

**SANTEE COOPER AND HOAs LIGHTING MEETING #2 MINUTES**  
**WEDNESDAY, NOVEMBER 18, 2020**  
**1:00 P.M. – 3:30 P.M.**

Santee Cooper Representatives met with the various HOAs and continued discussion on the HOAs outdoor rental lighting. New attendees to the meeting included Georgetown County Council Chairman John Thomas, Debra Shovlin with The Farm, Patti Coblenz with Rose Run, and Lisa Hergenrother with Waccamaw Management Company, which serves several of the HOAs.

**Bryan Lewis:** Welcomed attendees and asked everyone to introduce themselves. Mr. Lewis gave an overview of topics to be covered in the meeting.

**Carlita Goff:** Provided more details on the utility survey results that were sent to Large Public Power Council (LPPC), American Public Power Association (APPA), and Utility Analytics Institute (UAI) utilities.

**Bob Sweet:** Requested a draft of a proposal for a more equitable arrangement by January 31, 2021.

**Doug Decker:** Brought an incandescent bulb and an LED bulb for comparison to demonstrate that the incandescent bulb could be replaced with LED bulbs.

**Carlita Goff:** Advised that was not necessarily the case for Santee Cooper's 150 HPS Traditional fixtures in comparison to the 70W LED Traditional fixtures. Some bulbs could be replaced, but some required retrofitting. Carlita stated that she would gather more information on this.

Carlita also explained that Santee Cooper was looking at 46W, 50W, and 56W fixtures in an effort to find a lower cost range for LEDs that would lower the current fixture cost, as well as reduce the amount of brightness for those residents that had issues with brightness.

**Jeff Simpson:** Asked does a bulb that has more lumens consume more energy?

**Carlita Goff:** Will check on this and provide additional information.

**Bryan Lewis:** Asked Mr. Sweet and Mr. Decker if they had found a utility or had a utility contact with a Leased Lighting Program or Purchase Program that they wanted Santee Cooper to consider.

**Bob Sweet:** Answered no they did not know of a similar utility program, and that most programs were like Santee Cooper's.

**Bryan Lewis:** Reminded the group of the comparison table that was presented at the October 14, 2020 meeting showing the Santee Cooper had some of the lowest rates than other neighboring utilities, as well as utilities across the United States.

## **SAMPLE RATE COST BREAKDOWN EXPLAINED**

**Mike Smith:** Provided a sample rate of an outdoor lighting account and explained the rate make-up, which is based on debt service. Mike provided details on the actual cost of the fixture and pole, and that each component has a set number of years that debt service is based on, such as 10 years for fixtures, 15 years for fiberglass poles, and 30 years for wood poles.

**Patti Coblentz:** Questioned if the rental rate is in perpetuity; not meant as recovery.

**Mike Smith:** Advised that Santee Cooper's rate is only to recover costs.

**Bob Sweet:** Mr. Sweet stated that looking at other utilities is a hollow effort, and that Santee Cooper needs to look at another approach. Mr. Sweet suggested looking outside the box, and shared that the HOA constituents feel the rental charges are too high. Santee Cooper should acknowledge that interest and principal have been satisfied. The HOAs want a secondary rate. Mr. Sweet asked about Item #1 under Longer-Term Goals and asked Mike Smith to look for ways to provide relief to the HOAs.

**Mike Smith:** Shared that the Board of Directors approve rates and ensure that one customer class is not subsidizing another one. Mike informed the HOAs that there is usually a 12 to 18-month ratemaking process with a public comment period. However, we may be able to utilize an experimental rate process.

**Bob Sweet:** Asked Mike Smith to elaborate on what he meant by experimental rates.

**Mike Smith:** Mike explained a demand response buy-back rate. The experimental rate allows Santee Cooper to evaluate how that rate performs. We expose the rate to a small subset --- limit the number of people and the period of time. Mike also informed the group that there was a rate lock listed on the Cook settlement agreement.

**Jim Register:** Mr. Register stated that there were 9 meter points on his utility bill with a \$25 customer charge for each, and he asked for an explanation of what that money covered.

**Mike Smith:** Explained that the \$25 customer charge was applied to every customer's bill, and it covered customer costs, fixed costs, minimum 5-year term costs, and all costs to provide connection to the distribution system from the transmission system to your home.

## **OL RATES**

**Jim Register:** Referenced the 14' fiberglass pole in the sample rate and asked what are you paying for? He stated that leases are not in perpetuity.

**Doug Decker:** Mr. Decker stated that taking over or purchasing the lighting system would be cost prohibitive.

**Jeff Simpson:** Asked doesn't Santee Cooper have this information and why does the process take so long?

**Mike Smith:** Mentioned cost recovery and equity. Santee Cooper must ensure that the rates are doing what we want them to do. Based on Act 135, Santee Cooper also has oversight from a Governance Committee, and the Board of Directors still has to approve the experimental rate.

**Mollie Gore:** Advised the group that Santee Cooper is still 9% lower than other utilities. She referenced that from a recent review, Santee Cooper's costs were \$104/month, while the closest other utilities were \$113/ month and \$147/month.

### **PAINTING OF LIGHTS AND PADMOUNT TRANSFORMERS**

**Lisa Hergenrother:** Shared that light poles needed painting in some developments.

**Jim Register:** Stated that the padmount transformers in Willbrook Plantation needed painting.

**Carlita Goff:** Advised that we had a contractor who could paint the transformers if needed, and to let me know which ones needed to be painted.

**Debra Shovlin:** Represents The Farm in Carolina Forest and advised that pole painting for Phase 1 and 2 were completed, but the other phases were never completed and that our contractor just stopped painting.

**Carlita Goff:** Advised that no one contacted her about the fact that painting had stopped and was never finished. Carlita informed Ms. Shovlin that she would follow up with Mike Hill to get the painting contractor to come back and finish the job. Carlita shared the Santee Cooper's Outdoor Lighting Information Handouts with the new attendees and advised that her contact information was listed on the second page.

### **CUSTOMER GUARANTEE**

**Debra Shovlin:** Also mentioned that there were some lights that were not working in the development, and that it took a while for them to be repaired.

**Bryan Lewis:** Mentioned the Customer Guarantee on Santee Cooper's website that mentions that lights that are reported as not working will be repaired within 3 business days.

**Tim McGinnis:** Suggested contacting the County or the City's Public Works Department about putting in outdoor lighting. Mr. McGinnis stated that we all own Santee Cooper and should come to a compromise for all involved.

**Yvette Rowland:** Advised the HOAs that perhaps there are benefits that you are not aware of, such as the Customer Care Guarantee on Santee Cooper's website.

### **RATES DISCUSSION**

**Vic Figlar:** Asked Mr. Bob Sweet and Mr. Doug Decker what do you want? Mr. Figlar advised them to just state what they wanted.

**Bob Sweet:** Responded that the HOAs want the lease to stop after 25 years and move to a lighting-based rate, with replacement of lights, bulbs, and fixtures. We want options – whether it's to replace a fixture, bulb, pole, etc.

**Doug Decker:** Responded that he wants a maintenance rate with a win-win compromise for both Santee Cooper and the HOAs.

**Bryan Lewis:** Reiterated that Santee Cooper has competitive rates and some of the lowest lighting rates as shown on the cost comparison sheet.

**Jeff Simpson:** Advised that the perception of the contract terms is payback. Mr. Simpson stated to give people an option and more control over what they select. Maintenance terms? Bulb replacement, photocells, pole replacement, etc.?

**Jim Register:** Asked how much money does Santee Cooper receive from outdoor lighting and advised that there should be a line item on this?

**Mike Smith:** Answered that Santee Cooper is a \$1.7 Billion company. Approximately, \$11M was projected in 2017 for outdoor lighting, which included fixture costs, pole replacements, etc.

### **FUTURE COMMUNICATIONS**

**Carlita Goff:** Mentioned future communications with the HOAs and whether they would like to be given updates on Santee Cooper's progress towards a maintenance rate via e-mail or through in person meetings. The next in person meeting was suggested for March 2021.

**Bob Sweet:** Suggested monthly in person meetings and discussed potentially meeting the 2<sup>nd</sup> week in December 2020 with updates every 2 weeks.

**Bryan Lewis:** Advised that the Santee Cooper team wanted to have something meaningful to report when we met in person with the HOAs. Because of the Christmas Holidays, it was suggested to meet on Wednesday, January 13, 2021. However, this date would be confirmed once Carlita could check Santee Cooper's attendees' calendars. Carlita would send an e-mail to Mr. Sweet and Mr. Decker, and they would in turn notify the other HOAs of the next HOA Meeting with Santee Cooper. Bryan thanked everyone for attending the meeting.

The meeting adjourned at 3:30 P.M.