation rider

1 to allow some of the fixed costs that were
2 typically recovered in that rider to be
3 covered in our demand charge.

4 So the benefit there is that the
5 actual DG rider charge is going to be a
6 little bit lower, and it's actually going
7 to be an add-on to the customer charge for
8 residential customers, a very small
9 amount, \$10 per month. It'll be fixed.

10 But also, it will make it so that our
11 solar customers who are residential
12 customers will have to be -- in order to
13 recover all the fixed costs that that
14 customer is responsible for, they'll have
15 to be on the demand rate.

16 So that was a logical decision, and
17 it was an intentional decision to ensure
18 that none of our customers, as much as
19 possible, would be subsidized by other
20 customers.

21 That's all I have.

22 MS. BUDREAU: That's all? Okay.

23 So on behalf of the board and
24 management, we appreciate everybody that
25 has joined us today and the comments that

1 we've received. We know that your time is
2 valuable, and taking time out of it to be
3 with us is good, important.

4 So thank you for coming, thank you
5 for joining us, and this meeting is
6 adjourned.

7 (There being nothing further, the
8 meeting adjourned at 9:48 a.m.)

9 (*This transcript may contain
10 quoted material such material
11 is reproduced as read or
12 quoted by the speaker.)

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CERTIFICATE OF REPORTER

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

BE IT KNOWN, that I, Marie H. Bruegger, took the foregoing proceeding and hereby attest:

That I was then and there a notary public in and for the State of South Carolina-at-large and that by virtue thereof, I was duly authorized to administer an oath;

That the foregoing Public Comment Meeting was taken down by me and reduced to written form by stenographic means;

That the foregoing transcript represents a true, accurate, and complete transcription of said Public Comment Meeting at the time and place aforesaid to the best of my skill and ability;

That I am neither a relative nor an employee of any of the parties hereto, nor of any attorney or counsel employed by the parties hereto, nor interested in the outcome of this action;

Marie H. Bruegger Date: 9/25/2024

Marie H. Bruegger, RPR, CRR
Notary Public in and for the County of
Charleston, State of South Carolina

My commission expires March 23, 2031