

TRANSCRIPT
S. C. SENATE SELECT COMMITTEE ON SANTEE COOPER
March 19, 2019

Excerpt #1

Senators Luke Rankin (R-Horry) and Nikki Setzler (D-Lexington) with Jeff Armfield, CFO of Santee Cooper

RANKIN: Mr. Armfield, over here. If I divide the 8.48 in 2028 by the 7.32, it shows a 15.8% increase.

ARMFIELD: Yes, sir. But that's fuel as well. The 7.0% talks about base rate, firm rate increases. Fuel is an automatic flow through in all of our rates.

SETZLER: Well, let's talk about total rates. So the total rate would be 15.0% increase?

ARMFIELD: If our projections are correct with respect to fuel cost, yes.

Excerpt #2

Senator Shane Massey (R-Edgefield) with Jeff Armfield, CFO of Santee Cooper

MASSEY: All right. Do you project that rates will have to increase beyond that to pay off the debt? Or is that going to be -- is the Board going to -- would the Board approve a rate increase that would be the rate for debt repayment?

ARMFIELD: We don't do rate adjustments just for debt repayment. The rate adjustments would be to recover all costs which would include debt service. As to one of Senator Setzler's point in question earlier, if you look over a 30 or 40 year period, you're probably looking at closer to a 15% rate adjustment.

MASSEY: 15% or 50%?

ARMFIELD: 15%.

Excerpt #3

Senators Luke Rankin (R-Horry) with Jeff Armfield, CFO of Santee Cooper

RANKIN: Thank you, sir. There is a generally accepted rate increase, only because it's perhaps been stated so often, but I just pulled a *Post and Courier* article about the projected increase due to the V.C. Summer debt. And this is from...who was it again? Coming out of [Palmetto] Promise Institute...but effectively a \$14 per month increase associated

with V.C. Summer debt that would be across the board to the -- and based on equal usage of direct serve residential customers. Is that number -- are you familiar with that number in terms of if you follow my question.

ARMFIELD: The average, going to Senator Setzler's question earlier on page - slide fourteen -- for a residential usage customer of a thousand kilowatt hours a month, our residential rate is currently 11.1 cents.

RANKIN: I'm sorry. Say that one more time. I'm with you.

ARMFIELD: I'm on slide fourteen in the top second column, January 2019., the blue, dark blue, Santee Cooper for residential rate using 1,000 kilowatt hours. This is a proxy that we're using to compare ourselves to other utilities, our rate would be 11.1 cents. So our average residential customer total bill is \$118.00. \$14.00 to pay off all Summer debt is probably in the ballpark.