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To: Ellen WeaverEllen@palmettopromise.org  
Date: 3/20/2018 3:55:00 PM  
Subject: ICYMI: South Carolinians could see utility bills rise more than \$750 to fund Santee Cooper failure

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Friends,

Today, Palmetto Promise Institute released [a groundbreaking economic analysis of rate increases Santee Cooper customers can expect to pay](#), given the significant level of debt it currently holds. In the report, we call for legislators to establish a Commission with the authority to seek an independent, expert valuation of Santee Cooper assets and vet potential offers.

Under the most conservative baseline scenario, in which ratepayer behavior remains constant as rates increase, our economists find that rates must rise *at least* 10%. This is on top of the 15% they have already increased since 2013. However, this scenario is highly unlikely, considering that Santee Cooper's largest customer, Central Electric Power Cooperative, is [already pursuing legal action over questions surrounding VC Summer](#).

Bottom line – there are 3 possible options to deal with Santee Cooper's debt: a taxpayer bailout, bankruptcy or a buyer. Without action to pursue one of those scenarios, ratepayers are on the hook for massive increases.

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P.S. – Our full press release is below, and you may also access [the full audio clip of the press conference here](#). Our scholars provided excellent context for their research in their remarks and Q&A.

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FOR IMMEDIATE RELEASE

March 20, 2018

South Carolinians could see utility bills rise more than \$750 to fund Santee Cooper failure: Palmetto Promise Institute

*PPI provides first look into rate increases required to address Santee Cooper's V.C. Summer debt; calls for creation of state commission to facilitate selling the power company*

Columbia, SC – In a sweeping analysis of Santee Cooper released by the Palmetto Promise Institute (PPI) today, economists project future Santee Cooper utility bills per residential customer must increase anywhere from \$167 to more than \$750 annually until the debt is paid off in 2056. Industrial customers could see their bills increased by as much as \$80,000 a month.

The report, "Santee Cooper's Uncertain Future: A Historical, Policy and Financial Analysis of the South Carolina Public Service Authority" acknowledges the unique and critical role that Santee Cooper has played in our state, while providing a strong rationale for why the power company must be sold.

Key considerations include:

- Santee Cooper's sole source of revenue is its customers. If the status quo continues, Santee Cooper's customers will be paying off the \$4.5 billion V.C. Summer debt, plus billions in interest, for the next 38 years.
- Santee Cooper's ability to invest in system upgrades, take on new projects or engage in economic development will be limited as it services V.C. Summer debt.
- South Carolina customers should benefit from the most competitive rates in the state. But that is not the case. Santee Cooper rates per kilowatt hour are higher than those of Duke Energy or Duke Energy's former Progress Energy territory, and rates are only going to rise – not only because of V.C. Summer but also because of the utility's ongoing struggles.

Quote from Palmetto Promise Institute President and CEO Ellen Weaver:

"The V.C. Summer nuclear fiasco is a critical threat to our state's economic health and financial future. It already has, and will continue to have, a significant impact on South Carolinians' wallets and jobs. This report delivers on the dire need for top-tier independent economic analysis to help our state determine the best path out of this mess for ratepayers and taxpayers.

"Santee Cooper must be sold. Today, we are asking the South Carolina General Assembly to pass legislation this session to create the Commission on the Sale of the South Carolina Public Service Authority. The goal of this Commission should not be to assess feasibility, but to seek independent valuation of Santee Cooper assets and vet potential offers."

[To view the full report, click here.](#)

[For graphics on potential rate increases, click here.](#)

## About PPI

Palmetto Promise Institute is an independent, nonprofit public policy research organization. Our mission is to advance a free and flourishing South Carolina where every individual has the opportunity to reach their full potential.

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