



# ORS Recommendations and Santee Cooper's Responses To Outdoor Lighting Audit

February 10, 2022  
1:00 P.M.

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## ORS Recommendation #1 and SC Response



1. Santee Cooper maintains copies of all signed rental agreements associated with the Outdoor Lighting Program until such time as said rental agreements are terminated and customers either 1) execute new rental agreements for new lighting systems; or 2) customers elect to no longer participate in the Outdoor Lighting Program and the old lighting systems are removed by Santee Cooper.

- Historically, Santee Cooper's Policy has been to retain Outdoor Rental Lighting Agreements
  - In early years, stored on microfiche in Moncks Corner Records Retention Dept.
  - In 2006, Santee Cooper implemented an ECM repository for storing agreements and documents
  - Will maintain copies of Outdoor Lighting Agreements going forward

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## ORS Recommendation #2 and SC Response



2. Santee Cooper combines the two (2) lease agreements into a single lease agreement to help prevent possible confusion among customers and other parties as well as simplify the administrative burden on Santee Cooper.

- Reviewed both Standard and Premium Lease Agreements
- Separate lighting agreements
  - Works best for customers
  - Easier for Santee Cooper employees to administer
  - Clear separation between both categories
  - Numerous pole and fixture combinations
  - Standard and Premium lighting not fully interchangeable
  - Premium lighting powered from an underground source
- Will continue to maintain (2) two lighting agreements
- Both agreements modified to reflect 7-year terms
- All terms are now consistent with both agreements

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## ORS Recommendation #3 and SC Response



3. For clarity and transparency, Santee Cooper includes in the rental agreement explicit language regarding the ownership of all outdoor lighting facilities including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances.

- Santee Cooper's Outdoor Lighting Agreements Section 2 (a) Conditions of Service edited to include:
  - (a) Lighting equipment including lamps, fixtures, and the necessary lighting circuits, poles, and fittings will be furnished, installed, **owned**, and maintained by Santee Cooper along with all the necessary facilities used to provide outdoor lighting such as fixtures, lamps, photocontrols, pole hardware, transformers, conductors, conduits, etc.

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## ORS Recommendation #4 and SC Response



4. Santee Cooper investigates and revises the LED conversion process to accommodate full LED conversion requests based on schedules that incorporate supply chain and manpower constraints.

- Revised LED Conversion Process
  - Eliminated the 50-light LED conversion limits
  - Work with the various HOAs/POAs
  - Monitor inventory and supply chain issues
  - Prioritize lighting installations with new construction demands

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## ORS Recommendation #5 and SC Response



5. Santee Cooper revises the monthly billing for outdoor lighting to break out pole type and fixture by line item. This modification would increase transparency, remove a barrier for customer questions regarding their bills, and bring the rental lighting bills closer into alignment with other rental or lease invoicing practices across the industry.

Effective in February 2022, Santee Cooper will modify its customer information billing system to include a detailed breakdown of outdoor lighting charges:

- Poles
- Fixtures
- Energy charges
- Normal Adjustments
- Taxes

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**SC Response #5 (cont.)  
Sample Detailed Bill**



**Outdoor Light – 06/30/2021 – 08/04/2021**

Outdoor Lighting

168 – 18’ Fiberglass Round Black Pole (B) at \$5.66 per pole	950.88
4 – 25’ Aluminum Standard Pole (D) at \$12.09 per pole	48.36
<b>Pole Rental Fees Summary</b>	<b>999.24</b>
4 – 100W HPS Private Light (01) at \$2.68 per light	10.72
144 – 150W HPS Traditional Light (03) at \$4.37 per light	629.28
33 – 70W LED Traditional Light (L1) at \$7.30 per light	240.90
<b>Light Fixture Fees Summary</b>	<b>880.90</b>
Lighting Energy Charge	774.96
Fuel Adjustment	-158.74
Demand Sales Adjustment	- 24.50
Sales Tax	148.31
<b>Total New Charges</b>	<b>\$2,620.17</b>

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**ORS Recommendation #6  
and SC Response**



**6. Santee Cooper fully evaluates the CCT of LED lighting and strongly considers the use of LED lamps with CCT of 3000K moving forward to address customer complaints.**

- Santee Cooper Polled Neighboring Utilities About 3000K LEDs
  - Investigating, but not switching to 3000K LEDs at this time
- Santee Cooper migrated to LED Technology using industry standard of 4000K CCT
  - Received a few complaints about brightness
  - Addressed those complaints with lighting shields
    - Reduce glare
    - Mitigate safety and health concerns
  - Santee Cooper will address LED brightness on a case-by-case basis
- Will continue to monitor industry trends and follow industry standards; surveying utility benchmarking group

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## ORS Recommendation #7 and SC Response



**7.** Santee Cooper monitors the average cost of new LED fixtures to ensure that charges for new installations are updated to match the marketplace costs and correspond to the respective monthly rental charges published on Rate Schedule OL-17, Exhibit B (as permitted by the Cook v. Santee Cooper Settlement).

- Santee Cooper will continue to monitor average cost of new LED fixtures
  - Charges for new installations match marketplace costs
  - Correspond to the applicable monthly rental charges published in Rate Schedule OL-17, Exhibit B
- OL-17 Rate is locked through 2024 per Cook Settlement Agreement
- Will reevaluate the rate after Cook Rate Lock expires in conjunction with the next Rate Study

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## ORS Recommendation #8 and SC Response



**8.** Santee Cooper completes the development of the three (3) proposed lighting options, communicates the completed product(s) to both ORS and the interested customers, facilitates an educational meeting to explain the final product(s) to both ORS and any interested customers, and implements the chosen proposed option for those customers who choose to participate.

Santee Cooper is subject to a Rate Lock as outlined in the Cook Settlement Agreement. Subject to that Rate Lock, Santee Cooper is developing three (3) proposed outdoor lighting options:

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## SC Response #8 (cont.)



### The Purchase Plan

- Straightforward, outright purchase of the outdoor lighting system “as is” with no implied warranty
  - Includes poles, lamps, photocontrols, fixtures, wires, fittings, pole hardware, and conduits
- All lighting, poles, bulb replacements, repairs, maintenance, etc. are the sole responsibility of the owner
- Requests handled on a case-by-case basis and evaluated by Santee Cooper’s Financial Accounting Dept.
- Sale of assets handled using Asset Purchase Agreement
  - Includes list of poles and fixtures sold
- Methodology for Purchase Plan
  - Book Value less Depreciation and Capital Improvement Fund Requirement (CIFR)
- Work with customers to install meter bases and disconnects per NEC

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## SC Response #8 (cont.)



### The Premium Lighting Contribution Plan

- Applies to new subdivisions
- Requires developers to pay a one-time, upfront capital payment for Premium lighting
- Cost difference between Premium lighting and Standard lighting
- Payment collected as part of the Line Extension Application Agreement (LEAA)
- Developer signs Premium Lighting Contribution Plan Agreement
- Addresses the HOAs/POAs concerns on having no input on the selection of poles and fixtures installed in developments
- Plan is still being evaluated
- Requires development of Experimental Rate to accurately assess costs
- Requires appropriate approvals

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## SC Response #8 (cont.)



### The Buy Down The Rate Plan

- Applies to HOAs/POAs with existing decorative fixtures
- Allows HOAs/POAs to buy down the rate towards Standard lighting
- Requires a one-time, upfront capital payment
- Covers the cost difference between Premium and Standard lighting
- Book Value less Depreciation and CIFR
- Plan is still being evaluated
- Requires development of Experimental Rate to accurately assess lower costs
- Requires appropriate approvals

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## SC Response #8 (cont.)



### Approval, Communication, and Implementation Timeline

#### The Purchase Plan

- Available now for customers and HOAs/POAs ready to purchase or own their outdoor lighting systems
- February 10, 2022 – Communicate to ORS, HOAs/POAs, and other stakeholders
- March 1, 2022 – Communicate to all interested parties
- March 1, 2022 – Update Outdoor Lighting Information Sheet on Santee Cooper's website
- Update GIS and Customer Billing System at conclusion of purchase

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## SC Response #8 (cont.)



### Approval, Communication, and Implementation Timeline

#### Premium Lighting Contribution Plan

- March 2022 – Director of Budget and Pricing will inform SC Board of Directors of Experimental Rate
- March – September, 2022 - Rate will take 3 to 6 months to develop
- October 24, 2022 – Director of Budget and Pricing will request SC Board of Directors approval of Experimental Rate
- October 25 – 31, 2022 – Update rates and codes in Customer Billing System
- November 1, 2022 – Communicate to ORS, HOAs/POAs, and other stakeholders
- November 1, 2022 – January 1, 2023 – Implementation of Experimental Rate

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## SC Response #8 (cont.)



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# QUESTIONS?

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