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I am Lynn Teague for the League of Women Voters of South Carolina. The League is an all-volunteer organization that advocates on a range of issues, with a special focus on good government. We advocated for regulatory reform over several years leading up to and following the V. C. Summer project collapse. I personally intervened at the PSC in that docket and represented the League in advocating at the State House on behalf of regulatory reform. I have served on the IRP Committee at ORS.

We have been told repeatedly that the current situation is not similar to the sad history around the Base Load Review Act and V. C. Summer, but the evidence points toward some very important parallels that must be acknowledged.

The League recognizes that South Carolina badly needs expanded sources of energy. This is extremely important. We just don't want to get there by going down a path similar to the past mistakes.

H. 5118 parallels that past because in many ways it depends on utilities to speak and act in the public interest without adequate guardrails. However, utility regulation exists because acting in self-interest is an unavoidable temptation of monopolies. It takes a fair but strong regulatory system to ensure that the interests of both the public and utility shareholders and executives are protected.

Unfortunately, H. 5118 would make the following mistakes:

- Limit the topics raised by the public in hearings that the PSC can consider in their decisions;
- Tell commissioners to give extra weight to the testimony of utilities; essentially directing the PSC to make evaluations favoring utilities rather than evaluating evidence using the expertise for which they were appointed;
- Add extra consideration for utilities' bottom lines while adding nothing to protect ratepayers;
- Return the ORS mission to the impossible conflicting demands that existed before reforms following V. C. Summer;
- Add restrictive deadlines to PSC decision-making, rushing the public hearing process;
- Allow utilities to proceed with the construction of certain facilities even *before* obtaining permission from the PSC;
- Remove the Consumer Advocate as a participant in PSC proceedings;
- Send appeals of PSC orders and decisions directly to the Supreme Court, which would have no record of lower court proceedings to act upon;

- Permit ex-parte communication between the PSC and utilities, and only utilities, with terms only restricting those communications to such very broad topics as "planning" and "projects."

The last of these flaws provides an excellent illustration of how dangerous these changes are. Other interested parties have no part in the communication and thus no opportunity to be assured of full knowledge of the content of the communication and no chance to respond or in any way contribute to the conversation.

PSC conducts quasi-judicial proceedings. It is universally acknowledged that single party ex-parte communication in judicial proceedings is an open invitation to bias and even outright corruption. I was told by an official several years ago that ORS was created in part because ex-parte communication between utilities and the PSC had led to abuses, as would be expected when this behavior is permitted in a judicial or quasi-judicial proceeding.

Finally, and more broadly, we question the appropriateness of the General Assembly "encouraging" particular projects that are subject to regulatory review. This is a very heavy thumb on the scales of the regulatory process.

We urge this committee to allow South Carolina's very competent regulatory agencies to do their work, informed by diverse sources of input and by the expertise for which they were appointed. Commissioners and their staff have the depth of technical understanding necessary to objectively evaluate the evidence before them and reach sound decisions. The utilities are granted monopolies and in return should expect to function within a robust regulatory framework. Please do not allow that to be compromised, as it would be by this bill.

Thank you.

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