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Subject: Submission

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Dear Mr. Warner, please accept this submission from LG Bryant for consideration. Thanks

Danny Varat

### **The Most Important Thing is the Ratepayers**

I voted for the Base Load Review Act, along with every member of the Senate, for two simple reasons. South Carolina needed more energy generation capacity, and the prices of coal and natural gas, at that time, were prohibitive relative to the construction and operation of a nuclear plant.

Economic realities change, and they certainly did in this case, but that did not create the debacle we now face. The current situation arose from the absolute abdication of responsibility by key entities.

The Santee Cooper Board knew some time ago that the project had descended into chaos, and it did nothing to protect its ratepayers. The SCANA board simply stole from its ratepayers and gave to its shareholders when it knowingly threw good money after bad.

And, we now know that each of them hid crucial information on the looming failure of the project from regulators and elected officials.

The theory that the law allows for recovery based upon “imprudent” decision-making sounds good to those who want justice. All my years in the General Assembly since 2007 convince me, though, that we were told that simply to get our votes. The reality almost always is different. Yet another example of the lack of integrity in Columbia.

We have plenty of time to assign blame, for whatever that is worth. But, that is not the most important thing.

The most important thing, right now, is to ensure that the ratepayers (of both Santee Cooper and SCANA) are made whole and that South Carolina taxpayers do not get the bill.

Here are my proposals for meeting those two goals .

1. I support my friend Tom Davis' suggestions to block rate hikes for SCANA and Santee Cooper and discuss a repeal of the Base Load Review Act
2. Santee Cooper needs a new board. This experience obviously was too complicated for current board members .
3. South Carolina should seek an injunction to escrow the \$2.2 billion settlement with Toshiba (Westinghouse's Parent Company).
4. We must petition the Trump administration to guarantee that the \$1 billion dollars a year for compliance to the Clean Power Plan will be honored if the project is completed and provide an extension of the deadline to complete the project to preserve the \$2 billion in production tax credits.
5. We must prohibit SCANA from stripping out any of the assets of the facility.
6. I also agree with Senator Davis that, “one of the things on the table must be the desirability of having a state-owned utility like Santee Cooper; we must seriously consider whether privatizing it would be in the people's best

6. interests”.

We must NOT, however, sell Santee Cooper at the bottom of the market. There are people and companies out there, including in South Carolina, that can help us make these determinations, and they can do it with a professional detachment that South Carolina sorely needs right now.

We must be deliberate in our assessments. We must secure a thorough appraisal of Santee Cooper's market value, now and in the future. We ultimately must obtain top dollar for a multi-billion dollar asset of the taxpayers, but only if it is determined that is the best course of action. Knee jerk reactions for the sake of political expediency are not the solution.

South Carolina is growing, and the optimal scenario is that we will need more energy generation capacity. Economic realities might once again shift the feasibility of nuclear power.

The ratepayers, in the meantime, must be made whole and firewalled from future obligations. That isn't everything, but right now, it is the most important thing.

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