



Office of the Speaker
South Carolina House of Representatives

P. O. BOX 11867
Columbia 29211
(803) 734-3125

DISTRICT 65
CHESTERFIELD-DARLINGTON-
KERSHAW-LANCASTER
COUNTIES

HOME ADDRESS
1744 GARLAND DRIVE
HARTSVILLE, SC 29550
(843) 383-9421

JAMES H. LUCAS
SPEAKER OF THE HOUSE

November 6, 2020

The Honorable Dan J. Ray
South Carolina Public Service Authority
Post Office Box 2946101
Moncks Corner, South Carolina 29461

Dear Acting Chairman Ray:

I am in receipt of both the ORS determination on Santee Cooper's, now closed, issuance of \$100 million in new debt and your written reaction to it.

I would like to raise several issues in relation to this transaction and Santee Cooper's conduct.

First, it is very difficult to understand how additional debt can EVER be in the best interest of Santee Cooper's ratepayers. It may be, as you suggest, that there is a present savings through this transaction. It may also be that interest rates are at historic lows and borrowing money, in some circumstances, can be prudent. However, with the total debt load accumulated by Santee Cooper, the obligations of Cook and the reduction in demand for energy worldwide it is very difficult to see the prudence in these circumstances. At some point, ratepayers will have to satisfy this new debt.

Second, I appreciate the quick work of ORS in making a reasoned determination of this transaction's compliance with Act 135. However, I believe there are deficiencies in the transaction that could have been avoided had Santee Cooper availed itself of the processes laid out in Act 135. Certainly, there was ample opportunity to have sought advice from House and Senate leadership and the Governor, as this transaction had been in development for some time.

Third, the issuance of \$100 million in new debt is not a matter to be taken lightly. At any point during the development of the transaction, Santee Cooper could have asked the oversight committee established by Act 135 or ORS to review the matter for compliance. Instead, ratepayers, the public and those responsible for the oversight of Santee Cooper learned about this transaction from a five-minute discussion during a Santee Cooper Board meeting. This falls well short of the

The Honorable Dan J. Ray
Page 2
November 6, 2020

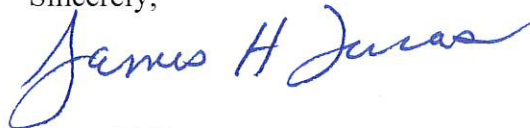
transparency that Santee Cooper owes South Carolinians and falls well short of what I and other members of the General Assembly expect.

This continued failure to be fully transparent demonstrates a lingering disdain for any oversight at Santee Cooper, which in my view, is the root cause of this state agency's failures. The Board's desire to be unaccountable to lawmakers, the Governor and the public continues to prevent any measure of success at Santee Cooper. I fear, as with most other decisions made by this Board, you continue to imperil the fiscal strength of Santee Cooper and threaten ratepayers with an inevitable rate increase to offset your poor decisions.

I remain deeply concerned about the leadership of Santee Cooper. As I have stated before, if I had the authority, I would remove every member of the current Board and replace the Board with members willing to work for the best interest of the Santee Cooper ratepayer rather than the intuitional interests of the leadership.

I remain hopeful that you, as the Acting Chair, will create a culture of transparency and communication. Thus far, however, I believe we have seen a continuation of the failed culture at Santee Cooper that seems to be ingrained in this "rogue state agency".

Sincerely,



James H. Lucas
Speaker of the House

JHL:hm

cc:

The Honorable Henry D. McMaster
The Honorable Harvey S. Peeler, Jr.
The Honorable Hugh K. Leatherman, Sr.
The Honorable G. Murrell Smith, Jr.
Mr. Mark B. Bonsall, President & Chief Executive Officer, Santee Cooper