BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

[Charleston, South Carolina]

HEARING #12-11316 NOVEMBER 5, 2012 6:00 P.M.

DOCKET NO. 2012-218-E:
SOUTH CAROLINA ELECTRIC & GAS COMPANY — Application for
Increases and Adjustments in Electric Rate Schedules and
Tariffs, and Request for Mid-Period Reduction in Base Rates
for Fuel

TRANSCRIPT OF TESTIMONY VOLUME 2
AND PROCEEDINGS

COMMISSIONERS PRESENT: David A. WRIGHT, CHAIRMAN, Randy
MITCHELL, VICE CHAIRMAN; and COMMISSIONERS John E. ‘Butch’
HOWARD, Elizabeth B. ‘Lib’ FLEMING, G. O’Neal HAMILTON,
Swain E. WHITFIELD, and Nikiya ‘Nikki’ HALL
ADVISOR TO COMMISSION: Josh Minges, Esq.

STAFF: James Spearman, Ph.D., Executive Assistant to
Commissioners; David Stark, Esq., Legal Staff; William O.
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CVR-CM/M-GNSC, Court Reporter; and Colanthia Alvarez, Afton Ellison
and Calvin Woods, Hearing Room Assistants

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GISSENDANER, ESQUIRE, MITCHELL WILLOUGHBY,
ESQUIRE, and BELTON ZEIGLER, ESQUIRE, representing
SOUTH CAROLINA ELECTRIC & GAS COMPANY, APPLICANT

NANETTE S. EDWARDS, ESQUIRE, and JEFFREY M.
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REGULATORY STAFF

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CHAIRMAN WRIGHT: All right. Well, good evening everyone, and welcome to tonight's public hearing. My name is David Wright and I have the honor to serve as Chairman of the Public Service Commission this year, and I represent the Second Congressional District in South Carolina.

I'm going to, before we get started with everything, introduce the people who are here at the table with me, the Commissioners and our attorney who are here. From the Public Service Commission, representing the Fifth District -- on my far left, to your right -- is O'Neal Hamilton. Next to him is the representative from the Charleston area, represents the First District, and that's Butch Howard. Lib Fleming is next to Butch; she represents the Fourth District. Next to her, to my left, is also our attorney, Josh Minges; he'll be laying out the rules of the game here later. All the way to my far right, to your left, is Nikki Hall; she's the Commissioner from the Sixth District. Next to her is Swain Whitfield from Blackstock, South Carolina, and he's currently the at-large member. And next to him is Randy Mitchell from the Third District.
And we are very happy to be here. We like to do these night hearings and come and hear you in your backyard, so that you don't have to travel to Columbia. Everything that you say tonight will be on the record, and so we encourage you to speak.

So at this time I'm going to turn it over to our attorney, Josh Minges, so he can give you the ground rules for tonight.

MR. MINGES: Thank you, Mr. Chairman. Good evening, folks. Please turn your phones off, if you wouldn't mind, or at least silence them.

This proceeding before the Public Service Commission in Docket No. 2012-218-E concerns an application of South Carolina Electric & Gas for a rate increase. This public hearing has been scheduled on November 5, 2012, at the Longshoremen's Association in Charleston.

Now at this time I'll get the parties to introduce themselves, starting with South Carolina Electric & Gas.

MR. BURGESS: Good evening, Mr. Chairman and members of the Commission, and good evening to SCE&G's customers. We appreciate your attendance tonight. My name is Chad Burgess and with me is Matthew Gissendanner. Matt and I both work for
SCE&G. We are SCE&G lawyers, and we're charged with the responsibility of presenting SCE&G's case to this Commission, and we will be doing that later this month in Columbia, starting on November 26th.

Tonight you will hear the Chairman indicate to you in a little bit that this evening is about you, and it's about you being able to provide your comments, your statements, your concerns about SCE&G's application before this Commission. Your comments are important to us. Matt and I will be listening to them very carefully. In addition to Matt and I, SCE&G also has members from its senior management team who are present tonight, as well as some of its officers, and I know that your comments are important to them, as well.

One of the things that Chairman Wright is going to explain, and Attorney Minges, as well, is that, unfortunately, tonight's process doesn't give you the ability to ask us questions during the hearing. However, I want you to know, if you do have questions about SCE&G's application, I'm available at the end of the hearing to answer any questions that you have. I'll do my best to answer a question. If I don't know the answer to it, I'll certainly go find out for you and respond to you in
a timely manner.

In addition to us, there's also a table out front at which some SCE&G customer service representatives are manning that table. If any questions pop up during the hearing and you feel like you need to get those answered sooner rather than later, you can walk outside and talk to the customer service representatives and put your questions to them. They're there to help you; they're there to explain the services that SCE&G provides to its customers.

Lastly, if you need assistance or help with your bill, we've got programs to help in that regard. If you are interested in trying to make your home more energy efficient, let us know that, too. We have programs and offers for free, to homeowners, to help in that regard. If you have questions or comments about SCE&G's demand-side management programs, which are also designed to help reduce your energy, let us know that, too. We want to provide you with as much information about this case and as much information about the services we provide as you're willing to hear.

Mr. Chairman, that's all I have at this time. I'll turn it back over to you. And, again, thank
you for having us here tonight and we look forward to hearing your comments.

**CHAIRMAN WRIGHT:** Thank you very much. And if you would, Mr. Nelson and Mr. Burgess, too, just hold the mic closer. Your voices are softer and it picks up better, so that people can hear.

**MR. NELSON:** Good evening, and welcome. My name is Jeff Nelson. And together with Courtney Edwards, we work for the State Office of Regulatory Staff. Our position in this is that we represent the public interest in this rate case.

We have several people here tonight because, as Mr. Burgess indicated, the Commissioners can't answer your questions tonight. This is just like if you were testifying in a court case. I mean, you can't ask the judges questions. But we are here to answer your questions. Again, we represent the public interest in this. We have several people that are here tonight. Back in the back of the room back there is Mr. Chad Campbell. He's from our Consumer Services.

**MR. CAMPBELL:** [Indicating.]

**MR. NELSON:** There we go. Mr. Brad Kirby is back there, as well.

**MR. KIRBY:** [Indicating.]
MR. NELSON: Ms. Dawn Hipp is back here.

MS. HIPP: [Indicating.]

MR. NELSON: And I think that's all we have. Well, sorry. Allyn Powell is back -- where's Allyn? I can't quite see her.

MS. POWELL: [Indicating.]

MR. NELSON: Allyn is here; she works with our Electric and Gas Department.

If, at any point in this proceeding or after you testify, if you don't want to wait until the end of the evening, please go to the back of the room and talk to one of our representatives, and they'll be happy to answer any questions regarding this case and ORS's position. If you have problems with your bill or if you have some type of complaint with the service you receive from SCE&G, we'd be very interested to hear that.

ORS's position in this case is that we are opposed to the application as filed by the company. There are several expenses that have been included that the company is seeking to pass on to its customers in this case -- and some of you may have read this in the Post & Courier -- I think such as Zumba classes for employees, that our office does not believe customers in South Carolina should have
to be paying for. So that is our position in this case.

Tonight we'd like to listen to all of your concerns, and we appreciate very much y'all coming out here. South Carolina Electric & Gas serves a lot of people, and a lot of people in the lowcountry. This rate increase is going to have an impact on thousands of households in the lowcountry, and small businesses. And the small number -- you people that have shown up here tonight, we very much appreciate it because you are the voice of all of those customers, and so we'd like to hear what you have to say.

Again, if you have any questions, if you want to wait until the end of the evening, Ms. Edwards and I will be here until whenever. I mean, as long as it takes, we'll stay here and talk to y'all. That's all I have, thank you.

CHAIRMAN WRIGHT: Thank you.

MR. MINGES: Okay, thank you. Now in a moment I'll be calling the names of those who have signed up to speak to come forward and be sworn in. When you come forward, make sure you give your name and address, and then proceed with your testimony.

Is that better? Okay. I'll just start that
again to make sure everybody heard.

So I'll be calling the names of those who signed up to speak to come forward and be sworn in. When you come forward, make sure you give your name and address, and then proceed with your testimony. So that everyone will have a chance to speak tonight, your testimony is limited to three minutes. And also, please speak clearly into the microphone for the court reporter, because what you say becomes part of the record of the case. And after you're done, please remain at the podium for any questions that the parties or the Commissioners might have. I'd just like to stress that. Please, when you're done, just remain, because folks may want to ask you some questions.

I want to remind everyone, like you've heard, that this is your time to be heard on the proposed rate increase. But due to the judicial nature of this proceeding -- as was also explained -- the Commissioners are prevented by law from actually making comments or taking questions.

SCE&G and ORS will be available after the hearing, also as they have said, for any questions that you might have. And last, the final public hearing is scheduled on November 27th --
CHAIRMAN WRIGHT: 26th. The 26th at 2 o'clock.

MR. MINGES: Okay. The 26th at 2 o'clock, then, at the Commission's hearing room in Columbia. And please note it's our policy that you only speak at one public hearing. And the decision on the rate case is due by December 29th. And as the Chairman has corrected me, our public testimony will be on the 26th, at 2 o'clock.

CHAIRMAN WRIGHT: No. You said the hearing. The hearing starts at 2 o'clock on -- the hearing starts at 2 o'clock on the 26th. The public hearing will be on the 27th at 6 o'clock. So we do anticipate the hearing to go for a few days.

MR. MINGES: With that, I'll turn it over.

CHAIRMAN WRIGHT: Okay. Before we go into the public witnesses, there, I believe, are a few elected officials in the audience. I do see one in the back, Representative Mack. Is there anything that you would like to say? Now would be the time to do that, if you wish.

REP. MACK: Just want to hear from the public.

CHAIRMAN WRIGHT: Okay. Anyone else, elected-official-wise?

[No response]
All right. Hearing none, then we will go into the public hearing.

MR. MINGES: Thank you, Mr. Chairman. Eleanor Horres, could you please come forward to be sworn in?

[Witness sworn/affirmed]

THEREUPON came,

ELEANOR HORRES,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Eleanor Horres, 659 Bank Street, Mt. Pleasant, South Carolina. I have laryngitis, so -- thank you for coming. I was afraid we were not going to get a meeting in Charleston, and I do appreciate it.

For everybody here, these are the good guys. So don't yell at them.

This is the second meeting I've been to in three years, and in that time, SCE&G's stock has increased by $10 a share. It's a healthy company; it's not a company that needs to do any more than look to itself to find out where they could cut some costs.

Traditionally, what has happened is they ask for money, and they get it, but they get it 2
percent at a time. And that's like cutting off your finger a knuckle at a time; it doesn't make it hurt any less. And there are some people who feel totally defeated because of that.

I would like to see that -- if they are going to get it, I would like to see them do some things for us, and that would be to help us. Please help us install solar panels, install solar tubes. Help us with municipalities and establishing windmill grids. Help us in purchasing energy-smart appliances. And be responsive to us, as customers, when -- this is not a healthy economy. SCE&G is probably doing better than anybody else. And I don't feel like we need to be doing more than our share. Normally, when a place raises the rates, they give you something new and improved. You know, a product is new and improved? Well, I want to see something new and improved if they get this money. And I hope they don't.

I have a copy of my letter to the editor. I've just got a couple of copies here, but I'd like to give it to you, if I can. This was published in the Post & Courier, and I just want to give that in evidence. In this letter, I pleaded with people to be here tonight, because I know a good turnout does
make a difference for you, and our community is certainly concerned. South Carolina may be -- or Charleston may be doing better than some, but it's not doing well enough for a 6 percent increase.

That's all I have.

CHAIRMAN WRIGHT: Thank you. We will start with the questions, if you don't mind. Just stay there a minute. Mr. Burgess?

MR. BURGESS: We have no questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson.

CROSS EXAMINATION

BY MR. NELSON:

Q Ms. Horres, have you noticed the gradual increase in bills, then, over the last four to five years? I mean, have they steadily been climbing?

A Oh, yes, absolutely. And Customer Service did help us the last time by putting in seasonal adjustments. And I think that did help some, but our bills are higher. I live like a Spartan. I mean, no one would like to live the way that I do. I use very, very little electricity. And I still get bills that are beyond what I can believe.

Q And has your income increased at the same level going up as the power --
My income has gone down. I'm on South Carolina retirement, which everybody knows, if you're going to be a South Carolina retiree, understand that you're going to have to learn to live on half of your income, or less. And we won't be getting 6 percent adjustments a year. It's in South Carolina law at this point that we get no more than 1 percent. Personally, every item that keeps me insured, water service, anything like that -- everything that I've got has gone up this year to the tune of about $200 a month when you put it all together. So everything's going up and I'm actually coming down.

And I think this company has been around a long time, it knows that it needs to be responsive to its customers. They can't be just a piggy bank for when they want things. I mean, I would like dearly to tell you that I want my money and get it. And, you know, they talk and talk, but let's see them do what they say they're going to do.

And I'm very serious about these energy-saving things. We need solar panels. We need everything that makes an alternate energy available to us, because when you call and ask about your bill, one of the very first things they'll say is, "How old is your refrigerator?" How old is this, how old is that? It's going to be our fault somehow, you know, that we're using too much, so I
CHAIRMAN WRIGHT: Commissioners.

COMMISSIONER HOWARD: I do.

CHAIRMAN WRIGHT: Commissioner Howard.

EXAMINATION

BY COMMISSIONER HOWARD:

Q Ms. Horres, you mentioned "new and improved," and just awhile ago, you mentioned alternative energy sources. Is that what you're referring to when you were saying "new and improved"? Or what was your -- what were you talking of when you said "new and improved"?

A Well, if you buy a product and that product's price went up, they would justify that by advertising that that product was new and improved. I mean, maybe they put a few more soap suds in it, or whatever. Electricity is electricity; there's not going to be anything different about it. So if they are going to do something new and improved, they need to get us these energy-saving things. They need to give us these energy-saving things; they need to give us these energy alternatives, so that we can begin using them and they can be used by the average person in the average house to power their
water heater and things like that. We really need to go beyond SCE&G.

Q Okay, thank you.

A Thank you.

CHAIRMAN WRIGHT: Commissioners.

[No response]

Thank you, very much. The exhibit -- you want it to be as part of the record, I believe you said, so that would be Exhibit 1.

[WHEREUPON, Hearing Exhibit No. 1 was marked and received in evidence.]

[WHEREUPON, the witness was excused.]

CHAIRMAN WRIGHT: All right, who's next? And who's on deck, too?

MR. MINGES: Okay, great. Anthony Bryant, would you please come forward to be sworn in?

CHAIRMAN WRIGHT: And on deck?

MR. MINGES: On deck is Donald Eaton. You're next after Mr. Bryant.

[Witness sworn/affirmed]

THEREUPON came,

ANTHONY G. BRYANT,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Anthony G. Bryant, 2123 Courtland
Avenue, Charleston, South Carolina 29403, formerly a member of the Charleston County Board of Zoning Appeals.

My deepest concern would probably be the public comment and also within a FOIA request, as we all are here together, so I hope that that would be taken into consideration. What I have is some questions, and it can be taken for what it's worth.

If this rate increase does not prove to the Commission to provide the disparity setting with the criteria using census tracks -- the method would be the zoning criteria of the Planning Enabling Act -- we would be able to measure by income and by customer, from corporate to low income, the disparity within the rate increase. That's what we would normally use, as a usual standard regarding matters like this. We are aggregating the matter, and we're de-aggregating the matter. We should de-aggregate and then aggregate.

So my mother's question was, why do we have to take an oath? Do we take an oath when we pay our bill?

VOICE: Amen.

WITNESS: How will this rate increase affect
senior citizens and the disabled is a question. How long is the jurisdictional authority for to SCANA? Is the SCANA board indirectly -- is it a direct [words indiscernible]? There's no free market here, because there's no competition here. And if we're in a republic, as we say, then we should have free market economy as being the criteria for doing business.

Why does SCANA request nongovernmental tax exemptions? They're not based in Charleston County; they're based in Cayce. So therefore we defer payment indirectly, so we pay and then we defer payment.

What's the total cost of the amount of money for lobbyists and legal fees? If this body is to be over them, we must know where all the money is. If I've got to fully disclose my money, disclose your money. It's all about money, right? So he who knows that he knows is wise; he who knows not that he knows is a fool. So those that know need to know.

And so at the end of the day for my senior citizen father, my mother, who have worked hard for their little home and read to children, three children, it's important that we look at each other
from a conscientious standpoint as you be strong, you've got more money; when you get weak, you've got less money. So what have you done for us, will be the question in the final analysis. What have you done for us? You are your house, you are your car, you are your power, but at the end of the day, what have you done for other people, is how you will be measured in the final analysis. And that's why my comment and FOIA request is embodied before you.

CHAIRMAN WRIGHT: Thank you, very much. Mr. Burgess.

MR. BURGESS: We have no questions.

CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: ORS has no questions.

CHAIRMAN WRIGHT: Commissioners. Oh, one second, sir. Commissioners, any questions?

[No response]

Okay, thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: Donald Eaton, would you please come forward? And Sandy Roberts, you're after Mr. Eaton.

Ms. Roberts, you're next, after Mr. Eaton.

[Witness sworn/affirmed]
THEREUPON came,

DONALD EATON,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Good evening to you. If this mic works, I'll be ready for the Oscars next.

My name is Donald Eaton. I live at Harbor Point Drive, in Mt. Pleasant. My mailing address is P.O. Box 62034, North Charleston, 29419. I'd love to hear from some of you.

Forgive me, I'd like to just speak here, but I think this will go quicker if I read it. I'm just a customer. I use as little electricity as possible and I'm outraged that part of my monthly bill goes to support the construction of nuclear reactors, especially when interest rates are historically low. If nuclear is such a good idea, why not fund construction with bonds? The answer is a 2007 State law called the Base Load Review Act. I wish to remind those present that SCANA -- SCE&G's parent -- is a member of the American Legislative Exchange Council. ALEC effectively creates state law while bypassing the democracy process. About ten states have enacted similar laws in the last five years. Here's one from
Georgia; it seems rather suspicious to me.

I'm outraged at the continual waste of electricity in this State. The weather normalization adjustment decreases the costs in the worst weather for customers with inefficient heating or cooling systems, thus decreasing the financial incentive to upgrade and save energy. I'm in a rental unit, and I can't provide financial incentives to get my out-of-state landlord to upgrade the property with modern windows and insulation. A big corporation like SCE&G could provide incentives to big apartment owners, which could substantially reduce base-load demand at far lower costs than expanding generating capacity.

The prevailing dogma in this State is Republican smaller government/budget. Should this philosophy take hold at the federal level and all government subsidies for nuclear power are ended, SCE&G's nuclear commitments will cause bankruptcy. Please remember the Washington State public power supply municipal bond default in 1983. The largest municipal bond default in history until the recent economic chaos.

Lastly, I'm sickened by the history of outrageously high SCE&G rate hike requests which
then get whittled down before being approved, thus
giving the appearance of the Public Service
Commission doing its job of protecting the citizens
while SCE&G gets more money to waste on lavish
expense accounts and foolhardy investments.

Commissioners, please deny this rate request,
and consider revoking the previous increases that
have been handed out for this out-of-control
utility. Also, please bone up on the financial
history of nuclear energy before the next rate
increase request, which is probably already in the
works.

Thank you.

CHAIRMAN WRIGHT: Thank you.

[Applause]

Mr. Burgess?

MR. BURGESS: No questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson.

CROSS EXAMINATION

BY MR. NELSON:

Q I'd like to go back to your statements regarding the
weather normalization. Have you seen any benefit,
yourself, to trying to conserve your electrical usage?
Do you think that this is --

A My electric bill is actually fairly low. I use as
little as possible. I've got the compact fluorescent lights. I live in an old apartment. I have very poor insulation. I can live without air conditioning, and for the most part I do, in the summer. But it's interesting that I thought it was pretty damn cold last winter, and I kept a cold apartment, but my rate was higher because it wasn't cold enough. If it had been colder, the rate would have been lower.

Now, if I were a homeowner -- if I were a homeowner and I had a really bad heating system, if I got really high bills in colder weather, that would be an incentive for me to fix the damn thing, or insulate the building, or something like that. And that's not happening. It's absolutely counter to what would be good public policy of reducing energy consumption.

Q So would you rather have the option to try and reduce your energy usage yourself, or conserve yourself, as opposed to the company kind of doing it for you through this weather normalization?

A Well, it's really a moot point in my situation where I'm dealing with a landlord. I have done what I can. I have sealed my windows myself. I've done some insulation that does not affect the building at all; it's all removable. Nothing more to say on that.

MR. NELSON: Thank you, sir. I appreciate
CHAIRMAN WRIGHT: Commissioners, any questions?

[No response]

Thank you very much, sir.

[WHEREUPON, the witness was excused.]

MR. MINGES: Sandy Roberts, would you please come forward? And Ruth Rambo, you're on deck.

[Witness sworn/affirmed]

THEREUPON came,

S A N D R A R O B E R T S ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: I just have a few questions. I want to know, if y'all are so hurting for money, why don't y'all sell some your beach houses? Why don't you quit matching dollar-for-dollar your employees to put in? This is where you can start cutting your part. Why should we have to go out here and work two jobs? What about this lady sitting here and other ones that can't get out to work? Their light bill is going up more and more. They don't have no more income. What are you going to do about that? You going to put them out to die? You know? I'm -- this -- something's got to be done,
and y'all need to just look at yourself and start.
That's what you should be doing. That's all I got
to say. [Indicating.]

[Applause]

MR. MINGES: Ma'am?

CHAIRMAN WRIGHT: Would you like to take
questions?

WITNESS: Y'all got any questions for me?

CHAIRMAN WRIGHT: Mr. Burgess.

MR. BURGESS: No questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson. Ma'am?

MR. NELSON: I would like to restate for those
who might have come in later, this is the Office of
Regulatory Staff, and we represent the public
interest in this case --

WITNESS: Well, that's what I'm saying. Y'all
need to --

VOICE: They aren't doing that.

WITNESS: Who pays the taxes for those beach
houses? We do. We don't get to enjoy it. You
know? I mean, y'all need to look at yourselves.
That's what I'm saying. I'm tired. My son
starves, and these people, what do they do? They
choose not to pay for their medicine one month, to
pay a light bill? Or buy food? Huh-uh. Y'all
sitting up there with six figures a year.

[Applause]

[WHEREUPON, the witness was excused.]

MR. MINGES: Ruth Rambo, would you please come forward? And Eugene Platt, you are after Ms. Rambo.

[Witness sworn/affirmed]

THEREUPON came,

RUTH RAMBO,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Good afternoon. My name is Ruth Rambo. My address is 1364 Little David Court, Charleston, 29412.

Let me -- unlike our campaigning politicians -- be crystal clear: I am here tonight to speak against the proposed SCE&G rate hike. And by the way, I would like to say that I certainly appreciate this opportunity to tell you how I'm feeling and what I'm thinking about the proposed hike. And, since I can't raise questions of you, what I would like to do is to propose some questions for you to consider during your deliberations and your fact-finding and all of the information that you're going to gather about this
proposed hike. I have a couple of questions I want you to think about as you're doing this process.

The 7.35 requested rate hike, for the average household, amounts to $6.67 each month. That's not a lot of money. In fact, it's about the cost -- for those of you who are not there yet -- for a senior citizen movie ticket, and not quite enough to buy a decent sized box of popcorn. $6.67. And what difference could it possibly make in somebody's budget? Well, one thing obviously is the price of going to see a movie, which is a fun thing to do.

But the questions I want you to consider are these: Has SCE&G explored other avenues for securing resources to cover the costs that are associated with this proposed hike? The primary ones seem to be pensions, tree trimming, property taxes, and depreciation. If so, did they look to the parent corporation, SCANA, and their departments there that they might have used, and apparently did not? One is Corporate Planning. The Corporate Planning Department -- for those of you who do not know -- is charged with providing financial quantification and evaluation of generation -- I don't think that means age; I think
it means power -- and other capital projects. Did that department make any recommendations? Were any of those ideas vetted and implemented? If so, what was the result?

What about the Finance Department? It surely should have been able to project at least five rate hike requests ago --

[3-min alarm]

-- that there were expenses associated with employee pensions. That couldn't have changed. Why is it a part of this formulation now -- this formulary now?

And while we're on finance, I have to raise the question of, couldn't their auditors, inside of the organization, have done a better job of protecting those of us who pay the bills from a $50 shot of liquor and a $300 steak? Auditors? What are they doing? Perhaps they need to be removed from the payroll.

Couldn't the Strategic Planning Department have anticipated that South Carolina trees were going to continue to grow, and therefore grow over the electric wires that would then need to be trimmed?

Did the Communication Department make any
outreach efforts, to those of us who are expected to pay, of the insight into the reasons why SCE&G needs the rate hike? Were we consulted, were we educated, were we advised?

Now, I understand that some corporations hire employees who spy on their competitors. Couldn't SCE&G have sent some spies over to Progress, which charges $34.28 less for the very same amount of service? Or better yet, they could've gone to Duke, which currently charges $35.43 less.

So, before we place the entire burden on the bill payer, the customer, can SCE&G assure us that every reasonable effort has been made to keep costs under control while maintaining quality service? I don't believe that condition has been met, and ask that the Commission deny the SCE&G request for a rate hike at this time. Thank you.

[Applause]

CHAIRMAN WRIGHT: Mr. Burgess.

MR. BURGESS: We have no questions of Ms. Rambo.

CHAIRMAN WRIGHT: Mr. Nelson.

CROSS EXAMINATION

BY MR. NELSON:

Q Thank you, Ms. Rambo, for your comments. If you had a
choice to pay Progress or Duke Energy, would you choose one of those?

A Oh, absolutely. I'm looking at Duke, if you're going to make that a possibility. Yes.

Q Do you have any idea why SCE&G's power -- I mean, you seem pretty knowledgeable about numbers. Do you have any idea why they're so much higher?

A I have no idea why not, and the question that I raised about SCE&G communicating to me as a bill payer why Duke can do it for less would have been useful. But none of these things have happened, and so I don't -- I feel very strongly, and the reason I came was to say I feel pretty strongly about it, even though it's a small amount. Remember there have been five requests for rate hikes in four years. For me, as a person who works in organizations, it seems poor planning, lack of communication. The auditing, I think, is -- you know, the Post & Courier pointed out that's a very painful thing to think that, as a customer, somebody else -- I'm paying for somebody else's entertainment at a rate that is really unreasonable.

Q So entertainment costs, executive bonuses, employee exercise classes -- those kind of things, you don't believe you're supposed to pay for?

A No, I don't think I said that.
Q  Well I'm just --
A  No. No, there's no lack of clarity about what I'm saying. What I'm saying is, it appears that the company is not well managed. You know, if you want a claim, this is not a well-managed company from the things I know as a consumer that are faults of SCE&G being placed on us to pay for. I don't want to pay for an auditor's mistake who does not understand that a steak does not cost $370 -- unless it's Kobe and a Japanese person who rubs down the steak comes with the steak.

[Laughter]

No, that's not what I'm talking about. I'm saying, I'm not going to pay a rate increase when you've not assured me that you're doing your very best to have reasonable costs. Of course, executives should get bonuses. You wouldn't have any executives, if you didn't give them a bonus. I understand that. But not huge bonuses. Not out-of-control.

Q  That's what I was going to ask. Are you aware of how high some of these bonuses are, that have been paid?
A  No. No.

Q  And again, I would refer everybody here, if you're interested in looking at what ORS has done as far as our audit of some of SCE&G's expenses and all, that information is contained in the testimony that we are
filing with the Public Service Commission, as well. So that is public information, and we would ask you to -- if you can go on the Public Service Commission website, some of that will point out some of the expenses that we found during our audit, as well. So I welcome you to do that, as well. And thank you so much for your comments.

A Thank you.

CHAIRMAN WRIGHT: Ms. Rambo, hold on one second.

WITNESS: Yes.

CHAIRMAN WRIGHT: Commissioners, questions?

[No response]

Thank you, very much.

WITNESS: Thank you.

[Applause]

[WHEREUPON, the witness was excused.]

MR. MINGES: Eugene Platt, would you please come forward? And Charlyne Raih is next.

[Witness sworn/affirmed]

THEREUPON came,

EUGENE PLATT,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Eugene Platt. 734 Gilmore Court, Charleston. That address is physically within the
boundaries of the James Island Public Service District, which I mention in the context of being an elected member of the James Island Public Service District Commission, and to say that I'm not happy to be here tonight. I'm pleased to see some of you, but I would much prefer to have seen you at church or in the grocery store or at a concert or on the beach. Any other place.

I happen to be in a contested election tomorrow, and I would have preferred having this opportunity to make some last-minute calls. If I lose tomorrow, I can live with that. What I cannot live with is not taking this opportunity to speak out against a proposal that almost defies description. Words like "outrageous," "obscene," "unnecessary" come to mind.

I made a little quip to Commissioner Howard earlier that I was not happy but you get paid to come here. I don't know if that's true or not, but at least there's some compensation, the prestige, or even the sense of doing something worthwhile for the community. And I would just hope that you'd do something extremely worthwhile for all the citizens of this State in rejecting -- and not only rejecting the proposal, but rejecting it with an
admonition not to come back, not to come back for a period of at least three years.

I do not advocate violence, notwithstanding the fact, as a young soldier with the 11th Airborne Division and later the 24th Infantry Division, I was trained to be violent. But again, I do not advocate violence. And I say that as preface that in some parts of the world an entity like SCE&G, if they would make the proposal that is being considered tonight, it would be met by violence. Their headquarters would be destroyed and the government would probably stand aside, knowing that it was the will of the people.

I would just hope we would not have to come before you for another long period of time. I do thank you for listening. God bless you all.

CHAIRMAN WRIGHT: Thank you. Hold on one second.

MR. MINGES: Hold on a second, sir.

CHAIRMAN WRIGHT: Mr. Platt? Mr. Burgess?

MR. BURGESS: We have no questions of Mr. Platt.

CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: I have no questions. Thank you, Mr. Platt.
CHAIRMAN WRIGHT: Commissioners?

[No response]

If you wish, you can be excused to go knock on some doors.

[Laughter]

[WHEREUPON, the witness was excused.]

MR. MINGES: Charlyne B. Raih?

MS. RAIH: Raih.

CHAIRMAN WRIGHT: Like rye bread?

MR. MINGES: We might get you to spell that for us. And Neal Hancock, you're up after.

[Witness sworn/affirmed]

THEREUPON came, CHARLYNE RAIH,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Charlyne Raih. I live at 3904 Cameron Boulevard, Isle of Palms, South Carolina.

Before I start, I did an analysis of my own personal power bill, and I have copies of it, if I'm allowed to distribute them.

CHAIRMAN WRIGHT: If you would, give them to Mr. Richardson, please.

WITNESS: Are the attendees allowed to have
them [indicating]?  

MR. RICHARDSON: [Indicating.]  

CHAIRMAN WRIGHT: We're going to show it to the attorneys first, and if you'd like to make it a part of the record -- would you like it to be a part of the record?  

WITNESS: Yes.  

CHAIRMAN WRIGHT: Is there any objection?  

MR. BURGESS: We have no objection.  

CHAIRMAN WRIGHT: We'll make that Exhibit No. 2.  

[WHEREUPON, Hearing Exhibit No. 2 was marked and received in evidence.]  

CHAIRMAN WRIGHT: You may proceed. Go ahead.  

WITNESS: Okay. Because of the limited time, I'm not going to discuss the things that occurred in my life that put SCE&G and my power bill on my radar screen, okay? But one of those events kicked me off or eliminated me from the budget plan that SCE&G offers, and when that happened, I began to pay attention to my energy bill. What you have before you is my energy bill from February to October of this year, okay? Because it was this year that I began to wonder why I'm paying more but even though I'm using less.
If you look at this spreadsheet, I took my 2012 bills and my 2011 bills for each month. The first column is how much I used. The next column is what I was charged. The next column is cost per kilowatt-hour. I just did it for the total amount. I did not differentiate it between the first 800 kilowatts and the amount above that, nor did I analyze the WNA, okay?

And my point in being here is that I don't support the rate request and I do not support the WNA. And you'll see why.

The next column is my 2011 kilowatt-hours used, charges, and the cost per kilowatt-hour. The next-to-the-last column is your difference per kilowatt-hour. The last column is the percent increase and decrease in my power bill for each month, comparing 2011 with 2012.

The bottom line, since I only have 20 seconds, is that --

CHAIRMAN WRIGHT: We're not going to stop you. Keep going.

WITNESS: Okay. -- is that my power has increased 14.82 percent over the past year. If you adjust that amount --

[3-minute alarm]
-- by the 1.18 percent increase that went into effect July of this year, my overall power has cost me 13.64 percent more in 2011 than it cost me in -- it cost me more in 2012 than it did in 2011. Okay?

Now to put that percentage into a dollar amount so that you can appreciate it, it means that my power bill per month is $49.61 more in 2012 than it was in 2011. If you multiply that by 12, that means I spent $595.32 more in 2012 than I did in 2011. $600 a year will pay my grocery bill for two months -- two to three months; my gasoline bill for two months or, you know, depending.

So I am here to ask you to not approve the rate increase, and, at the bare minimum, the WNA should at least be optional to the consumer, not mandatory, because I would welcome anyone to show me how I benefited from the WNA. I haven't. It does seem like in nine months of analysis, there should be a month when my -- when it was a negative in the increase. May 2012 is the only time -- and I got a 0.81 percent decrease over 2011.

Now, one thing I realized in this analysis is that I had to do an Excel spreadsheet to analyze my energy consumption. When you write documents for the public -- and my career is in healthcare -- we
were taught to write our documents so that they could be understood by a seventh grader. The statements of SCE&G are not understood by most of its customers. And the majority of those citizens, the customers, think that the WNA is to their benefit. They don't understand the WNA. The WNA benefits SCE&G, not the customer. I really think that the WNA should be entitled an investment normalization adjustment for SCE&G.

Thank you. I appreciate the opportunity to be here.

CHAIRMAN WRIGHT: Thank you. Just stay right there for a minute. Mr. Burgess.

MR. BURGESS: No questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson.

CROSS EXAMINATION

BY MR. NELSON:

Q I'm going to ask the obvious. You would prefer that the eWNA just go away altogether; is that correct?

A Yes. And at a bare minimum, it should be an option.

Q Okay. You showed your power bill has gone up 13 percent -- or more than 13 percent, actually -- between 2011 and 2012. And tell me, has your pay increased by 13 percent over that same period of time?

A The household income in my residence is down by half
because of the recession.

Q And generally, I guess, the percentage has probably decreased for most people. Is it your assumption or analysis?

A I can't comment on that, and I have -- I have members of my family that are what would fit into the category of underemployed. In other words, it's a job.

Q So basically, this is taking a bigger piece out of your income every month than it was previously, previous to 2011?

A I'll go ahead and tell you, I'm 58 years old and I have never paid a bill late until the past 24 months of my life. Okay? And I have never lived on this high a budget, okay? And even though my address is the Isle of Palms, I'm in the process of a making-homes-affordable loan modification, and it's a very real possibility that I will lose my home.

MR. NELSON: Thank you so much, ma'am. I appreciate your comments.

CHAIRMAN WRIGHT: Commissioners. Commissioner Whitfield.

COMMISSIONER WHITFIELD: Thank you, Mr. Chairman.
EXAMINATION

BY COMMISSIONER WHITFIELD:

Q Ms. Raih, this is very helpful that you bring us an exhibit like this, and it is very clear and very understandable. Obviously, you're blaming a lot of your increase on the WNA, but -- and I don't want to get too much into your personal business, but when did you go off of the budget billing you were describing? Could you tell me? Obviously, it was prior to this sheet; is that right?

A I really can't answer that, without pulling it -- and I realize that spreadsheet would be more valuable if it had --

Q Right, right.

A -- two years of data on it.

Q Right.

A But I am the primary breadwinner in my house, and I only have so much income -- I mean, so much time to spend to do these kinds of things. But I can't -- I can't recall when it was.

Q But you think it was prior to this? Prior to the --

A Oh, yes, sir.

Q Okay.

A A good year prior to that. It was the June bill of 2012 that --
Q Okay.
A -- caught my attention, because the weather was mild but my bill was $100 more that month for the same amount of power that I'd used in 2011.

COMMISSIONER WHITFIELD: Thank you, Ms. Raih. That's all I have, Mr. Chairman.

CHAIRMAN WRIGHT: Thank you. Commissioners?

Commissioner Howard.

COMMISSIONER HOWARD: Yeah.

EXAMINATION

BY COMMISSIONER HOWARD:

Q Ms. Raih, I notice, obviously, your bills are extremely high in the summer months and in September. Have you talked with SCE&G about any kind of weatherization project or anything they could do to -- apparently, that must be air-conditioning charges in the summer -- anything you can do or they can do to help you lower your summer usage or your summer charges?
A I haven't really asked, but my husband and I purchased the home in 2008; the windows had been replaced maybe the year before we bought it, by the previous owner. And I've, on just a rotational basis, gone through the solar blinds and the block-out blinds -- you know, the blinds with block-out fabric, and I'm getting around to -- but the bottom line is, it just -- the house has a
lot of windows. An excessive amount. It has a lot of windows. And it’s, you know, just out there in the sun.

Q You use the term "energy," and I assume these are just electrical charges right here. Do you have natural gas with SCE&G? Do you have any natural gas?

A No, sir.

COMMISSIONER HOWARD: All right. Thank you very much.

CHAIRMAN WRIGHT: Thank you. Commissioners, any other questions?

[No response]

Ms. Raih, thank you very much.

[WHEREUPON, the witness was excused.]

MR. MINGES: Neal Hancock, would you please come forward? And Grant Reeves, you are after Mr. Hancock.

[Witness sworn/affirmed]

THEREUPON came, J. Neal Hancock, who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is John Neal Hancock, and I live at 159 East Meadow, Ridgeville. And my address is primarily to the Public Service Commission, but also to SCANA and SCE&G.
I find it unconscionable that with our economic conditions as bad as they are, that we are here with another rate increase for a company and a corporation that are doing extremely well. Their customers are hurting. They need to go back, manage themselves, suck it up, get tough, find ways to save money if they need more money. But treating your customers like a bank and you can write an overdraft anytime is wrong. Just basically wrong.

Most of the people in this crowd have had to go do more with less, lately. And SCANA and SCE&G needs to do the same thing, because if we don't start spreading the pain around more evenly in this country, we are going to fail as a democracy.

So that's -- I urge the Public Service Commission to refuse this request, tell SCANA and SCE&G "Go back and manage your company, figure out some way to reduce costs to give better value to your customers. and don't come back within the next 18 months." That's all I have to say.

[Applause]

CHAIRMAN WRIGHT: Thank you, Mr. Hancock. Mr. Burgess, questions?

MR. BURGESS: No questions, Mr. Chairman.
CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: I have nothing to add. Thank you, sir.

CHAIRMAN WRIGHT: Commissioners?

MR. MINGES: One second, sir.

CHAIRMAN WRIGHT: Commissioners, anything?

[No response]

Thank you. Okay.

WITNESS: All right.

[WHEREUPON, the witness was excused.]

MR. MINGES: Grant Reeves, would you please come forward? And Linda Taylor, you're after Mr. Reeves.

[Witness sworn/affirmed]

THEREUPON came,

GRANT REEVES,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Grant Reeves. I live at 7888 Pelican Bay, Awendaw, South Carolina. Thank you for your time tonight.

And I come here as an executive from the InterTech Group, a large manufacturing conglomerate with factories all over the -- all over the country, Canada, around the world for that matter.
I have like over 30 years of financial and manufacturing experience to draw on when I speak about the high energy costs. I know what rates are in other places. I'm also a member of the South Carolina Energy Users Committee, which is a large industrial group.

I've heard a lot of people talk about the pain that high rates cause tonight, and I experience that myself as a homeowner. I've changed on my air-conditioning, I've insulated my house. My rates are still going up. But I want to talk to you tonight about what it's like for a manufacturer.

SCE&G's proposed rate increase of $151 million, or 6.6 percent, is an unjustified burden to its customers, especially given that we've already incurred a 58 percent increase since 2004. Frankly, they should be reducing their rates. The utility has not taken prudent measures to mitigate its operating expenses, and the ratepayers can no longer absorb base-rate increases that are over and above the 37 percent increase for nuclear. That number has not been told to the public, and it's a disgrace. We're paying for that nuclear plant, 37 percent, before the first electron ever flows.
South Carolina Electric & Gas electric rates are increasing at an alarming pace relative to our economy. Since the beginning of the recession in 2007, our rates are up 38 percent compared to a CPI of 10 percent. That's four times the rate of inflation.

Where is the restraint in an economy where every factory owner, shopkeeper, and resident has had to tighten their belts to survive? It seems that SCE&G operates in an alternate universe where excessive spending, where excess capacity and palatial campuses are just business as usual. They must be brought under control. A regulated monopoly has to have robust oversight. There is a real and present disconnect between the operating culture of SCE&G and the reality of low growth and hard times as felt by its customers. Left unchecked, our quality of life that depends on affordable and reliable power to attract growth and retain industrial and commercial development is at risk.

Manufacturers weigh energy costs in their decisions to expand, to relocate, and to price their products. If the cost of energy is too far out of line with the benchmarks, decisions are made
as a result. Ultimately, high-cost electricity or the expectation that it will continue to rise creates an incentive to use less power. Whether it's factories putting in self-generating gas turbines, solar arrays, or closing a facility, high-cost power has unintended consequences.

Considering that SCE&G is adding over 1,200 megawatts --

[3-min alarm]

-- of new capacity in a low- to no-growth environment, it would behoove them to respect the base -- its customer base before it's too late.

The current industrial rate is just plain too high. It's 45 percent higher than my factory in Rock Hill, which is on the Duke system, and there are 5 percent increases for the next three years already baked in. Somebody asked about the rate increase? It's already baked in. That's for the nuclear plants.

Consider for the moment the nature of these proposed increases and how out of touch they seem to struggling business owners. Bonuses schemes, defined pension plans that are 100 percent funded, expenses for shuttering overbuilt capacity that the utility failed to market, unchecked healthcare
benefits, property tax increases that were not challenged, and excessive storm reserves all seem like luxuries in the real world of doing more with less. Why hasn't SCE&G been proactive in reducing its expenses in a down economy like everyone else? They should be coming to you with programs that cut costs, as we see in other parts of the nation. Productivity gains in a company the size of SCE&G should be substantial. There is waste in the system, and it must be purged.

Finally, the Commission must take a hard line on reasonable rates of equity -- reasonable rates of return on equity. This fundamental problem -- this fundamental formula that is intended to pay investors a fair return also encourages overbuilding capacity, enlarging the balance sheet, and high equity relative to debt. The Commission can send a clear signal that the party is over by not approving an 11 or 10 percent -- 10.9 percent -- return on equity. We need to see that under 10 percent.

This proposed increase is the tipping point for many of us in the industrial community. I was at the User Committee last -- two weeks ago; 32 large industrial customers of this utility were
there, and I heard of decisions to invest elsewhere. I heard of cost analysis and project justifications underway. And this is happening now. High rates will undermine all of the hard-fought efforts to bring new industry to South Carolina. Take heed. This should be a major concern to our stakeholders.

As Commissioners, you have the authority and the duty to act in the best interest of your constituents. This utility has had its way for too long and it's time to take control of this monopoly.

**VOICE**: Yeah.

**WITNESS**: You know, South Carolina -- I've got one more thing. This utility was a corporate bully when it ran DCS Energy out of the State for offering lower-cost solar electricity to churches and charities. Not only are they too high, they're afraid of what will happen when their customers have another option.

For these reasons, I ask you to reject this rate increase. Thank you.

[Applause]

**CHAIRMAN WRIGHT**: Thank you. Mr. Burgess?

**MR. BURGESS**: We have no questions.
CHAIRMAN WRIGHT: Thank you. Mr. Nelson.

MR. NELSON: Thank you, Mr. Reeves. We have no further questions.

CHAIRMAN WRIGHT: Commissioners, anyone?

COMMISSIONER FLEMING: Yes.

CHAIRMAN WRIGHT: Commissioner Fleming.

BY COMMISSIONER FLEMING:

Q Good evening. Glad to have you here. I want to go back to this 45 percent. Your electricity bill is 45 percent higher here than --

A My rate -- my rate on the Duke system in Rock Hill --

Q Well --

A -- is 45 percent less.

Q Less. The rate, yes, that's what I was wanting to find out. Does that include the cost of the nuclear?

A The -- I'm talking about the current rates. So there is, I think, some nuclear rate increases that have already been passed here.

Q It's encompassing the entire --

A I'm talking about my current rates.

Q Right, okay. And could you go back -- did you say they are corporate bullies?

A That's correct.

Q And could you -- you said -- could you talk a little bit
about the solar company?

A Well, I'll be happy to, actually, because I think this is very enlightening. I've heard a lot of people talk about high electricity. A company came into South Carolina and offered an option. They would install solar panels on -- in this case, it was a private school and some churches, and it would have reduced their electricity rate. And the way the model works -- and this is working in many states; Solar City is the company -- they install the solar panels; they have investors that pay for the installation of the solar panels. The investors avail themselves of the tax credits that are available under federal and state programs. And the user -- the homeowner or the church or the school -- gets the lower-cost electricity.

SCE&G filed a complaint with the Public Service Commission -- is what I read -- and they filed a complaint, and I presume that they were saying that this company was acting as a public utility, and the company left the State and went and set up business in North Carolina. So I'm concerned that, in the future, we may not be able to install solar panels on our homes, because SCE&G will not allow that model to work.

Q Okay. So it was because -- so it was because they were determined to be a public utility in and of themselves,
even though they were just --

Well, it was perceived that they were being a public utility. They were offering a product, a solar panel system to a homeowner. The homeowner did not have to make a capital investment. The homeowner had to sign a contract that they would pay the company for the electricity produced by the solar panels installed on the homeowner's house or the church's house.

So they -- the people who had the solar panels would pay the company --

That's right.

-- for the electricity that was produced?

That's right.

Okay.

And that business model would promote the expansion of solar electricity and disintermediation from the grid. And I believe that SCE&G saw that as a threat, and with their large corporate staff and lawyers, it was easy for them to discourage this company from doing business in the State, so they left the State. And they also left a lot of people that would benefit from that service behind.

So if our -- if the regulations state such that it would be considered a public utility, how would you rewrite it that would allow something like that to happen?
I think, you know, SCE&G should just mind their own business.

[Applause]

But, I mean, if you have to abide by the laws of the State?

Look, if I pay somebody to install something on my house and I get the benefit from it, it's not like they're selling it back to the grid. I don't know how that system works, but in this case they were putting solar panels -- or, the proposal was to install solar panels in the school and the school would benefit from the lower-cost electricity.

COMMISSIONER FLEMING: Okay, thank you.

CHAIRMAN WRIGHT: Commissioner Mitchell.

VICE CHAIRMAN MITCHELL: Thank you. Thank you, Mr. Chairman.

EXAMINATION

BY VICE CHAIRMAN MITCHELL:

Thank you for being here, Mr. Reeves.

Thank you.

Mr. Reeves, you stated that this particular plant that you were referring to had moved to North Carolina and had set up shop there, could you tell me a little bit about its progress there? Is it moving along forward?

I think it's actually Connecticut and not North
Carolina.

Q Oh, well, you stated it moved to another state. I was just curious. You said it had left the State.

A I would be happy to link you into the story I read in The State paper. I imagine you probably know more about it than I do.

Q Well, I have kept up with it a little bit. I just thought you might have had some later information. But thank you so much for being here.

A Okay, thank you.

VICE CHAIRMAN MITCHELL: Thank you.

CHAIRMAN WRIGHT: Mr. Reeves, hold on a second, please. Commissioner Whitfield.

COMMISSIONER WHITFIELD: Thank you, Mr. Chairman.

EXAMINATION

BY COMMISSIONER WHITFIELD:

Q Mr. Reeves, you mentioned recently attending a meeting of the South Carolina Energy Users Committee, and I think you said -- I want to make sure I got it. You said there were 32 companies in attendance, or --

A In attendance.

Q Okay. And you made some comments about some decisions by -- I didn't catch what number of those companies, that might not be invested here, and you said were
considering moving now, I think?

**A** Yeah. In the course of our meeting and discussions, more than a few people commented that their engineering departments were putting cost justifications in, in other locations, and those plans would be applicable to their facilities in this district, and SCE&G's district. And so my point is that industrial users have choices, and if electricity becomes too high, they will look at self-generation, and those analyses are already underway, and those decisions were disclosed at that meeting, to my knowledge.

**Q** So no project was mentioned that didn't come here at that meeting, but --

**A** I can tell you that we've installed solar panels on our office in North Charleston, and that was a result of rising electricity. We are building a facility in Ladson, and we are considering the option of solar panels. So I can state, for ourselves, that that is -- you know, that's an analysis that's underway, and no decisions have been made.

**Q** Well, I was really referring to all the industrial users, all manufacturing, because you had mentioned the cost that you just discussed with Commissioner Fleming being so much higher than another jurisdiction. I guess I'm really referring to all the members that were
present at that meeting you're talking about?

A All of the members present were unanimous in their outrage at the high cost of electricity at SCE&G, and that is forcing us to reevaluate what our options are. And those manufacturers represented jobs, they represent taxes, they represent the economic base that keeps this State and this area going. Respect your manufacturing base. Do not abuse it. I'm talking about over 8.3 cents a kilowatt-hour for manufacturing. You know what the right rate should be? 3 to 4 cents.

COMMISSIONER WHITFIELD: Thank you, Mr. Reeves. That's all I have, Mr. Chairman.

CHAIRMAN WRIGHT: Commissioners, anything?

[No response]

Thank you, very much.

WITNESS: Thank you.

[Applause]

[WHEREUPON, the witness was excused.]

MR. MINGES: Linda Taylor, you're up next.

And Norman Morrall, you are after Ms. Taylor.

[Witness sworn/affirmed]

THEREUPON came,

L I N D A   T A Y L O R

who, having been first duly sworn/affirmed, testified as follows:
WITNESS: My name is Linda Taylor. I live at 159 East Meadow Street, in Ridgeville, South Carolina.

And when I decided to come here tonight I didn't have anything prepared and I sure didn't expect to speak. This is not something I do easily. But when I moved to Ridgeville in 2004, I was so excited about having a nice home in the country and a little farm, and I didn't notice my electricity bill right away -- because I had a job; I was in real estate. And then the economy tanked on that, and now I probably have 25 percent of my income, the income that I had in 2004. So I'm pretty much on a fixed income.

A lot of the baby-boomers my age right now are on a fixed income. South Carolina Electric & Gas is certainly not on a fixed income. They come to us who are still working, sometimes two jobs, some of us who are just on fixed income, and they ask for more and more, and it seems that it happens year after year.

I think it was in 2008 that I finally -- when my electric bill topped -- and I lived alone, at that time, and my electric bill topped $500, I was floored. And I started taking a look at my bill
like the young lady did while ago. And I tracked it; I didn't do a job like her. But I have been very much aware of my bill and South Carolina Electric & Gas Company's requests for increases for the last four or five years. And every time, they've been granted one. They ask for the -- the way we used to call it, you shoot for the moon and you hope you hit the barn door. And they've hit the barn door with you folks every time. They never get exactly what they ask for but they always get something. And, you know, we don't get any -- we do not get anything. We don't have the option of going out there and asking somebody to give us something. We have to either take and use what we've got and live within those means, or we don't get it. We don't have this -- a nice Commission to come to that grants us our wishes.

The base for 1,000 kilowatt-hours four or five years ago on my bill was $88. It's well over $100 for 1,000 kilowatt-hours now. And what I read in the paper, it's going to go to over $144. For 1,000 kilowatt-hours, I'm going to start out with $144, no matter what I do. I have a two-story house with two units, one upstairs and one downstairs. Guess what? I cut off my downstairs
unit. I don't even have central heat and air working downstairs. I have a $300 window air conditioner that allows me to go into my kitchen in the morning, with some degree of comfort, and cook. You know what my bill was --

[3-minute signal]

The high bill in this summer was $476. Now that's after cutting one whole air-conditioning unit and heating unit off downstairs. So I don't think; I have to -- I have to economize.

What I'm asking you folks to do, as the board, sometimes as an elected authority or an appointed authority, we begin to lose sight of the people that you really have to consider, and you get involved with those that you're going to make the decision for, and you become more a part of that, them, more a part of South Carolina Electric & Gas than you are a part of the people. So what I would ask you to do is become a part of the people this time, and give us some consideration this time.

And I appreciate your time.

CHAIRMAN WRIGHT: One moment, Ms. Taylor. Ms. Taylor? Hold up. Mr. Burgess.

MR. BURGESS: We have no questions of Ms. Taylor.
CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: No questions, Thank you, Ms. Taylor.

CHAIRMAN WRIGHT: Commissioners.

[No response]

No? Thank you.

[WHEREUPON, the witness was excused.]

[Applause]

MR. MINGES: Norman Morrall? And George Hopkins, you're after Mr. Morrall. And I hope I pronounced your name correctly, sir.

MR. MORRALL: Close enough.

MR. MINGES: Mine is hard, too, so I understand.

[Witness sworn/affirmed]

THEREUPON came, NORMAN MORRALL, who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Norman Morrall. I live on Lady's Island, near Beaufort, SC.

And I'm here to ask for a reduction in the rates, whereas they're asking for an increase. And it seems to me that all these people who have gone before me have stated my case pretty well. So I
don't know how I can improve on that. But when
SCANA shows a profit in the last three months of
May, June, and July, of $72 million and then they
have the audacity to ask for a rate increase on
folks like us who are retired and on a fixed
income, it's crazy. So I'm asking you to reduce
the rate. This is an open hearing. Why should we
have to pay more when the economy is in the tank
and there's no hope for us old retired folks to
make any more money? Nobody's going to hire a 79-
year-old guy like me, you know? That's all I have
to say. Thank you.

CHAIRMAN WRIGHT: Thank you. Mr. Burgess?

MR. BURGESS: No questions.

CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: No questions. Thank you for
coming.

CHAIRMAN WRIGHT: Commissioners?

[No response]

Thank you, Mr. Morrall.

MR. MINGES: George Hopkins, please come
forward. And John Mallon, you are next.

[Witness sworn/affirmed]

THEREUPON came,

GEORGE HOPKINS,
who, having been first duly sworn/affirmed, testified as
follows:

WITNESS: My name is George Hopkins. I live
at 1254 Gilmore Road, Charleston, South Carolina.
I'm a retiree, and I'm opposed to this rate
increase, and I want to raise perhaps a question a
little bit different than what we've previously
heard tonight. SCE&G is a private company, a
regulated monopoly, in business to make money for
its shareholders. So why should its customers pay
high rates to finance nuclear plants that will only
profit the company's shareholders? Why should we
pay for their profits?

Why doesn't SCE&G offer bonds for sale to
finance their plants? We've heard before that
State law may not permit this. That law needs to
be changed, then, I would argue.

Why should SCE&G shareholders profit without
taking any risks? We're the ones that are putting
up the money. That's privatizing the cost of
construction to guarantee a monopoly profits. That
seems to me inequitable and unfair. And that's why
I think this rate increase should be denied. Thank
you.

CHAIRMAN WRIGHT: Thank you. Mr. Burgess?
MR. BURGESS: No questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson?

MR. NELSON: No questions. Thank you, Mr. Hopkins.

CHAIRMAN WRIGHT: Commissioners.

[No response]

Thank you, very much.

[WHEREUPON, the witness was excused.]

[Applause]

MR. MINGES: John Mallon, please come forward.

John Moore, Jr., you are after Mr. Mallon.

[Witness sworn/affirmed]

THEREUPON came,

JOHN A. MALLON,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: John Andrew Mallon. I live at 109 Sugar Pine Place in Summerville, South Carolina.

I am not here because SCE&G is going to raise my rate, because my power comes from Berkeley Co-Op. I'm here because I am on various charity boards, such as the Knights of Columbus and St. Vincent de Paul's at the parish church. I have over and over again seen seniors, like myself, who are on a limited income, who have got a total raise
of 1.5 percent in the last three years. Well, I see SCE&G has got a rate increase of more than that every six months since 2008 to now. From 2006 to 2012, SCE&G has asked for 17 rate increases, which totals a whole total of 26 percent increase in over six years. Our economy hasn't increased anywhere near that.

Of course, I have to add, SCE&G smiles. They come and put in their request to the board and we just cut it down a little bit and let them go.

The thing is, people have to realize that a company that makes 29 percent increase on their earnings for one quarter alone, of $72 million -- and that's only the second quarter. What happened the first quarter? What's going to happen the third or fourth quarter? They're going to make big bucks.

I spoke before this board in Summerville last year. Some of you might recognize the face. I said then if SCANA -- SCE&G and SCANA get this rate increase, they will have the highest rate of return of any utility in the Southeast. They rank -- according to the economic research development team in Washington, they will be the twelfth highest paid utility in the country.
Do they need to milk their customers when they know they have them in a monopoly? I tell you, no. Do not give them a rate increase. If anything, I'd have you fine them the $72 million and make them pay for the debts that they have.

[Laughter]

We the people need to be protected, and only those who are appointed to these commissions, those political people who have appointed you to these commissions, should start sitting in the seats with the poor people who are on limited income. Please, I know I'm on Social Security --

[3-minute alarm]

I know, I heard the beep. I'm on Social Security and I got zero for 2008, zero for 2009, and zero for 2010, and zero for 2011. But this year in 2013, I'll get 1.7 percent increase COLA. Boy, I wish I had the opportunity to have a 26 percent increase like SCE&G and SCANA. We'd all be fat.

But I want to thank you for your time. I am not arguing for myself; I'm arguing for all those people that I work with, trying to plan their budgets. We go into their homes and we put insulation in. We put plastic on the windows,
caulking around the windows and doors, to make them use less electricity, and yet the bill -- they use less, and the price is higher. So how do they ever win? Thank you.

CHAIRMAN WRIGHT: Thank you, Mr. Mallon. Mr. Burgess.

MR. BURGESS: No questions

CHAIRMAN WRIGHT: Mr. Nelson.

CROSS EXAMINATION

BY MR. NELSON:

Q Actually, I was going to say -- I don't want to correct you, but would you be surprised to learn that, actually, the company, since May 2005, has had a 38.75 percent increase in rates?

A Well, you're higher than I know of. Maybe I didn't get the right figures. But I didn't include all of the fuel rate changes.

Q So that's not any better, is it?

A No, that isn't any better.

Q No further questions.

A Thank you.

CHAIRMAN WRIGHT: Commissioners?

[No response]

Thank you, Mr. Mallon.

WITNESS: Thank you, very much.
MR. MINGES: I apologize for mispronouncing your name, sir.

[WHEREUPON, the witness was excused.]

John Moore, please come forward? John Moore, Jr.?

[No response]

Okay. William Hamilton, will you please come forward?

MR. HAMILTON: It's been a long time --

William Hamilton, 32 Sowell Street, Mt. Pleasant, South Carolina.

[Witness sworn/affirmed]

THEREUPON came,

WILLIAM HAMILTON,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is William Hamilton. I'm an attorney. I can afford my electric bill. But the problem is, SCE&G -- what I can't afford is that every month SCE&G takes the money I give them and they buy the people who represent me in government.

If you go to the Follow the Money website and you look up SCANA, you'll find they have made, in the past eight years, $681,420 in political contributions. People have been saying all night,
"I wonder why the laws do this." Well, boys and girls, I know. Incidentally, their employees also contributed $97,945 in contributions. As of late, most of it's been going to Republicans, but they do know how to spread it around.

To give you a few highlights, Vincent Shaheen -- whom I supported for governor -- got $10,000 from SCANA. Governor Nikki Haley, whom I opposed, got $9,750. So the purpose of voting for Governor was to decide who got $250 less or more from SCANA, but whoever went to the governor's mansion, it's a safe bet laws that keep us from putting solar panels on our roofs with the assistance of investor support aren't going to change.

The list goes on and on, ladies and gentlemen. We have our new Lieutenant Governor Bobby Harrell, whose opponent is in this room tonight, got $5,000 over those eight years. Hugh Leatherman, another influential legislator, $5,000. The list goes on and on. Republican, Democrat, rural, urban, black, white. They buy them all. They do it with our money.

Tomorrow, we have an election. Tomorrow, we attempt to wrest control of the government of the United States from corporations like SCANA.
Corporations which send our young men to die in wars for oil, corporations which tell us we can't put solar panels on our roofs, corporations that control what we buy, whether or not we can find out it's been genetically modified. Tomorrow, we tap in war against corporations, a war where we dig into our pockets to fight them and they dig into our pockets to fight us. That is what I object to. If SCANA wants to contribute to political candidates, make them take it out of their profits. Limit their profits and demand that every penny they contribute to politicians --

[Applause]

-- every penny they spend on corporate advertising, which was not included in the figures I just shared with you, every penny their suppliers -- the people that sell them coal -- contributed to the same politicians. What I've described, the 90 and the $600,000, it's merely the tip of the iceberg, ladies and gentlemen. The money leaks into the government at every level. There's no mystery about why the laws make this impossible and that impossible, or why we have to pay for nuclear power plants that will produce electricity to export to Connecticut, and nuclear waste that will
be here until we are all gone. There's no mystery.
It's just money --

[3-minute alarm]

-- and all the other. And they should be -- every penny of it should be taken out of the profits of their stockholders, and their stockholders should be required to be informed of how much it has cost them. Thank you.

[Applause]

CHAIRMAN WRIGHT: Thank you. Mr. Burgess.

MR. BURGESS: No questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: No questions. Thank you, sir.

WITNESS: That's Follow the Money website, Commissioners.

CHAIRMAN WRIGHT: Commissioners.

WITNESS: I apologize, I'm a lawyer; I usually ask the questions. You all have any?

CHAIRMAN WRIGHT: I just asked them, and they had no questions.

WITNESS: Thank you.

[WHEREUPON, the witness was excused.]

CHAIRMAN WRIGHT: Our court reporter needs a break. She's been talking an hour and a half, into the cup. We've tired her out. So we're going to
take a ten-minute break.

[WHEREUPON, a recess was taken from 7:30 to 7:40 p.m.]

CHAIRMAN WRIGHT: Thank you for that quick turnaround. Before we get started with the next public witness, I overlooked -- not intentionally, because I saw him seated over here -- Representative Joe Daning is here, from Berkeley, and I wanted to make sure you knew he was here, and, too, ask if he had anything that he wanted to say, that now would be a good time to do it. If not, we will continue.

REP. DANING: I Appreciate the opportunity, but I'm really enjoying listening to what folks have to say.

CHAIRMAN WRIGHT: Thank you for being here. All right, we will continue. Who's next?

MR. MINGES: Thank you, Mr. Chairman. Robert Johnson, would you please come forward? And Margo Callahan, you are after Mr. Johnson.

[Witness sworn/affirmed]

THEREUPON came,

ROBERT JOHNSON, who, having been first duly sworn/affirmed/affirmed, testified as follows:
WITNESS: Robert Johnson, 31 21st Avenue, Isle of Palms, South Carolina.

I'd like to thank all the Commissioners and everybody here for listening to me tonight. You heard my colleague, Grant Reeves, with InterTech Group. I'm an executive vice president at InterTech, as well. We have different responsibilities and different interests, but essentially it crosses right here.

InterTech is a large conglomerate with operations all over, and is a large investor in the utility space, as well, so we have a fairly good understanding. And for me to be up here asking the Commission to reject this proposal and this rate increase is a difficult decision. InterTech is a major investor, as I said, in regulated utilities all across North America, and in almost every instance where we have a major investment, they're very, very supportive of management. I've personally had the privilege to serve on the board of directors of two publicly traded utilities, both electric and gas, and I have a good understanding of how utilities operate and how regulations are supposed to work. And it's clear -- and a very clear view of the utility is both a for-profit
business, as well as an entity which has to serve its customers and the communities which it operates in.

I'm here tonight because the actions of SCE&G asking for a thirteenth rate increase in four years is unconscionable, harmful to this State, crippling to consumers, and devastating to business both large and small.

It's more than a little ironic that Intervenors in this case range from the Department of the Navy to Wal-Mart, from the Sierra Club to large industrial users, all the way to the AARP. It would be difficult to find a broader cross-section of this society or to find instances where entities with such differing views have come together to protest.

From 2004 to 2012, SCE&G increased rates over 58 percent in an economy which had virtually no inflation. Additionally, their planned rate increases for the next several years fund poorly planned and ill-advised nuclear plants that are not needed and are uneconomical.

As we speak here today, customers in SCE&G's service territory pay approximately 40 percent more for electricity than customers in the upstate.
This excess is unconscionable, and instead of asking for increases, one would expect SCE&G to be here asking for a rate decrease. Can you even imagine what would happen if a politician in this State even suggested that taxpayers in the lowcountry pay 40 percent more in taxes than taxpayers in the upstate, and you'd have no choice? You don't have a choice; we have to buy power from SCE&G.

I urge the Commission to send a strong signal to this utility now, that there will be no more rate increases until SCE&G takes action to fix their own house. The Commission should mandate that, prior to any additional increases, the utility take several actions -- and I pulled these from other regulatory rulings where we've seen this in the past, these types of decisions from regulators:

A minimum of 1 percent annual productivity improvement from the utility, standing: You get a 1 percent decrease in your costs before you come back up here.

Freeze in compensation for highly paid people in the company.

Meaningful headcount reductions. In some
states we've seen them take out headcount. That simple. Rates are not competitive here? It's killing industry? We need to do something aggressive.

Substantial outsourcing. A number of other utilities have reduced the number people on the payroll and gone to third-party providers who can provide the service at a substantially lower cost. And they're quite flexible; they don't always need to be paid when no work is being done.

Freezing the company's defined-benefit plan.

[3-minute alarm]

There are virtually no companies left in this State who can afford a defined-benefit plan, let alone be able to pass it to ratepayers on a willy-nilly basis. In fact, you need to look at their expenses, as well, their travel expenses, very, carefully. You know, a thorough review by a third party -- I know ORS has done a very good job of this, but a third party could look at the travel expenses and just expenses in general, and catch $50 glasses of scotch and $370 steaks that ratepayers will be asked to pay. The very nature, if you mention expenses, where items that were not only charged by one executive but then approved by
a second executive, in some jurisdictions would be a very bad sign going to the company. A call from the commission would have probably gone out. They put this through and a second person approved them. This wasn't a mistake by one individual, not with -- it was found by ORS, but if you went through with a fine-tooth comb, I think you may find some more of these things.

I'm asking you to reject the proposed increase in order to protect ratepayers in South Carolina and to keep jobs in this State. This increase, if approved, would directly result in job losses and the lost opportunity to potentially create urgently needed new jobs. After all, why would a company come here and pay 40 percent more than to go to Greenville? Why would they?

For small-business owners, this increase is a double-attack. Not only will they need to pay drastically higher rates, but their own customers will have less disposable income, thus reducing spending of the very companies that have to pay more for their electricity. It's easy to see how harmful and, in fact, potentially fatal such an increase would be to these businesses.

Additionally, this rate increase will force
some of the most vulnerable members of our society with the stark and real decision of either heating their houses or putting food on their tables, or having to choose between prescription drugs and cooler houses in the summertime.

In addition to economic harm caused to our community, this proposed rate increase will cause long-term harm to SCE&G. This is the ironic part. As we stand here today, companies throughout the SCE&G service territory are looking at self-generating, while there will be a dramatic increase in consumer self-generating as solar products increase -- and we're seeing dramatic increases in solar, and dramatic reductions. When that happens, as the population disintermediates from SCE&G, the costs for SCE&G -- the fixed costs -- will increase, leaving the burden on a smaller and smaller number of people to pay. In other words, taxing more and more poor people who can't get these things done on their own.

For all these reasons and for many more, I urge you to take strong action and reject this increase outright. Thank you.

[Applause]

CHAIRMAN WRIGHT: Thank you. Mr. Burgess.
MR. BURGESS: We have no questions.

CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: No questions. Thank you very much.

CHAIRMAN WRIGHT: Commissioners. Commissioner Whitfield.

COMMISSIONER WHITFIELD: Thank you, Mr. Chairman.

EXAMINATION

BY COMMISSIONER WHITFIELD:

Q Mr. Johnson, you're with the same InterTech that Mr. Reeves is with; is that correct?

A I am, sir.

Q Now where -- are you located at the facility here in this area?

A Well, I work at the -- I'm the executive vice president of Strategy, located in North Charleston, responsible for the company's investments.

Q Okay. You're also a manufacturer, and I think you said you also invest in regulated utilities, as well?

A We are the largest shareholder in three or four or five publicly traded utilities, and we have a sizable utility portfolio, and we meet with executives from utilities throughout the country on a fairly regular basis. Yes, that's true.
Q: He also offered a suggestion on the industrial, or what industry rates should be. Do you concur or do you have any opinion on that?

A: I can give you a simple case in point, which we looked at, and it doesn't quite fit SCE&G but it's very likely for SCE&G. Alumax, here in the Santee Cooper service territory, consuming approximately 10 percent of the effective capacity of Santee Cooper. We don't know the rate they're paying, but the average industrial rate paid by Santee Cooper customers is currently 5.8 cents a kilowatt-hour, some lower than SCE&G. When you look at competitors in both Kentucky and West Virginia, who have aluminum smelters -- one is actually Alumax Smelting -- there are proposals on the table today for between 2.8 cents per kilowatt-hour and 3.5 cents a kilowatt-hour, and in both those jurisdictions it's likely the companies will decline because the electric rates are too expensive. So we are way out of the market in that situation. And that would certainly apply to SCE&G.

COMMISSIONER WHITFIELD: Thank you. Thank you, Mr. Chairman.

COMMISSIONER HAMILTON: Mr. Chairman.

CHAIRMAN WRIGHT: Commissioner Hamilton.
BY COMMISSIONER HAMILTON:

Q How are you, Mr. Johnson? Let me get this thing going [indicating] -- there we go. One question -- I want to compliment you, first, on your company's putting on solar panels in use at your plants. What is the payout for you on solar panels?

A So, if I could answer it in two parts, actually Mr. Reeves and I came to the University of South Carolina, today, where the SmartState Initiative is funding research. We met with professors that are working on cutting-edge solar. And I like to do this [indicating], which is, as solar prices come down and efficiency goes up, it becomes essentially dumb not to do it. Today, for a manufacturer, solar has a six-year payback. That is today. As rates go up at an average of 6 or 7 or perhaps 10 percent, that will drop to 5 and 4. And as efficiency improves and costs come down, that will drop to 3 and 2. And this is pretty simple; you can see it in other countries. You can see it in California where they allow the third parties with solar; you can build a home and, you know, the entire towns are completely solar. SCE&G has a massive oversupply of capacity, and is building a nuclear reactor in partnership with Santee Cooper. Santee Cooper has no demand for theirs, and is
trying to sell the excess capacity or their ownership interest. And this is a big consideration, this huge improvement that individuals can do, but certainly companies can do. And so we're going to see a massive oversupply. So about a six-year payback for a manufacturer.

COMMISSIONER HAMILTON: Thank you, sir. I appreciate that.

CHAIRMAN WRIGHT: Commissioners.

[No response]

Thank you, very much.

WITNESS: Thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: All right. Thank you. Margot Callahan, please. Verna Green, you are next.

[Witness sworn/affirmed]

THEREUPON came,

MARGOT CALLAHAN, who, having been first duly sworn/affirmed/affirmed, testified as follows:

WITNESS: My name is Margot Callahan. I live at 8425 Waltham Road, in North Charleston.

I'm surprised that SCE&G executives can even look at themselves in the mirror, but let's face it, Commissioners, you bear some of the shame. You
have granted them at least part of what they've asked for every single time they've asked for it. You have not protected us at all, which I believe is what you were put into your positions to do.

Some of the Commissioners have suggested that customers go to SCE&G and ask them for help with insulating their homes and et cetera. You know, it's not free. They don't do it as a favor. You have to pay for this. Now, if you're having trouble paying your electricity bill, you can't go ahead and insulate your house on top of that, because you've can't pay your electricity bill.

We put a solar panel in, just for hot water, because that's all we could afford. But you know what? Our electricity bill is still going up and up. Hot water is very expensive, as you all know. But, you know, has anybody noticed that there are still people going into foreclosure because they can't pay their mortgage? I went to the delinquent tax sale today in North Charleston. There were, conservatively, at least 1,500 homes and businesses on the list. They could not pay their property tax. And some of those property taxes were as low as $200. Now, there aren't many people who have an electricity bill as low as $200. If people are
losing their houses for that amount, God help them when they get an electricity bill like we do, with a solar panel mind you, and our electricity bill is $109 a month.

And the WNA, I think that was another result from SCE&G. It seems the only people to benefit from that is SCE&G. And the vast amount of profit they make, and yet, when we've asked them and asked them to put the electricity lines --

[3-minute alarm]

-- underground, it's too expensive. If they really cared about their customers, they would do it so when the next hurricane comes, or the next time a vehicle hits a pole, the electricity would not be cut off to the whole neighborhood.

So, please, please, say no to them, and mean it, and tell them not to come back until they put their house in order. Thank you.

[Applause]

CHAIRMAN WRIGHT: Thank you. Mr. Burgess?

MR. BURGESS: No questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: No questions. Thank you, ma'am, for coming.

CHAIRMAN WRIGHT: Commissioners.
[No response]

Ms. Callahan, thank you.

WITNESS: Thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: Verna Green, would you please come forward? And Dave Ravnikar, you're next.

[Witness sworn/affirmed]

THEREUPON came,

VERNA L. GREEN,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Verna Green, 8173 Greenridge Road, North Charleston, South Carolina.

First of all, I'd like to say thank you very much for this opportunity. I hope you guys are not just appeasing us and you're going to still do what you want to do, but at least thank you for the opportunity.

The other thing is, I'm insulted -- but I complied -- that I had to swear or affirm that I am going to tell you how I feel, and you guys don't have to swear or affirm that you're not going to increase our rates. That's insulting to me, and I think probably everyone else. And if nothing else, just on that, you need to get rid of that part.
Why do we have to swear and affirm how we feel?
The fact that we're here, that we're here, should
be sufficient. So I don't know where that
ludicrous stuff came from, but that needs to be
taken care of.

It's just like with SCE&G itself, you know,
SCE&G has more money than sense, and if you've got
more money than sense, why do you need to
continuously go out and ask for rate increases?
And if you guys are the ones going to make the
final decision, like the lady said before, how
could you live with yourself unless you guys are
getting a kickback to approve these rate increases?
I mean, it is what it is. I mean, how could you,
with all consciousness, have the audacity to even
consider that? And even if they don't get all of
what they want, it's a game of numbers. Okay,
we'll ask for 10 or 20 percent and probably get the
6 that we want. We're not -- we're not, you know,
unintelligent people; we can read between the
lines.

So I'd rather you really ask for what you
truly want than to play with numbers, and then
maybe it may not be as painful to us. But when you
play with different figures and still get it, you
know, where do the consumers gain? We gain nothing. And so I'm hoping you're not wasting our time tonight by just listening to us and not take heed.

Also I would like to know what is the actual breakdown? I'm somewhat intelligent. I have a college degree. And you can explain to me -- if you can put into writing what is the actual breakdown as far as the expenses and what the real reasons are for your increases, then maybe, you know, I could understand that. But certainly, putting, you know, the Zumba classes and all these other personal things, I have a problem with that. I have to pay for my classes. Why can't, you know, anyone else pay for their classes?

And also your contributions to the various legislators. You know, when I do that, that comes out of my checking account. So if you guys want to do it, let it be an individual thing; don't make me pay for it, especially if you're not going to ask who I want you to vote for. You know? So don't make me pay for it. Let that be something that should be individual.

See, this is the problem when you've got a monopoly. You know, when you've got a monopoly
like SCE&G, this is what we the people get, and --

[3-minute alarm]

-- this is one reason why we should not have a monopoly. Why don't you go co-op? If you really care about the people, then go co-op. Allow me to be a part of it. Let me share some of that stock return, not just SCE&G and SCANA. I really have a problem with that.

For whatever it's worse -- whatever it's worth, I want you to really, really, seriously consider that. Verna Green. Verna L. Green, on Greenridge Road. And also, please get rid of the fact that you're having the people to swear and affirm that they're going to tell you how they feel. If you can't hear and feel how I feel, without me having to swear to that, something is wrong with that. You need to take that out, because it's insulting. It's as insulting as the fact that you all want another rate increase.

So that's all I have to say, and I'm here to answer any questions.

[Applause]

CHAIRMAN WRIGHT: Mr. Burgess?

MR. BURGESS: No questions, Mr. Chairman.

WITNESS: One other thing, since the attorney
stood up -- because this -- I had it written down. I'm sure he's not here for free. Why do you have to have an attorney? You've got it being recorded. Let him look at it later. You're going to pay him after-hours to come out here, and that's being passed on to us. Why do you have to have an attorney? You know?

[Applause]

That's also insulting to me. What's the purpose of having it recorded? So now you're going to pay them twice. You're going to pay him to be here, then you're going to pay him to go over the transcript. That's as ludicrous as the rate increase. You don't need an attorney. You know, what are we going to do? Beat you guys up? Thank you.

CHAIRMAN WRIGHT: Ms. Green.

WITNESS: Yes.

CHAIRMAN WRIGHT: This is no different than being in a court of law. The Commissioners sit up here in the role as judges. We are the parties that have to hear the attorneys from the company, the attorneys from the Office of Regulatory Staff, who has the public interest, the Intervenors who are involved in it, be they the Navy or the Wal-
Marts or the SC Energy Users or anybody else. So we're like a court of law. And the reason that you are sworn in is in regulation; it's in State regulation, and it's because, as a witness, in order for your testimony to be part of the record and to be considered by the judicial body -- which are the Commissioners -- you have to swear. That is the law. And until the legislators change that -- if that's what they choose to do -- this is the law; this is the procedure. This is the way courts operate in South Carolina.

WITNESS: Well, if you stop paying them, maybe they will have an interest in how it's run. And you're not like a judicial system.

CHAIRMAN WRIGHT: Well, we --

WITNESS: The contributions that you make to them, that's why they have a vested interest also.

CHAIRMAN WRIGHT: Well, yes, ma'am, but that is -- that's how it operates.

WITNESS: It's an answer, but it's not a good one.

VOICE: That's fair.


[Witness sworn/affirmed]
THEREUPON came,

DAVE RAVNIKAR,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Hi. Dave Ravnikar, 329 Chemistry Circle, Ladson, South Carolina. Thank you for having me tonight, SCE&G representatives, counsel, Office of Regulatory -- thank you.

I want to start off just by painting a picture of my personal situation in my household. I live in a house that's 2,100 square foot, with my family. It's a newer home. We have several Green features -- Green features, including a tankless hot water heater, TechShield roof insulation, low-e windows. We are very frugal. We're very energy conscious in the household. We keep our home very energy conscious in many ways, to include energy efficient bulbs, CFLs. When we are at home in the summer, we keep the thermostat between 70 and 80 degrees, and in the winter about 68 degrees. That's when we're home.

So I also want to share with you that my bill -- just to kind of keep it personal and also talking numbers, which helps some people interpret and analyze and draw some comparisons -- between
May 2011, which my bill was $83 in total, for gas and electric. That's $83.13, as compared to a year later May 29, 2012, $133.84. Again, we have not changed our usage. I'm very particular about usage in the household. As a matter of fact, we even went to more CFL bulbs throughout the household. Those comparisons for 2011 to 2012 represent a 62 percent increase. Another comparison: July 28, 2011, total bill for gas and electric was $114.04, as compared to July 27, 2012, which was $210.20. Represents a 54 percent increase in my bill.

Again, we're very frugal with our use of the energy. The house itself is built to also cater to those needs. I do not have an old house with an old system. My system is very -- it was built in 2008, I believe. It's very efficient. So I don't understand those increases.

You know, it appears to me that it's not based on usage anymore. And I've asked repeatedly if I'm under any kind of seasonal adjustment and I've been told no. I would like not to be a part of the seasonal adjustment. I want to know what it is I'm being charged for and how to control that; I don't need any help from SCE&G. I can do it myself. Because I understand what's going on and I don't
need anyone -- because that just complicates things. And it's something that we all need to consume, and we cannot shop different companies. So, you know, it's certainly unfair to be here --

[3-minute alarm]

-- fighting this rate hike. It's something that's so easy for the company when they have a monopoly on the region. You know, we have no choice, basically. And I understand some of the reasons, or proposed reasons for the rate hike being -- some of them were, I guess, pensions and property taxes. Pensions, the first one, pensions are always funny to me. It's something that's going by the wayside. If you look at the past 50 to 100 years in any industry, pensions -- I mean, who has pensions anymore, except for maybe state employees, teachers, and a few rare maybe executive individuals in private industry? I work in healthcare, and that's unheard of. Most of us aren't offered pensions, okay? We have 401(k) plans we pay into. We're not guaranteed anything. So for a company -- I just learned tonight that SCE&G is publicly held. I didn't know that. At any rate, you know, pensions shouldn't be. Just shouldn't have them. So that's money that could be
just cut. You know, you don't need to raise our rates to make up for that. And property taxes, I mean, we all pay property taxes. So I think somebody said it best earlier: Suck it up. You know, I'm not going to give you any consideration on that. That's something that affects everybody.

And somebody else mentioned, too, earlier tonight, we should definitely look at their expense accounts. I'm sure there's a lot of waste that can be cut there, as well.

These are just little propositions, you know, to -- to try to propose a solution; don't just come up and complain. I hope that's not what I'm doing here. So, you know, in the end, it's never about more money; it's how you spend it. I'll say that again: It's never about more money; it's how you spend it. Always. All right?

So another proposition I have for SCE&G and the Public Service Commission, if we were to approve such a substantial rate hike, let's maybe also look at getting other companies in here so we have a choice in the matter. And please, ask the questions. Please.

[Applause]

CHAIRMAN WRIGHT: Are you finished?
WITNESS:  Yeah.

CHAIRMAN WRIGHT:  Mr. Burgess.

MR. BURGESS:  We have no questions.

CHAIRMAN WRIGHT:  Mr. Nelson.

CROSS EXAMINATION

BY MR. NELSON:

Q  To start with, spell your last name for me?  Because I don't want to call you by the wrong last name.

A  Sure. That's R-a-v-n-i-k-a-r.

Q  Thank you. I take it you're opposed to the eWNA, the weather normalization adjustment; is that right?

A  Yes.

Q  Because you would rather be able to take that responsibility on yourself to control your own power consumption?

A  That's correct.

Q  Have you seen a similar increase in other household bills, comparable to what you just told us about the 56 percent increase in your power bills?

A  I have seen a small increase in water. We're under -- I think it's Dorchester County Water & Sewer. But like I said, very small. We're talking between $62 and $71. So what percent is that? That's minor. Certainly not the percentages we're talking about here. And I understand some of the temperatures and whatnot may have
been different year-to-year, but 54 percent? I don't think so.

Q Has it made it more difficult for you to budget your household expenses due to this increase?
A Certainly. We also have to do more in the house now; it's eight years old. So, yes.

Q All right. Thank you, very much. I appreciate your coming here.
A Thank you. You're welcome.

CHAIRMAN WRIGHT: Commissioners. Commissioner Fleming.

EXAMINATION

BY COMMISSIONER FLEMING:

Q Good evening. I think I need you to come to my house and help me with some energy efficiency issues. It sounds like you're doing pretty well. I wanted you to talk a little bit about the weather normalization, and why you think it is not a good thing overall.
A I don't really understand it. All I know is that it kind of clouds my ability to figure what my bill may be, so maybe I could learn something about how it works. Again, I've called them and tried to say if I'm on some kind of budget-sensitive billing or what have you, please take me off that, and I was told I was not on that. So I'm not sure -- it's not optional; is that
correct? So that's probably why I was told that. I was not thoroughly explained. And like somebody else mentioned earlier, I don't exactly have the time to go through and, you know, nitpick and fight all these things, so I just kind of nod my head and move on.

Q  Okay. And when did you say you moved in your house? 2008?

A  We moved in December 2008.

Q  So you went through that winter of '09 and '10 that was very cold.

A  It was -- the weather was colder than other winters.

Q  Yes, and a lot of people had major spikes. Did you experience a major spike in your --

A  Well, I mean, I have nothing to base it off. My baseline was that year. I can tell you this, my bill has never been as high as it has been -- one of the things I didn't mention --

Q  So it's higher now than it was during that period?

A  Oh, certainly.

Q  Okay.

A  Yes. One thing I will mention, just to kind of recap the numbers here. In 2011, my bills, there were five that were under $100. Okay? 2012, there were none, zero, under $100. So to me it doesn't make much sense. I think I had one bill that was the most it's ever been,
which was the one for $210. Even that winter where it
was super cold, nothing topped that.

Q And would you -- to encourage energy efficiency, how
would you -- how could that best be done?

A You mean on an individual basis? Or --

Q Yes, to help others reap the same benefits that you
have?

A Well, I think -- people keep talking about solar panels.
I really feel -- I like the idea. I just don't believe
that, for individuals -- nobody has the capital to put
that up. So I think, although it's a great idea, unless
there's some sort of initiative financially that assists
the consumer on an individual basis, it's just not a
reality for most people, because the buy-in is too high.

If we can change that, then, yes, solar panels are a
great idea. But I think things are more budget-
sensitive to the individual, the average American
household. Maybe the tankless hot water heater, okay?
Where your home is not -- your hot water tank
essentially does not have to house a certain number of
gallons of water and keep it warm, so you can save on
that aspect. The low-e windows, which I know a lot of
new-construction homes have, that's a good thing. We
also have the TechShield roof installation; that's good.

It kind of deflects that weather that comes, you know,
into the household. I've also heard there's even better types of insulation, Spider insulation, which you guys may or may not know of. That helps to insulate your home best. And just doing things like keeping your thermostats set correctly. Programmable thermostats are smart because, you know, when you're not home it's not just running, running, running. If you're somewhere like here tonight and you're not making it home after work, you could have it set and it could just automatically adjust. So that's smart. And just trying to not -- you know, hey, can you -- do you have to have the house so hot or so cold in those opposite extreme weather situations, or can you live with a couple of degrees of difference? That makes a big difference, too.

Q And did you learn about this from SCE&G?
A No. Myself.
Q You did your own research?
A It doesn't take much. I mean, just like somebody else said, I don't understand all their -- their billing as far as breakdown. I don't quite understand that. My degree is in, you know, healthcare. So I don't quite understand all that stuff, but it's just basic stuff. But again, in employing my techniques, I still don't see much of a change. It doesn't reflect usage.
Q. All right. Thank you.
A. Thank you.

CHAIRMAN WRIGHT: Commissioners.

[No response]

Thank you, very much.

WITNESS: Thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: Jerry Good, you're up next. And Hans Van Hesk, you are on deck.

[Witness sworn/affirmed]

THEREUPON came,

JERRY GOOD,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Hi, my name is Jerry Good. I'm a plant manager at the DuPont Plant here, out at Moncks Corner, so we have about 200 employees there. We recently built the Kevlar plant, which was a $469 million expansion, which was a significant investment, I think, in this community. When we did our facility siting about three to four years ago, the rates that we were receiving electricity were about 30 percent less than what we're currently seeing after this rate increase. So, I'm, you know, having this discussion with some
of my business and corporate leaders, you know, this is not the right signal to send when we see a slowdown in the economy. Our analysts are forecasting that, of course, the economy is slowing down. Everybody feels that, right? Well, the economy slow-down is going to go down through third quarter. So here I am, doing my best to cut costs at my facility, and then I'm made aware of this rate increase, which is absolutely, you know, unacceptable. Just like I require all my employees to cut costs, cut spending, I also need my supply chain people to do the same. Most important, though, for the utilities coming to me, this has got to be a must-do. I've got to have four utilities, and here I'm finding out that this is happening. So bottom-line, this is the wrong direction for us to go.

DuPont, we're a global company, as you probably all know, one of the top 100 companies in the US. And so one of the things we're suffering is this is a global thing that's happened to us, the slowdown in the economy, right? So we are cutting costs. You know, we have margins and customers and stockholders. But we do not have a guaranteed rate of return. What I'm finding out,
though, is the utility has a 100 percent guaranteed rate of return. That's just unbelievable. I just didn't realize that. When you're in business, just like you're at home with your checkbook, you have a profit to make, and you can't outspend your checkbook, and you just can't make it increase. So it's totally unacceptable to us.

One of the other things that I've done -- only been here two years, but I've been offered the opportunity to join the Berkeley Chamber of Commerce, so I'm on the board of directors. So what I love about them is they're trying to grow Berkeley County, grow this region, to bring businesses -- and that's one of the things I'm trying to do, working with my corporate partners -- is bring more business to this region, and try to expand my existing facilities, try to actually bring other companies here to other company partners. Well, this is another -- this is an example about here are all the other functions in the government and society. Berkeley Chamber and economic development doing really hard work to bring businesses here, create jobs, but this is absolutely counter to that, and totally unacceptable.
So, you know, I actually didn't know about the Energy Users group. Glad to hear about that. I'm also really glad to hear about your regulatory commission. So I just actually ask you to not allow this increase. In the corporate --

[3-minute alarm]

In the corporate world, we don't allow this. Matter of fact, because times are so hard, my corporate leaders have decided they're going to cut corporate overhead 20 percent, so they're going to reduce the headcount by 1,500 people in the next year. They're not going to go to my customers and say to increase the price. Because guess what, they'll go to somebody else. We have other competitors, and that's not the way the world works.

I've got to ask you very politely to not allow this to happen, because this is not the way the world works. You just cannot keep increasing rates or people will go other places. I'm going to work hard to bring businesses here. That's one of my new missions, and I'm going to try to partner with you all to do that. But I hope you also partner with my company, as well as other industry leaders. This is the reality. If you want to bring business
and you want to grow this region, if you want to create jobs, you've got to move this in the right direction. So that's my recommendation. I think I hit most of my points. I didn't come prepared, but -- any questions, please go ahead.

CHAIRMAN WRIGHT: Mr. Burgess.

MR. BURGESS: No questions.

CHAIRMAN WRIGHT: Mr. Nelson.

CROSS EXAMINATION

BY MR. NELSON:

Q Thank you for coming, Mr. Good. Let me ask you, does your plant, your DuPont plant, have any options as far as self-generating electricity or anything? Or are you tied to using SCE&G electric service?

A Yeah, we're tied to SCE&G. That's our only supplier. I've actually tried to explore other options, but right now we don't have any other options.

Q And what could you do to make up -- talking about trying to cut costs, what would you have to do as a manager to try and cut costs to make up for that increase in electricity?

A Well, one of the unfortunate things is, you can't just cut variable costs and then -- you end up cutting fixed costs, which sometimes is reducing jobs. And that's just the opposite of what we ought to be doing here. We
should be creating jobs. We should be growing the region. And to be honest with you, I'm out meeting with some of my other business leaders and they're talking about, you know, bringing a business here, that's a hard sale to make, to tell them my utility rate is 40 percent higher, when they're making a facility siting decision to expand right here in this region. They're going to say, "Well, why would I want to do that? I can build in Japan." My business made a decision not to build this plant -- it's a $460 million plant -- in Japan, China, and even South America, because we wanted to build -- you know, buy US, build US, create jobs in the US for our economy. Isn't that what we should all be about right here? So anyway, this is counter to that.

Q Thank you very much, Mr. Good. I appreciate you coming tonight.

A Yeah.

CHAIRMAN WRIGHT: Commissioners. Commissioner Whitfield.

EXAMINATION

BY COMMISSIONER WHITFIELD:

Q Mr. Good, one quick follow-up. You might have stated, but I didn't catch it. How many employees do you currently have at your facility?

A Okay, I have 200 employees that work for me personally,
and I also have 30 contractors, or 35, full-time contractors on-site. And actually, DAK America is our tenant. So our facility is right here on the Cooper River, about 2,100 acres, right next to SCE&G. So, you know, our property is next to theirs, so therefore I'm sure that long extension cord's probably coming to me and it's a very expensive one.

[Laughter]

COMMISSIONER WHITFIELD: Thank you, Mr. Good. That's all I have, Mr. Chairman.

CHAIRMAN WRIGHT: Commissioners, anyone else?

COMMISSIONER FLEMING: Yes.

CHAIRMAN WRIGHT: Commissioner Fleming.

EXAMINATION

BY COMMISSIONER FLEMING:

Q What -- you're in the business world and we've heard about return on equity. Have you looked into that for utilities? Do you have any insight into what you think is a reasonable return on equity?

A Actually, I don't. You know, at DuPont we don't own any utilities. You know, we're all about manufacturing products that we're going to sell commercially, and so we don't have -- return on investment, though, DuPont wants a return on investment greater than 15 percent and a return on assets, which is another number we use, of
20 percent. So in other words, you want to invest at a rate much better than you could anywhere else so that you can grow and create cash and, you know, build other facilities, and expand, and pay your shareholders. So that's around, for us, the 12 percent return on investment or return on assets of 20 percent. But I don't know -- that term, I don't how that translates.

COMMISSIONER FLEMING: Okay, fine. Thank you.

CHAIRMAN WRIGHT: Commissioner Mitchell.

EXAMINATION

BY VICE CHAIRMAN MITCHELL:

Q Yes, sir. As you're located, I guess, throughout the United States?

A Yes, sir.

Q Plants? Comparably, you mentioned 40 percent -- or what's comparably, as far as an average, and then compare that to South Carolina, as far as what you're paying for electric.

A Okay. This is -- I've been with DuPont 34 years, and it's my tenth manufacturing site, and it's actually within -- I'd have to compare it to 2012 dollars, but this is the highest electrical rate I've seen in all my manufacturing experience, right? And I left Chattanooga -- I was the plant manager of the Chattanooga facility, and that's TVA. Of course, that's hydroelectric
generating. And this rate is at least 40 percent higher than there.

Q 40 percent, and how long ago was that that you left?
A 2010, so that's recently.
Q 2010, and you're 40 percent higher here?
A Yes. So where would you build a plant?
Q [Indicating.] But did you -- do you have a national average that -- do you have charts to study? I know you talk about this. Do you have any national averages, as far as --
A I don't know the actual averages. I just happen to know, though, that this is the highest rate, of our DuPont sites, and DuPont has actually about 75 facilities, plants, in the US. And we're also global, so 40 percent of our assets are outside the US.
Q Right.
A And I can assure you the electrical rates outside are significantly less. But in the US, we're actually the highest rate per kilowatt here. That's not good.
Q Right.
A And my business team is looking really hard at me and saying, "Where are we going to make the next pound of product?" Well, if they decide to make the next pound of product at my Luxembourg plant and at Japan and my Maydown, Ireland, plants -- so I'm losing production.
here, which, once again, I'm cutting costs, but the next thing I'm going to have to do is cut employees. I don't want to do that.

VICE CHAIRMAN MITCHELL: Thank you, sir.

CHAIRMAN WRIGHT: Commissioners.

[No response]

Thank you, very much.

[Applause]

[WHEREUPON, the witness was excused.]

MR. MINGES: Hans Van Hesk, would you please come forward.

[No response]

Hans Van Hesk?

[No response]

Earth Sessions, would you please come forward? And Ben Lewis, you are after Ms. Sessions.

[Witness affirmed]

THEREUPON came,

E A R T H A   S E S S I O N S ,

who, having been first duly affirmed, testified as follows:

WITNESS: Good evening, Commissioners and everyone. See, I understand why the --

CHAIRMAN WRIGHT: Could you state your name and address first?
WITNESS: Yes, excuse me. My name is Eartha Sessions, and I live at 3951 St. John's Avenue, North Charleston, South Carolina.

CHAIRMAN WRIGHT: Thank you.

WITNESS: 29405. I don't understand why y'all raised our -- whatever y'all raising the -- increasing the -- our bill for. I got the letter. I read it. But seem like y'all already got the raise y'all asking for this summer -- spring and summer. Seem like you already got your raise y'all are looking for already. But I think -- but I've been out of the State in May. I had just moved my apartment. And my bill, when I came back home, it was $81. I wasn't even home about two weeks that month. That was in May. I said, whoo, $81 for two weeks? Then my June bill, I think, was $123. But that -- that -- I said well, I'll go ahead and pay that. But the next bill keep on raising. You're all the way from $123 to $190. Whoa, that was a big jump. I said, oh, but I -- I just start cutting lights off and everything, and I put plastic over the windows so the house would get cooler, and taped things around. But I said, it keeps increasing, so I don't understand why y'all going to just have this -- whatever this thing
y'all are working on. I forgot. But I just -- I
don't agree that y'all get the rate hike, okay? I
don't agree. Because I can't afford it. Like most
of us, we can't afford a higher rate on our light
bills. Some of us are widows. I'm a widow --
praise God. But I don't agree that y'all get the
rate hike. I don't mind paying, you know, extra
sometime, but as for this rate y'all are asking
for, I don't agree that you all get it. And I know
I'm not the only one. Thank you.

CHAIRMAN WRIGHT: If you would wait just a
minute, please?

WITNESS: Yes, sir.

CHAIRMAN WRIGHT: Mr. Burgess?

MR. BURGESS: No questions.

CHAIRMAN WRIGHT: Mr. Nelson.

CROSS EXAMINATION

BY MR. NELSON:

Q Ms. Sessions, do you have a difficult time paying your
power bill?

A Very difficult. I'm about to go back to work because of
that, so I can pay more of my bills.

Q And were you on SCE&G before -- what did you say? I
think it was May you said you moved into where you're on
SCE&G; is that right?
A  Ma'am?

Q  When did you move to --

A  I moved to North Charleston and my new place in May -- in April, I mean. In April. Yes, in mid-April.

Q  Before May, were you on -- were you with some other power company then? Were you on somebody else's system?

A  I lived in the housing thing, but I pay straight rent now. I'm on -- I don't get assistance with rent now, but I still feel, you know, like how high the cost of the light bill is too high for me, because I don't get no assistance with my rent. I got to buy medicine and everything, other bills.

MR. NELSON:  Thank you very much. Appreciate you coming tonight.

CHAIRMAN WRIGHT:  Commissioners, any questions?

[No response]

Thank you very much.

WITNESS:  You're welcome.

[WHEREUPON, the witness was excused.]

MR. MINGES:  Ben Lewis, would you please come forward?

[No response]

Okay. Frank Heindel, would you please come forward? And Regina Fox, you are after Mr.
Heindel.

[Witness sworn/affirmed]

THEREUPON came, FRANK HEINDEL,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Frank Heindel, 171 Hobcaw Drive, Mt. Pleasant, South Carolina.

I've done several Freedom of Information Act requests over the summer with Santee Cooper, trying to understand about their rate increase, and basically what I found out was that Alcoa basically said, "Unless we get electricity from natural gas, we're leaving. We're going to close down our plant and shut down 600 jobs, and basically ended up saving about $50 million a year." Roughly, in January 2013, they're going to have about a 25 percent rate reduction.

You know, basically, SCE&G never saw cheap natural-gas prices coming in 2008 and 2009. They overbooked capacity with the CSX Railroad, committing all their rail tonnage to just one carrier, because they weren't able to use this as well as, I presume, buying other cheaper, natural-gas power to help reduce our bills. Also, in 2007,
SCE&G was paying $14.48 per ton to haul coal. And in 2011, those rates were $32.86 per ton. From $14.48 to $32.86 in four years. Who's doing anything about that?

Regarding the new nuclear plant expansion, obviously, it's unneeded. It's going to be expensive and it's going to be a white elephant. The major problem here is we're trying to project where natural gas is going to be by 10, 20, 40 years from now, and comparing that to what we think our nuclear costs are. Now, the Public Service Commission has an economist, and I would like to see him put out public information on what his price projections are for natural gas 5, 10, 20, 30, 40 years into the future, compare that with this SCE&G's expert, and compare that with the Sierra Club's expert.

Now all I know is, from my Freedom of Information Act request, I saw where Santee Cooper had dialogue with a place down in Florida at the Florida Municipal Power Company. Their natural-gas assumption, quote, "runs about $4 in 2011 to about $10 in 2035, delivered to Zone 3, and including transportation costs." I received over 450 pages with my FOIA request, and nobody's talking --
nobody is trying to go buy this nuclear power that's coming up in 2017.

So in a nutshell, I believe SCE&G is misleading us about the future price of natural gas in their testimony, to justify their nuclear plant in this case. I don't trust their forecast and I cannot fathom how our rates are going to go up when natural-gas prices have dropped dramatically from their highest in 2008. This is a classic case of a monopoly running roughshod over its captive customers.

CHAIRMAN WRIGHT: Thank you. Mr. Burgess.

MR. BURGESS: No questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: I have no questions. Thank you for coming, though, sir.

CHAIRMAN WRIGHT: Commissioners.

[No response]

Thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: Regina Fox, would you please come forward? And Larry Carter, you are next.

[Witness sworn/affirmed]

THEREUPON came,

REGINA FOX,
who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Hi. Thank you for having this meeting. I'm just a regular old, private citizen. I'm very private in my life --

CHAIRMAN WRIGHT: Could you give your name and address, please?

WITNESS: Oh, I'm sorry. Thank you. Regina Fox, 1282 Fort Drive, Hanahan.

I don't normally come to things like this and speak out. And I didn't really have time to prepare anything on paper, because I didn't find out about this meeting until close to its being held. And finding the time, even then, to get it done would be difficult because I work three jobs. I work three jobs mostly to pay my bills. I -- at my age, which will be 56 this month, I can't continue that very long. And when I think I'm trying to get ahead and I might be able to put some money aside, I get SCE&G bills, and they're higher every month. And for trying to get ahead, I step backward about every month. And I think most of the people who have been here tonight have voiced that very same thing.

My income, because of the economy, the small
private school job that I had as a teacher for 14 years, I lost that. With that, I lost my benefits. I lost my health insurance. I have now an 18-year-old and a 20-year-old who live with me. They're not finding jobs to pay much of anything. And I have a grandchild now, living with me. So at this age I thought I would be alone and I could afford to have no heat turned on and keep my kerosene heater, and it's a warm brick that's warmed by the kerosene heater in my bed so that at least I could maybe fall asleep before I froze.

I've tried to cut costs every which way I can. I keep my house at 80 to 82 in the summer, and there was a month recently where I didn't have AC or heat on for at least two weeks, or so, and I got my bill, thinking this is going to be pretty good. And to my dismay, it was not much different. There's nothing more I can do. I even, at my age, took my tax return last year and went out and said I'll use some of this -- instead of another vehicle, which we badly needed, I used quite a bit of money on some things that would help my house. But the one thing I mostly did was I went and bought lots of insulation. And I personally crawled through my attic and put down insulation,
and blew in insulation, and tried to do things that would help offset my energy costs.

I saw no help in the bills that came. And when you look at all of those of us who have had an income that has gone down or lost jobs, and we try to cut back on all ways that we can, and the price of gas goes up, so getting places --

[3-minute alarm]

-- costs more money, and all of our food costs more money, and everywhere we turn it just keeps becoming a snowball that is growing. And there just seems to be no way out. And I think you're going to see a lot of people who have become to the point, like I just about did: Great despair. It has to stop somewhere.

And I almost want to ask SCE&G, while we are losing income and all, what are they doing? Great pay raises somewhere? Because it's ridiculous. And I'm asking you, like many others: You say “Public Service Commission.” Serve. Serve us. Thank you.

[Applause]

CHAIRMAN WRIGHT: Mr. Burgess.

MR. BURGESS: No questions, Mr. Chairman.

CHAIRMAN WRIGHT: Mr. Nelson.
MR. NELSON: I can't think of anything to ask, but thank you very much for coming.

WITNESS: Thank you.

CHAIRMAN WRIGHT: Commissioners? [No response]

Thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: Larry Carter, would you please come forward.

MR. CARTER: I got one for y'all [indicating].

MR. MINGES: Hold on, sir.

CHAIRMAN WRIGHT: If you would --

MR. MINGES: Please.

CHAIRMAN WRIGHT: -- give them to him, please?

MR. CARTER: Well, they're all --

CHAIRMAN WRIGHT: Please get sworn in, first.

Okay.

MR. CARTER: You can put away your book, because we don't do religious government books. I'm a US Navy veteran, and I've sworn to defend the Constitution 41 years ago, and I haven't stopped since.

MR. RICHARDSON: I'll ask you to affirm.

MR. CARTER: Well, we won't affirm on religious books. I'm here to testify the truth,
the whole truth, and nothing but the truth.

MR. RICHARDSON: I would ask you --

MR. MINGES: That's okay.

THEREUPON came,

LARRY CARTER CENTER,

who, having first duly affirmed, testified as follows:

WITNESS: Gentlemen and gentle-ladies, my name is Larry Carter Center. I live at 20 Wespanee Drive, and I have signed my first copy of my remarks here, and I have a signed copy for all of you of my remarks here.

But what I'd like to talk about is saving lives. We are being radiated right now by Fukushima. Many counts per billion are coming over the jetstream covering all of the Pacific Ocean, all over North America. The design for all the nukes here in South Carolina is the exact same design as Fukushima, Japan.

We live on an earthquake zone. It is reckless, irresponsible, and deadly to continue to operate these things on an earthquake zone. Furthermore, I was in Iowa last year when the Fort Calhoun, Nebraska, nuke next to the Missouri River -- when there was flooding, the water supply to the cooling coils was interrupted and we had a
meltdown. We had a no-fly zone, and the government of the United States ordered a gag-order over all pilots flying over that nuke.

We have a problem with our government lying to us, our government putting us at risk, and our government killing us with deadly radiation. We're talking plutonium here. We're talking iodine isotopes. We're talking cesium isotopes. We're talking strontium isotopes. These are released routinely in smaller quantities from all existing nukes. We have to stop it.

Now, I'd also like to talk about cogeneration. Cogeneration is safe, cogeneration doesn't hurt anyone. We can put it on top of water, be it a moving river or be it on top of ocean waves. The country of Portugal is getting 9 percent of all their electricity from tumbling generators on top of the oceans, not hurting anyone. It's much cheaper, it's safer, and it runs continuously. And it doesn't get anyone sick or die.

I think the Public Service Commission of South Carolina has a duty to protect lives. Our most vulnerable people are children and the elderly; they get cancer faster because of these nukes. The executive for SCANA got himself a nice $400,000
raise to go up and lobby for more of these things. They are absolutely obscene. And there's only one place they're safe, and that's in the United States naval vessels -- and I happen to be a Navy veteran. They are small power plants, and everyone is trained on-board to make sure they are kept operating safe, 24/7.

We have a serious problem. It has to be addressed. We can have wind generators mounted on top of every vent pipe, including the nuke until we shut it down, because rising heat will drive wind generation when there is no wind. That's called cogeneration. We can have solar and wind power and kinetic energy generators along all highways and trains and freeways. There is fantastic numbers of things that we can do that will reduce the cost of electricity, reduce the dangers of electricity, and eliminate fossil-fuel-burning gas and -- [3-minute alarm]

-- coal plants. We have to commit to these same changes to the way we make electricity and the way we are heating our homes and businesses. The Alcoa plant right here in Charleston County has lots and lots of rising heat vents, and there is a single wind generator, you can mount two of them on
every rising pipe, side by side. There are no solar panels whatsoever on top of the buildings or on top of cars parked in the parking lot. It provides a nice place for water reclamation. There are just thousands and thousands of ways for us to reduce the cost of electricity, make everyone a producer as well as consumer, and we need to put an end to the for-profit greed of the executives and stockholders of South Carolina Electric & Gas, and Duke Energy, and any other for-profit business that is choosing the most expensive way to make electricity, because they get a 7 percent return on all of it.

So if you have any questions, I'm ready here to answer them under oath.

CHAIRMAN WRIGHT: Mr. Burgess.

MR. BURGESS: We have no questions.

CHAIRMAN WRIGHT: Mr. Nelson.

MR. NELSON: No questions. Thank you, sir.

CHAIRMAN WRIGHT: Commissioners.

WITNESS: Can I give them to you now?

CHAIRMAN WRIGHT: If you would give them to him, and he'll do that, sir.

WITNESS: Okay. Well, they've all got numbers on them.
CHAIRMAN WRIGHT: That's fine.

MR. MINGES: We'll keep track of those.

WITNESS: [Indicating.]

MR. RICHARDSON: [Indicating.]

CHAIRMAN WRIGHT: Thank you, very much.

[WHEREUPON, the witness was excused.]

MR. MINGES: Mr. Chairman, we've reached the end of our list.

CHAIRMAN WRIGHT: That's the last speaker that has signed up. Is there anyone who wishes to speak, who has not? Yes, I can barely see your hand. Come on.

MR. MINGES: Come forward, ma'am. Please give your name and address after you're sworn in.

[ Witness affirmed ]

THEREUPON came, 

A N N A   R O B E R T S ,

who, having been first duly affirmed, testified as follows:

WITNESS: Hi. My name is Anna Roberts, 2130 Hunter Creek Drive, and I live at West Ashley. My cousin Sandy spoke earlier. She lives with me part-time. She's a hard worker, and she has a family that she needs to support, but this isn't about Sandy. I'm going to tell you the story of an 85-year-old woman that I help.
This woman lives in a trailer at West Ashley. She gets paid about $700 Social Security. That is it. She pays $300 rent. Another $150, if she's lucky, to SCE&G. The rest has to go for the water bill -- and how she survives with that water bill, she doesn't flush her toilet because you know Charleston Water Company charges on the sewer. Every time you flush, the water goes up. Well, in order to pay her South Carolina electric bill -- this is what this is about -- she keeps her heat, as well as she can, about 62. She's 85 years old. That's in the winter. In the summer, she keeps her air conditioning at 82. I go once or twice a week and I'll get her out of the house. I have sat in her trailer when she has not been well, with sweat pouring off of me. She has her fans moving, but it doesn't cool it down at all.

All I have to say is please do not give us a raise in our bill. I'm not thinking of me -- although I am on a fixed income -- I'm thinking of the people who are worse than what I am. I do get a little bit more than $700 a month, and I am able to afford your high prices. But it's the other people that cannot, the people who live in housing. I don't care about big companies; I care about the
little people. The people who cannot live off of $700 Social Security and no raises, except for what that man said in January, 1.7 percent, will be. That's not going to help her at all. I know other people, too, that are on fixed incomes. Not as old as my friend, Margie. They just can't survive if these rates go any higher.

[3-minute alarm]

All I have to do is say shame on SCE&G. You really need to step back and think about the little people and not about yourselves. That is it.

CHAIRMAN WRIGHT: Thank you. Mr. Burgess?

MR. BURGESS: No questions.

CHAIRMAN WRIGHT: Mr. Nelson?

MR. NELSON: Thank you, Ms. Roberts, I have no questions.

CHAIRMAN WRIGHT: Commissioners.

[No response]

Thank you.

WITNESS: No questions?

CHAIRMAN WRIGHT: Thank you, ma'am.

WITNESS: I didn't think so.

[WHEREUPON, the witness was excused.]

CHAIRMAN WRIGHT: Is there anyone else?

[No response]
Hearing none, I'll -- if you want to just go ahead and close it where we are in the docket, and when the next hearings are, and kind of remind everyone of that.

MR. MINGES: Thank you, Mr. Chairman. The last hearing is scheduled -- SCE&G will be putting on its case beginning on November 26th, and then we have the next public hearing that's going to be open to the public is going to be at 6 o'clock on November 27th. If you haven't spoken tonight and you still wish to speak, you can speak on November 27th. And the final decision on the rate case is due by December 29th. Thank you, Mr. Chairman.

CHAIRMAN WRIGHT: And with that, we want to thank you for coming and the way you handled yourself tonight. It was very informative and we really appreciate hearing from you, and we look forward to what's going to happen in Columbia on the 26th and beyond. Thank you.

[WHEREUPON, at 8:50 p.m., the hearing in the above-entitled matter was adjourned, to reconvene on Monday, November 26, 2012.]
CERTIFICATE

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had in a Commission Meeting held by THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA in Columbia, South Carolina, on November 5, 2012, according to the record of same.

Given under my hand this 12th day of December, 2012.

[Signature]

Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Court Reporter