March 11, 2020

TESTIMONY FOR THE SENATE SUBCOMMITTEE ON S.1129

S.1129 provides much needed reforms of the South Carolina Public Service Authority (PSA). Serious deficiencies in PSA decision-making have been exposed in several major failures in recent years. Improved qualifications for PSA members and a greater role for the Office of Regulatory Staff (ORS) are excellent, in fact essential, changes. Since reform of its mission, ORS has done excellent work to protect ratepayers and can make major contributions to the responsible management of Santee Cooper. We hope that the role of the Public Service Commission (PSC) will also be very positive.

Greater improvements could be made by widening the pool of potential members of the PSA. Is it really necessary that every member of the PSA be a resident of South Carolina? The participation of individuals from outside the state could provide an expanded pool of well-qualified individuals as well as a voice that has greater independence.

The requirement that the PSA include members with experience in electric cooperatives is excellent, but qualifications could usefully be expanded to include a requirement that members include at least one individual with substantial work experience in a major investor owned utility or publicly owned utility other than Santee Cooper.

Most important of all, though, is the message in this bill that the PSA must cease to be opaque and unresponsive to the public and unaccountable to regulatory agencies. That message must be reinforced at every opportunity. As currently constituted the PSA has contributed to one of the worst debacles in the economic history of South Carolina, as well as other less dramatic but significant failures. Avoiding future instances will require on-going vigilance and meaningful oversight. We hope that the reforms of structure and process begun with this bill will provide the foundation for more effective management of Santee Cooper.

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