

Oct. 14, 2020 Lighting Meeting, Santee Cooper and HOA Representatives

Geoff: Introductions, Opening Statement: Santee Cooper's position on street lighting is that we can sell the poles. Given that and the complexities of the program, it seemed important to get together and discuss.

Carlita: Handout Discussion

- Sen. Goldfinch: Why do developers choose Santee Cooper's program instead of installing their own streetlights?
- Carlita: No upfront costs with our program. Contracts are 3-7 years, then month-to-month.
- Sen. Goldfinch: So not really an option for HOA to remove SC poles after contract – they would need to replace, expensive.

Rates collect costs to repair and maintain, in addition to other costs –

- Sen Goldfinch: What happens if there are several years without a hurricane – you have excess money that you've collected for repairs that you didn't have to make?
- M Smith: Money put back into Capital Improvement Fund (CIF).

Purchase

- Sen Goldfinch: Not viable to sell because of requirements and costs: meter for each pole, each meter installation appx \$1000, 400-home development = \$400,000.
- Carlita: HOA can run lighting circuit to reduce # of meters – would take awhile to recoup costs.
- Sweet: 188 meter locations in subdivision – \$188,000 plus \$4,000/monthly cost to lease meters – prohibitively expensive to rewire and lease meters.
- Decker: Would have to bore underneath the roads in Heritage Plantation, which would be cost prohibitive.

Stickler: Can we just buy poles? Remove fixtures, bulbs, meters and we install dusk-to-dawn solar, \$50/year amortized for 5 years

Pamela Williams: Need creative solutions

Geoff: Can poles be attached to individual residents' metering? HOA can purchase equipment and reimburse residents for pole-related energy

- Sweet: Too convoluted/complicated; just shifting the cost back to the homeowners
- Simpson: accounting nightmare
- Sweet: But, helpful dialogue; appreciated the out-of-the-box thinking.

National Electric Code Requirement – Disconnect

- Utilities don't fall under code – they control energy and are governed by the NESC.
- If HOA purchases poles (and ownership converts) HOA would fall under Code and be required to have disconnect.
- Decker: Please send section of code that states this.
- Sweet: Plantation Lakes HOA would have binding component in contract not to do anything to adjust the circuit.

LED lights

- Cost more in total, with fixtures (about \$400 each), even though energy costs are less, manufacturers' fixtures are more expensive.
- Replacing existing failed lights now with LEDs – HOAs don't like mix of light colors.
- Also, bulbs too bright – can we get lower wattage bulbs?
- Santee Cooper chooses LED fixtures to match original developer-chosen fixtures.
- Question: Can you replace failed fixtures with cheaper LED fixtures? To be determined: Tolerance for LED fixtures that look different than still-working older fixtures.
- Also concern that new LED fixtures extend contracts for 7 years – contract obligations continue.
- **Santee Cooper is evaluating other manufacturers' pricing and evaluating a lower wattage LED fixture (50W) with less intensity.**
- Sweet: No incentive or price break once contracts expire.
- Carlita: Requested that Mr. Decker e-mail her with the pole numbers and light locations that were too bright where the residents were complaining about the lights shining in their windows so those issues could be addressed with a lower wattage light or shield.

Rep. McGinnis: developers making bad deals – HOAs stuck in perpetuity with costs

- Weak HOA laws
- Good faith from Santee Cooper for some kind of relief – look at agreements, where we can realize savings together and continue relationship

Sen Goldfinch

- His job is to protect ratepayer/taxpayer – important not to expect Santee Cooper to just give us something – because that would ultimately be subsidized by other customers

Decker:

- Need to reconsider current arrangement that lets developer pick – developer has no long-term investment
- No reward or incentive for using LEDs, which are more energy efficient

Register:

- We inherit bad deals

Rep. McGinnis:

- Can developers be required to buy poles up front – then HOAs just cover monthly maintenance costs?

Santee Cooper is exploring this option as part of a viable solution going forward. However, this would only apply to new subdivisions.

Cook Settlement

- Sen Goldfinch – if goal is reduced rate, Cook impedes that

P Williams:

- Settlement legally binding through 2024
- Rate cases take a couple of years. The next Rate Study begins in 2023.

Geoff:

- Positives of Settlement: Maintains Santee Cooper's low rate position, appx 10% below IOUs; also, lighting customers share in rebates and rate freeze

Rates

M Smith:

- Defines cost of service, how lighting rates are set – monthly fee includes actual pole costs plus allocated share of fixed system costs

Decker:

- Can you look at how others allocate costs?

Register:

- Can you consider amortizing pole costs, so total costs for older subdivisions are less than those for newer?

Decker:

- Need long-term and short-term ideas – wants to champion good ideas for Santee Cooper, work together w/o outside interference (critics)

Sweet:

- Wants sample HOA bill (his or another) itemized to show all the inputs – pole costs, system costs; advised that \$30 LED conversion fee is not covered in the OL-17 Rate information.

Pinson:

- Inquired whether the HOAs had consider the power infrastructure outside of their respective subdivisions; advised that allocated costs for customer classes also included distribution lines, distribution substations, switching stations, transmission lines, and generation facilities to be factored into these costs as well.

Customer Charge

Register:

- Why does every meter have a customer charge of \$25?

Mike Smith:

- Explained that \$25 covers minimum costs to get power lines to the meter and to maintain those lines or service connections to the meter.

Simpson:

- Consider *a la carte* pricing for services

Purchase Program

- Carlita: surveying other utilities, hope to develop program by year's end; we are looking at developer upfront purchase aspect of outdoor lighting for new subdivisions/developments.

Next Steps

- Santee Cooper to provide requested information, vet ideas.
- Follow-up meeting mid-November (appx 4 weeks out) and tentatively the week of November 16, 2020.
- Both Sweet and Decker will be the lead contact persons for the HOAs.
- **Sweet: Requested a Memorandum of Understanding via e-mail on what Santee Cooper is researching for the HOAs.**
- Bryan: Agreed to be the point of contact along with Carlita. Asked HOAs to e-mail Carlita, since her contact information was provided at the bottom of the Lighting Program Information handouts.
- **Possible Dates Based on attendees' calendars to meet the requested HOA time frames:**
 - o **Wednesday, November 18, 2020 from 1:00 P.M. to 3:00 P.M.**
 - o **Friday, December 4, 2020 from 1:00 P.M. to 3:00 P.M.**