

**BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COLUMBIA, SOUTH CAROLINA**

CM #18-17

May 23, 2018

2:00 ~ 2:50 P.M.

COMMISSION MEMBERS PRESENT: Swain E. WHITFIELD, *Chairman*; Comer H. ‘Randy’ RANDALL, *Vice Chairman*; and COMMISSIONERS John E. ‘Butch’ HOWARD, Elliott F. ELAM, Jr., Elizabeth B. ‘Lib’ FLEMING, Robert T. ‘Bob’ BOCKMAN, and G. O’Neal HAMILTON

COMMISSION MEMBERS ABSENT: —

ADVISOR TO COMMISSION: Joseph Melchers, Esq.
GENERAL COUNSEL

PRESENTING AGENDA: James Spearman, Ph.D.
EXECUTIVE ASSISTANT TO COMMISSIONERS

STAFF PRESENT: Jocelyn G. Boyd, Chief Clerk/Administrator; F. David Butler, Esq., Senior Counsel; B. Randall Dong, Esq., Josh Mingos, Esq., and David W. Stark, III, Esq.; Legal Advisory Staff; Douglas K. Pratt, Thomas Ellison, and John Powers, Technical Advisory Staff; Janice Schmieding, Patricia Stephens, and Afton Ellison, Clerk’s Staff; and Jo Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter.

**TRANSCRIPT / MINUTES
OF
COMMISSION BUSINESS MEETING**

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

101 EXECUTIVE CENTER DRIVE
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In accordance with S.C. Code § 30-4-80(E), the Public Service Commission hereby certifies that it has notified all persons, organizations, local news media, and all other news media requesting notification of the time, date, place, and agenda of this public meeting, by posting a copy of the Notice in its principal office, by e-mailing such Notice to all who request same, and by posting the Notice on the Commission's official Internet website.

P R O C E E D I N G S

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2 **CHAIRMAN WHITFIELD:** Please be seated. I'll
3 call this Commission Meeting to order and ask that
4 we pause for a moment of silent meditation.

5 [Brief pause]

6 Amen.

7 Dr. Spearman.

8 **DR. SPEARMAN:** Mr. Chairman and Commissioners,
9 our first order of business would be to set the
10 next Commission Meeting. Next week being a
11 holiday, we are proposing that we meet on
12 Wednesday, June 6th, at 2 in the afternoon.

13 [Brief pause]

14 **CHAIRMAN WHITFIELD:** Wednesday, June 6th. I
15 don't think that sound signified an objection, so
16 we will meet on Wednesday, June 6th, Dr. Spearman.

17 **DR. SPEARMAN:** Mr. Chairman and Commissioners
18 we have a Supplemental Agenda Item. It's Docket
19 No. 2017-292-WS. Basically, there were errors in
20 the estimated *pro forma* uncollectible accounts
21 which need to be corrected.

22 **COMMISSIONER FLEMING:** Mr. Chairman.

23 **CHAIRMAN WHITFIELD:** Commissioner Fleming.

24 **COMMISSIONER FLEMING:** I move that Commission
25 Order No. 2018-345 be amended to correct an error
26 in the *pro forma* estimated Uncollectible Accounts
27 calculation. The net impact of the correction is a
28 reduction to direct revenues received through rates
29 of \$8,662. The adjusted total increase to revenues
30 should be \$2,933,395 instead of the \$2,936,437,
31 which is a reduction of \$42 per year. Mr.
32 Chairman, I so move.

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CHAIRMAN WHITFIELD: Thank you, Commissioner Fleming.

Commissioners, you've heard Commissioner Fleming's motion. Is there any discussion or any questions?

[No response]

Hearing none, all those in favor of Commissioner Fleming's motion, please, say "aye."

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Mr. Chairman and Commissioners, On the Utility Agenda, Items 1 and 2 are amendments to Interconnection Agreements. Item 1 is a Third Amendment to an Interconnection Agreement in Docket No. 2003-81-C, and Item 2 is the Fourth Amendment to an Interconnection Agreement in Docket No. 2006-362-C.

COMMISSIONER ELAM: Mr. Chairman?

CHAIRMAN WHITFIELD: Commissioner Elam.

COMMISSIONER ELAM: Mr. Chairman, I'm going to, I guess, sort of take these together. I move that we approve the Third Amendment to the Interconnection Agreement between BellSouth Telecommunications, LLC, doing business as AT&T South Carolina, and Granite Telecommunications, LLC, and approve the Fourth Amendment to the Interconnection Agreement between YMax Communications Corporation and BellSouth Telecommunications, LLC, doing business as AT&T South Carolina. So moved.

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CHAIRMAN WHITFIELD: Thank you, Commissioner Elam.

Commissioners, you've heard Commissioner Elam's motion in Items 1 and 2. Is there any discussion?

[No response]

Hearing none, all those in favor, please, say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 3, Docket No. 2008-140-A, we have a request for an extension of time to file annual report.

COMMISSIONER HOWARD: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Howard.

COMMISSIONER HOWARD: Thank you. I move we grant the request of Palmetto State Utility Services for an extension of time until June 13, 2018, to file their 2017 report. So move, Mr. Chairman.

CHAIRMAN WHITFIELD: Thank you, Commissioner Howard.

Commissioners, you've heard Commissioner Howard's motion for an extension of time. Is there any discussion?

[No response]

Hearing none, all those in favor, please, say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

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[No response]

Motion carries.

DR. SPEARMAN: Item 4, Docket No. 2017-381-A, the tax docket, we have a Petition to Intervene.

COMMISSIONER FLEMING: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Fleming.

COMMISSIONER FLEMING: In Docket No. 2017-381-A, I move to grant the Petition to Intervene filed on behalf of LandTech, LLC, and Lake Carolina Development, Incorporated. I so move.

CHAIRMAN WHITFIELD: Thank you, Commissioner Fleming.

You've heard Commissioner Fleming's motion. Are there any questions?

[No response]

Hearing none, all those in favor of Commissioner Fleming's motion, please, say "aye."

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

Dr. Spearman.

DR. SPEARMAN: Mr. Chairman and Commissioners, I'd like to carry over Item 5. Transco has filed a new Petition for Intervention.

CHAIRMAN WHITFIELD: Okay. So ordered, Dr. Spearman. We will carry over Item 5.

DR. SPEARMAN: Item 6, Docket No. 2018-1-E, this is the Duke Energy Progress fuel case. We have a Motion for Admission *Pro Hac Vice*.

COMMISSIONER HAMILTON: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Hamilton.

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COMMISSIONER HAMILTON: Mr. Chairman, I would move we grant the Motion for Admission *Pro Hac Vice* of Lauren Joy Bowen, Esquire, in Docket No. 2018-1-E. The filing fee has been paid. So moved, Mr. Chair.

CHAIRMAN WHITFIELD: Thank you.
You've heard Commissioner Hamilton's motion. Is there any discussion?

[No response]

Hearing none, all those in favor, please, say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 7, Docket No. 2018-130-E, this is the *Irwin* Complaint against Duke Energy Progress. We have a Motion to Dismiss, along with a request for confidential treatment.

COMMISSIONER HAMILTON: Mr. Chair.

CHAIRMAN WHITFIELD: Commissioner Hamilton.

COMMISSIONER HAMILTON: Mr. Chair, I would move we grant the Motion to Dismiss filed on behalf of Duke Energy Progress, LLC, and grant confidential treatment of Exhibit B, which contains customer-specific information. The Complainant did not respond to the Motion to Dismiss, and no violations of Commission Rules or Regulations was alleged in the Complaint. So moved, Mr. Chairman.

CHAIRMAN WHITFIELD: Thank you.
You've heard Commissioner Hamilton's motion. Is there any discussion?

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[No response]

If not, all those in favor, please, say “aye”?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 8, Docket No. 2018-131-E, is the *Wilson* Complaint against Duke Energy Carolinas. We have a Motion to Dismiss.

COMMISSIONER HOWARD: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Howard.

COMMISSIONER HOWARD: I move we grant the Motion to Dismiss filed on behalf of Duke Energy Carolinas, LLC. The Complainant did not respond to the Motion to Dismiss nor did the Complaint allege any violation of Commission Rules or Regulations. So moved, Mr. Chairman.

CHAIRMAN WHITFIELD: Thank you.

You’ve heard Commissioner Howard’s motion. Is there any discussion?

[No response]

Hearing none, all those in favor, please, say “aye”?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 9, Docket No. 2016-349-G, we have Amendment One to a gas agreement.

VICE CHAIRMAN RANDALL: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Randall.

VICE CHAIRMAN RANDALL: Mr. Chairman, I move

1 that we approve Amendment One to the Agreement for
2 Transportation Service with Firm Gas Standby
3 between Mercedes-Benz Vans, LLC, and South Carolina
4 Electric & Gas Company. So moved, Mr. Chair.

5 **CHAIRMAN WHITFIELD:** Thank you.

6 You've heard Commissioner Randall's motion.
7 Are there any questions?

8 [No response]

9 If not, all those in favor of Commissioner
10 Randall's motion, please, say "aye" at this time.

11 **COMMISSIONERS:** Aye.

12 **CHAIRMAN WHITFIELD:** Any opposed.

13 [No response]

14 Motion carries.

15 **DR. SPEARMAN:** Item 10, Docket No. 2017-13-A,
16 is Chem-Nuclear Systems' request for adjustment to
17 levels of allowable costs and identification of
18 allowable costs. It's ready for disposition.

19 **COMMISSIONER BOCKMAN:** Mr. Chairman?

20 **CHAIRMAN WHITFIELD:** Commissioner Bockman.

21 **COMMISSIONER BOCKMAN:** I have a motion I'd
22 like to make in connection with this item, please,
23 sir.

24 **CHAIRMAN WHITFIELD:** Yes, sir, Commissioner
25 Bockman.

26 **COMMISSIONER BOCKMAN:** I move that the
27 Commission accept the allowable costs of
28 \$4,485,533_[sic] identified by Chem-Nuclear as being
29 the costs to be allowed for recovery by the company
30 for its Fiscal Year Ending June 30, 2017.

31 In addition, I move that this Commission
32 accept and identify as allowable costs for the

1 Fiscal Year Ending June 30, 2018, fixed costs of
2 \$3,453,419 and irregular costs of \$532,367. I
3 further move that this Commission approve the
4 variable cost rates for Fiscal Year Ending June 30,
5 2018, as contained in Appendix B to the Order
6 following this Directive. The actual expenses in
7 the variable cost category will be dependent on
8 actual volumes and classes of waste received, to be
9 determined in next year's proceeding.

10 And I so move, Mr. Chairman.

11 **CHAIRMAN WHITFIELD:** Thank you, Commissioner
12 Bockman.

13 Commissioner Bockman – yes, sir, Commissioner
14 Howard?

15 **COMMISSIONER HOWARD:** I will not be voting. I
16 wasn't at the hearing.

17 **CHAIRMAN WHITFIELD:** Okay. Let the record
18 show Commissioner Howard is not voting.

19 Commissioner Howard – I mean, Commissioner
20 Bockman, excuse me, could you state the first
21 figure that you said at the very beginning for the
22 Commission to accept the allowable costs of...?
23 Would you repeat that number?

24 **COMMISSIONER BOCKMAN:** I will, Mr. Chairman,
25 of course: \$4,485,553.

26 **CHAIRMAN WHITFIELD:** Thank you, sir.

27 With that, Commissioners, you've heard
28 Commissioner Bockman's motion.

29 Commissioner Howard is not voting.

30 Is there any discussion or any further
31 questions regarding Commissioner Bockman's motion?

32 [No response]

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If not, all those in favor of Commissioner Bockman's motion, please, say "aye."

COMMISSIONERS_[except Comm'r Howard]: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

[Please note: Commissioner Howard cast no vote in this matter.]

Motion carries.

DR. SPEARMAN: Item 11, Docket No. 2017-381-A, CUC requesting modifications to its rate schedule, without Notice, to reflect provisions of the Tax Act.

COMMISSIONER FLEMING: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Fleming.

COMMISSIONER FLEMING: For Docket No. 2017-381-A, I would like to state that many substantive issues have been raised in this Docket which need to be addressed. Therefore, I move that the Commission suspend consideration of CUC's request and schedule oral arguments on the issues raised in this Docket. I so move.

CHAIRMAN WHITFIELD: Thank you.

Commissioners, you've heard Commissioner Fleming's motion in Item 11. Is there any discussion or are there any further questions related to her motion on this item?

[No response]

If not, all those in favor of Commissioner Fleming's motion, please, say "aye."

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

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Motion carries.

DR. SPEARMAN: In Item 12, again, Docket No. 2017-381-A, we have a Petition for Rehearing or Reconsideration of Order No. 2018-252.

COMMISSIONER FLEMING: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Fleming.

COMMISSIONER FLEMING: The Order at issue, No. 2018-252, granted the utilities' requests to include a tax-multiplier provision in their approved rate schedules. This and other substantive issues have been raised in Docket No. 2017-381-A which need to be addressed. Therefore, I move to grant rehearing and schedule oral arguments regarding the issues raised by the parties. I further move that we suspend operation of Order 2018-252 in the interim. I so move.

CHAIRMAN WHITFIELD: Thank you.

You've heard Commissioner Fleming's motion. Is there any discussion for Item 12?

[No response]

Hearing none, all those in favor of Commissioner Fleming's motion in Item 12, please, say "aye."

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Mr. Chairman and Commissioners, Items 13, 14, 15, and 16 are Petitions for Rehearing or Reconsideration of the Order in Docket No. 2018-2-E.

COMMISSIONER BOCKMAN: Mr. Chairman?

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CHAIRMAN WHITFIELD: Commissioner Bockman.

COMMISSIONER BOCKMAN: I have a motion that I'd like to make with respect to all four of those items that Dr. Spearman identified, that is, Items 13 through 16.

CHAIRMAN WHITFIELD: Certainly. I'll entertain a motion on all of those items together.

COMMISSIONER BOCKMAN: Thank you, Mr. Chairman.

Mr. Chairman, we've received four Petitions – one from each party of record other than the company – to reconsider or rehear our Order No. 2018-322(A) in Docket No. 2018-2-E. The parties raise numerous issues which they ask the Commission to reconsider or rehear and to reach different findings and conclusions. In my view, our Order was comprehensive, supported by the evidence of record, and consistent with the statutes which govern fuel proceedings. I would like to address all the concerns raised by the Petitions in my single motion, since many of the concerns raised are similar or identical.

First, as to the principal concern raised by the South Carolina Energy Users Committee, I move that we clarify now that it was our intention that, having received no objection and with mutual agreement, to order SCE&G to, upon written request by any party of record, provide to that party (1) copies of the monthly fuel recovery reports currently filed with the Commission and ORS and (2) quarterly forecasts beginning with the quarter ending June 30, 2018, of the expected fuel factors

1 to be set at SCE&G's next annual fuel proceeding
2 and SCE&G's historical over/under-collected balance
3 to date. In previous fuel proceedings, SCE&G and
4 the other parties – then parties to settlement
5 agreements – would mutually consent that SCE&G
6 would put forth reasonable efforts to forecast its
7 expected fuel factors to be set at the next annual
8 fuel proceeding and that these quarterly good-faith
9 forecasts would not be admitted into evidence in
10 any future SCE&G proceeding. I understand that the
11 parties wish to be similarly bound by all aspects
12 of those legacy agreements and so, Mr. Chairman, I
13 move we impose the duties and limitations
14 historically included in the parties' settlements
15 in previous fuel proceedings into our decision and
16 order in this docket. In effect, Mr. Chairman, I
17 move that we grant the Energy Users' Petition and,
18 to the extent that other parties have sought the
19 same relief in their respective Petitions, that
20 relief should be granted.

21 Mr. Chairman, several of the Petitions have
22 raised the issue that our Order improperly shifted
23 the burden of proof from SCE&G to the Intervenors
24 or ORS. That contention is a mischaracterization
25 of our Order. We did not shift the burden from
26 SCE&G to the other parties, and the burden of proof
27 always resides, as it must, with SCE&G. However,
28 the other parties do have a burden of persuasion
29 that their proposed alternatives are reasonable and
30 viable if they seek adoption of those alternatives,
31 as they did here. In fact, the Petitioners assert
32 that they presented alternatives to SCE&G's

1 proposed avoided capacity cost factor, but none of
2 those parties offered probative evidence of a
3 computed factor – as opposed to a mere concept for
4 deriving a factor, as ORS Witness Horii proposed
5 for our consideration. None of the proposals of
6 those parties represent fully viable alternatives.
7 Consequently, the parties failed to meet their
8 burden of persuasion to prove to this Commission
9 the reasonableness and viability of any
10 alternatives to SCE&G’s proposal.

11 Several of the parties assert that SCE&G’s
12 responses to their discovery requests were
13 insufficient to allow them to prepare evidence by
14 which they might have proposed alternatives to
15 SCE&G’s proposed avoided-cost factor. For example,
16 the ORS complains that, quote, “SCE&G failed to
17 cooperate by providing complete and reliable data
18 in a timely manner and, therefore, had the ability
19 to dictate the extent to which other parties could
20 present their cases,” unquote. Various discovery
21 devices are available to enable a party to gather
22 information to prepare and present evidence in our
23 proceedings. If there were a discovery dispute,
24 the proper mechanism to require a party to provide
25 properly discoverable information is a motion to
26 compel. No party moved to compel discovery in this
27 proceeding. Moreover, this Commission understood
28 that all discovery issues were actually resolved
29 prior to the hearing. For example, by its March
30 7th filing, the Solar Business Alliance stated
31 that, as a result of the PR-1 and PR-2 and avoided-
32 cost issues being considered as a part of the fuel

1 case, it needed an additional 90 days to prepare
2 its case, or, in the alternative, it requested that
3 the case be continued until the parties had, quote,
4 “ample time to complete discovery requests and
5 report back to the Commission,” unquote. SBA
6 considered that the issues were too complicated for
7 adequate preparation in the existing timeframe.

8 In resolution of the Petitioners’ shared
9 concerns about adequacy of time for discovery, the
10 parties advised the Commission of an agreement
11 among the parties – subsequently approved by the
12 Commission by Directive Order No. 2018-178, issued
13 March 14, 2018 – that the company and the parties
14 had resolved their differences as to the procedural
15 schedule in this case. Specifically, they informed
16 the Commission that these issues had been resolved
17 through a commitment from SCE&G to provide
18 discovery responses prior to their due date and to
19 agree to extensions of SBA’s prefiled testimony
20 deadlines. Therefore, this Commission issued an
21 order on March 14th approving the parties’
22 settlement resolving SBA’s initial request for a
23 90-day delay.

24 The parties availed themselves of the
25 concession by SCE&G with the filing of their direct
26 and surrebuttal testimony. Having received the
27 benefit of accelerated discovery production and
28 additional time to file testimony, and this
29 Commission’s approval of such a settlement, the
30 parties’ position describing a lack of cooperation
31 and time for preparation seems inconsistent with
32 the prehearing representations.

1 There is a contention by the Solar Business
2 Alliance that using the approved factor from the
3 most recent fuel case should enjoy a presumption of
4 reasonableness and could be adopted as an
5 alternative to SCE&G's proposal. Unlike a mere
6 concept, a previously approved factor has already
7 been litigated. In this case, those Petitioners
8 would have us extract a single element out of a
9 historical fuel factor and ignore the effects of
10 the passage of time and all attendant changing
11 circumstances. Pursuant to South Carolina Code
12 Section 58-27-865(B), the fuel statute's
13 recognition of changing environments and the
14 appropriate and commensurate regulatory response
15 compels us to revisit, reset, and redefine the fuel
16 factors during these annual proceedings. The use
17 of a previously approved factor might be
18 appropriate in the circumstance in which no party
19 had satisfactorily proven its case. That is not
20 the circumstance here.

21 In Order No. 2018-322(A), this Commission made
22 specific individual findings as to each element of
23 SCE&G's proposed rates and we implicitly or
24 explicitly found the underlying methodology for
25 deriving them to be reasonable. Regarding this
26 subject, SCE&G, upon whom the burden of proof
27 resides, has met its burden.

28 The Solar Business Alliance would have us use
29 post-hearing compliance filings to fill in
30 evidentiary gaps after the hearing. While such a
31 filing may be used to address a recalculation of
32 narrow and specific adjustments to a proposed rate,

1 it is inappropriate and improper for a party to
2 attempt to use post-hearing compliance filings as a
3 method to force an adverse party to generate the
4 moving party's own proposals. Even if that were
5 done, the proposal of such a factor would be
6 effectively unavailable for cross-examination by
7 the parties or exploration by this Commission.

8 I would note, finally, that nothing in this
9 motion or in our Order No. 2018-322(A) would
10 preclude any party to this proceeding from
11 preparing and presenting evidence of alternatives
12 to any proposal or concerning any issue in future
13 fuel proceedings.

14 For these reasons, Mr. Chairman, I move that
15 we grant reconsideration to the South Carolina
16 Energy Users' Petition, which would also include
17 granting reconsideration to the other Petitioners
18 to the extent that they sought the same relief
19 regarding the quarterly and monthly reports. Mr.
20 Chairman, I move that we deny reconsideration
21 and/or rehearing on all other matters brought
22 before us and all other petitions for
23 reconsideration and/or rehearing. And I so move,
24 Mr. Chairman.

25 **CHAIRMAN WHITFIELD:** Thank you, Commissioner
26 Bockman.

27 Commissioners, you've heard Commissioner
28 Bockman's motion. Is there any discussion?

29 **COMMISSIONER FLEMING:** Mr. Chairman?

30 **CHAIRMAN WHITFIELD:** Commissioner Fleming.

31 **COMMISSIONER FLEMING:** Yes. With all due
32 respect, I continue to dissent in this docket and

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agree with ORS's Petition for Reconsideration in this matter.

I would also like to restate my concern over the allegations that SCE&G was uncooperative, especially given the brief schedule that this proceeding was conducted under. While the majority states that ORS and the intervening parties failed to provide an alternative calculation, SCE&G substantially changed its methodology for calculating its PR-1 and PR-2 rates in this year's fuel docket and, as was stated by other parties, was uncooperative regarding how those calculations were made, leaving little time to adequately investigate the issue. Furthermore, although the majority is of the opinion that the information could have been compelled through discovery, the fact that the procedural schedule was so short closed this avenue for relief, in my opinion.

I also challenge the majority's position that no alternative to SCE&G's avoided capacity cost was provided. ORS Witness Horii did outline a methodology by providing a recommendation that the PR-2 capacity value be set at 19.5 percent of avoided cost per kilowatt from a 100 megawatt change to SCE&G's base resource plan. Since SCE&G failed to provide an avoided capacity cost calculation and other data, it is difficult to understand how a more concrete alternative could have been produced. Therefore, I also agree with all the parties moving for reconsideration that the burden was improperly shifted from SCE&G to those parties.

1 In summary, I find that SCE&G did not prove
2 that its avoided capacity cost was zero.
3 Additionally, since SCE&G failed to provide an
4 avoided-capacity-cost calculation and associated
5 data, neither ORS nor the other parties could
6 provide an independent assessment other than the
7 methodology provided by Witness Horii. It seems
8 contradictory for these parties to be required to
9 produce a capacity value, given their inability to
10 do so. I so move – do I say I so move? I'm not
11 sure.

12 **CHAIRMAN WHITFIELD:** You're fine.

13 **COMMISSIONER FLEMING:** I'm just commenting.

14 **CHAIRMAN WHITFIELD:** That'll be fine,
15 Commissioner Fleming.

16 **COMMISSIONER FLEMING:** Those are my comments.
17 Thank you.

18 **CHAIRMAN WHITFIELD:** Certainly.

19 Commissioner Bockman, I, too, have struggled
20 with this case, but I want to make notice in your
21 motion that I did note that you noted that this was
22 the proper proceeding to hold these arguments. One
23 of the contentions in the Petition for
24 Reconsideration was that this process be
25 bifurcated, that the avoided costs and the rest of
26 this be separated from the regular fuel proceeding.
27 But I would note that South Carolina Code 58-27-
28 865(A)(2)(c) requires that the Commission, in
29 accordance with Act 236 of 2014 – that any
30 adjustments to the PR-1 or PR-2 tariff should be
31 considered as part of the company's annual fuel
32 proceeding. So, again, that clause in Act 236 that

1 was passed in 2014, along with the statute I just
2 cited – 58-27-865 – requires us to include avoided
3 costs under PURPA as part of the fuel costs related
4 to purchased power. That said, Commissioner
5 Bockman, I would also offer, you know, in your
6 motion, I would note that – did you know that the
7 approved rates for renewable resource generation
8 applies only to contracts signed during the period
9 May 2018 to April 30, 2019?

10 **COMMISSIONER BOCKMAN:** Mr. Chairman, that
11 would be an accurate description of the
12 applicability of those contracts, yes.

13 **CHAIRMAN WHITFIELD:** And I've got a couple
14 more that I would – not in your motion, that I
15 would come back to you with. Did you know, also,
16 renewable generation providers who sign contracts
17 during the May 1, 2018, to April 30, 2019, still
18 receive payment for avoided energy costs, avoided
19 criteria pollutants, and line losses, just no
20 capacity avoided costs? Did you know that?

21 **COMMISSIONER BOCKMAN:** That would be correct,
22 Mr. Chairman. Nothing in our Order or decision
23 would've changed that.

24 **CHAIRMAN WHITFIELD:** And did you also know
25 that the rates, as you stated – I think somewhere
26 in your motion you stated – the rates for renewable
27 resources may and probably will change in the 2019
28 fuel proceeding.

29 **COMMISSIONER BOCKMAN:** Mr. Chairman, there's a
30 recognition of that, certainly, in the way these
31 proceedings go, and in our Order, as well, yes.

32 **CHAIRMAN WHITFIELD:** And I know you haven't

1 been with us that long, but you have prior
2 experience on the Commission. Would you agree that
3 one of the biggest differences in this fuel
4 proceeding and last year's fuel proceeding was the
5 winter peak versus the summer peak?

6 **COMMISSIONER BOCKMAN:** That was a major
7 change, yes. Mr. Chairman, I would agree with
8 that.

9 **CHAIRMAN WHITFIELD:** Would you also agree that
10 the avoided capacity rate set by the Commission
11 this year in our Order lowered bills for customers
12 – in other words, general ratepayers benefited?

13 **COMMISSIONER BOCKMAN:** That would be the
14 result, yes, Mr. Chairman.

15 **CHAIRMAN WHITFIELD:** And also, would you also
16 acknowledge that renewable resource providers who
17 have signed contracts prior to May 1, 2018, would
18 receive a capacity payment for the life of the
19 contract?

20 **COMMISSIONER BOCKMAN:** Yes, Mr. Chairman, our
21 Order would not have modified that situation.

22 **CHAIRMAN WHITFIELD:** Given these comments I've
23 had, there are several more points that I could
24 point to – I think your motion covers a lot of it –
25 and, again, as I've said, I've struggled with this
26 one, but I am going to support your motion,
27 Commissioner Bockman.

28 Commissioner Elam, it looks like you have your
29 light on.

30 **COMMISSIONER ELAM:** Yes, I did, Mr. Chairman.
31 Clearly, fuel cases aren't what they used to
32 be, in that they're going to need more time, and

1 something that resulted from the approval of the
2 majority opinion in the Order: that there will be
3 more time to pursue these cases. And parties, I
4 think, will learn that they have to really crank up
5 early on this in discovery. That this decision is
6 not precedential, that it will be examined in short
7 order again in next year's proceeding, gives me
8 some comfort to what I stated when we voted on
9 this, that I shared some of Commissioner Fleming's
10 concerns to this then. I think getting the extra
11 time and, on balance, the fact that adopting this
12 zero avoided capacity rate for contracts for this
13 next year will result in a win for ratepayers, it
14 will lessen the amount that their fuel factor was
15 going up for this year. And Lord knows, you know,
16 ratepayers could use that help. And in the absence
17 of everything else and anything else being clear,
18 that's why I will vote to approve Commissioner
19 Bockman's motion.

20 **CHAIRMAN WHITFIELD:** Thank you, Commissioner
21 Elam.

22 Any other discussion, anyone else? Any other
23 comments or questions related to Commissioner
24 Bockman's motion that is before us now?

25 [No response]

26 Hearing none – or, Commissioner Fleming, would
27 you like to make –

28 **COMMISSIONER FLEMING:** Just one comment.

29 **CHAIRMAN WHITFIELD:** Certainly.

30 **COMMISSIONER FLEMING:** You mentioned the
31 reserve margin? That was – if you remember, in my
32 last dissent, that was one of the factors that I

1 was concerned about, because it was an unusually
2 high factor that was very different from the
3 historic reserve margins that have been throughout
4 my time on this Commission, which – and also moving
5 from summer to winter.

6 **CHAIRMAN WHITFIELD:** Certainly. I don't think
7 I mentioned the reserve margin, but I did bring up
8 the fact of the winter peak –

9 **COMMISSIONER FLEMING:** Well, that's –

10 **CHAIRMAN WHITFIELD:** – which did impact that.

11 **COMMISSIONER FLEMING:** – that is the reserve.

12 **CHAIRMAN WHITFIELD:** So, yes, ma'am, if you
13 want to look at it in that light.

14 Is there any further discussion?

15 [No response]

16 If not, all those in favor of Commissioner
17 Bockman's motion that is before us now, at this
18 time, please, say "aye."

19 **COMMISSIONERS**_[except Comm'r Fleming]: Aye.

20 **CHAIRMAN WHITFIELD:** Any opposed.

21 **COMMISSIONER FLEMING:** I oppose.

22 **CHAIRMAN WHITFIELD:** All right. The ayes have
23 it, with Commissioner Fleming voting no.

24 Dr. Spearman, back to you, sir.

25 **DR. SPEARMAN:** Mr. Chairman and Commissioners,
26 Item 17 in Docket No. 2017-28-S, this is the
27 Synergy rate case and it is ready for disposition.

28 **COMMISSIONER ELAM:** Mr. Chairman.

29 **CHAIRMAN WHITFIELD:** Commissioner Elam.

30 **COMMISSIONER ELAM:** Mr. Chairman, in this
31 docket, Synergy Utilities – which is the product of
32 the 2017 merger of Midlands Utility, Incorporated,

1 and Development Service, Incorporated – has applied
2 for an increase in its sewer rates. Midlands was
3 last granted a rate increase in 2005; Development
4 Service was last granted a rate increase in 2015.

5 Synergy's initial Application requested
6 separate rate schedules for the two merged service
7 territories. The Application requested that the
8 monthly sewer collection and treatment rate for
9 residential customers in single-family homes in the
10 former Development Service territory be raised from
11 \$35.87 to \$43.42, and that the corresponding rate
12 for homes in the former Midlands territory be
13 raised from \$37.90 to \$47.38. Synergy sought
14 similar increases for other classes of customers.

15 On April 12, 2018, the Commission held a
16 public night hearing in Orangeburg, South Carolina,
17 at the request of residents of the Northwoods and
18 Empire Estates Subdivisions in an unincorporated
19 area of Orangeburg County. These customers are
20 located within the former service territory of
21 Midlands. Since 2005, they have been charged
22 \$23.03 monthly for sewage collection only. Synergy
23 does not provide any sewage treatment service to
24 these customers. Sewage treatment is provided by
25 the City of Orangeburg Department of Public
26 Utilities and the fees and charges for sewage
27 treatment are passed through to the customers on
28 their bills from Synergy. It is not disputed that
29 the total bills for these customers have gone up
30 substantially since 2005, but it is also undisputed
31 that Synergy keeps only the \$23.03 monthly rate
32 approved by the Commission in the prior rate case

1 and that it remits the remainder to the City of
2 Orangeburg. The Commission has no regulatory
3 authority over the City and therefore has no
4 control over amounts charged by the City for sewage
5 treatment.

6 ORS proposed that the company place both
7 former territories under a single unified tariff.
8 Under the tariff proposed by ORS, single-family
9 homes throughout the Synergy service area would be
10 charged \$43 monthly for sewer collection and
11 treatment. The collection-only rate for customers
12 in Orangeburg County would be \$27.50. Synergy
13 agreed to accept the rates and rate design proposed
14 by ORS, but it disputed certain accounting
15 adjustments.

16 First, with regard to the effect of the Tax
17 Cut and Jobs Act, this Commission held in Order No.
18 2018-308 that, beginning January 1, 2018,
19 regulatory accounting treatment is required for all
20 regulated utilities for any impacts of the new law,
21 including current and deferred tax impacts. We
22 also held that the utility should track and defer
23 the effects resulting from the Tax Act in a
24 regulatory liability account. And, further, for
25 water/wastewater utilities with operating revenues
26 that are equal to or greater than \$250,000, the
27 issue will be addressed at the next rate case or
28 other proceeding. I move that we hold that the
29 provisions of Order No. 2018-308 should apply to
30 Synergy Utilities, as well as to the other
31 utilities indicated in Order 2018-308.

32 Synergy also presented updated rate-case

1 expenses to the Commission and it contested the
2 disallowance of certain expenses incurred in the
3 merger which formed the company. Finally, Synergy
4 argues against ORS's recommendation that it be
5 required to establish a tariff rate or file
6 contracts for non-retail sludge hauling and
7 disposal services. I believe that there is no
8 objection from ORS on the rate-case expenses. On
9 the sludge hauling, I believe that it is preferable
10 to allow the company to charge market rate, because
11 they will be able to negotiate increased revenues
12 that will benefit the bottom line for the customers
13 and help the company earn as much, in essence, as
14 it is being allowed to. And, again, it doesn't
15 really have impact on rates, given that Synergy has
16 accepted ORS's proposed rate.

17 I move that we approve the rates and rate
18 design proposed by ORS and accepted by the company.
19 The net increase in revenue resulting from the
20 rates is \$201,316 annually. The resulting
21 operating margin is 10.32 percent.

22 So moved, Mr. Chairman.

23 **CHAIRMAN WHITFIELD:** Thank you.

24 You've heard Commissioner Elam's motion. Is
25 there any discussion?

26 **COMMISSIONER FLEMING:** Mr. Chairman?

27 **CHAIRMAN WHITFIELD:** Commissioner Fleming.

28 **COMMISSIONER FLEMING:** I – no discussion, just
29 that I was absent from the hearing, so I will not
30 be voting.

31 **CHAIRMAN WHITFIELD:** So noted. Let the record
32 show Commissioner Fleming is not voting on this

1 item.

2 Is there anything further – any other
3 discussion, any other questions – of Commissioner
4 Elam?

5 [No response]

6 Well, hearing none, all those in favor of
7 Commissioner Elam's motion, please, say "aye" at
8 this time.

9 **COMMISSIONERS**_[except Comm'r Fleming]: Aye.

10 **CHAIRMAN WHITFIELD**: Any opposed.

11 [No response]

12 [Please note: Commissioner Fleming cast
13 no vote in this matter.]

14 Motion carries, with Commissioner Fleming not
15 voting.

16 **DR. SPEARMAN**: Item 18, Docket No. 2008-159-S,
17 is Synergy Utilities requesting approval of an
18 amended contract with Orangeburg. This just
19 extends the length of the contract.

20 **VICE CHAIRMAN RANDALL**: Mr. Chairman.

21 **CHAIRMAN WHITFIELD**: Commissioner Randall.

22 **VICE CHAIRMAN RANDALL**: Mr. Chairman, I move
23 that we approve the amended contract between
24 Synergy Utilities, LP, and the Orangeburg
25 Department of Public Utilities. The amended
26 contract extends the existing contract for sewer
27 service by 36 months. ORS has reviewed the amended
28 contract and filed a letter stating no objection to
29 the amended contract. So moved, Mr. Chairman.

30 **CHAIRMAN WHITFIELD**: Thank you.

31 Commissioners, you've heard Commissioner
32 Randall's motion in Item 18. Is there any

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discussion?

[No response]

Hearing none, all those in favor of
Commissioner Randall's motion, please, say "aye."

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 19, Docket No. 1983-212-W,
Rural Water Service is seeking cancellation of its
Certificate.

COMMISSIONER FLEMING: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Fleming.

COMMISSIONER FLEMING: I move to grant the
request of Rural Water, Incorporated, in Docket No.
1983-212-W, to cancel its Certificate to provide
water service. Its customers have been transferred
to the Donalds-Due West Water and Sewer Authority.
The company will no longer be a water provider.

I'd just like to say, I think this is a good
solution to an issue that has had some challenges.

I so move.

CHAIRMAN WHITFIELD: Good for Donalds-Due West
to be able to provide. I concur.

Commissioners, you've heard Commissioner
Fleming's motion in Item 19. Is there any
discussion?

[No response]

Hearing none, all those in favor, please, say
"aye"?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

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[No response]

Motion carries.

DR. SPEARMAN: Mr. Chairman and Commissioners,
that completes the Utility Agenda.

On the Transportation Agenda, Items 1 through
3 are Applications for Class C Certificates. Item
1 is a Class C (Non-Emergency) Certificate, NEMT
Transportation; Item 2 is the Application of Tandem
Transport for a Non-Emergency; and Item 3, Tandem
Transport for a Stretcher Van.

CHAIRMAN WHITFIELD: I will entertain a
motion.

COMMISSIONER ELAM: Mr. Chairman?

CHAIRMAN WHITFIELD: Commissioner Elam.

COMMISSIONER ELAM: Mr. Chairman, I move we
approve the Applications for Class C Certificates
in Items 1 through 3. So moved.

CHAIRMAN WHITFIELD: So noted.

Commissioners, you've heard Commissioner
Elam's motion regarding Items 1 through 3 on
Transportation. Is there any discussion?

[No response]

If not, all those in favor of Commissioner
Elam's motion, please, say "aye" at this time.

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 4, Docket No. 2017-379-T,
Quick Start Transportation requests an extension of
time.

VICE CHAIRMAN RANDALL: Mr. Chairman.

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CHAIRMAN WHITFIELD: Commissioner Randall.

VICE CHAIRMAN RANDALL: Mr. Chairman, I move we grant Quick Start Transportation, LLC, an extension of time until July 23, 2018, to comply with Commission Rules and Regulations. So moved, Mr. Chair.

CHAIRMAN WHITFIELD: Thank you.

Commissioners, you've heard Commissioner Randall's motion. Is there any discussion?

[No response]

Hearing none, all those in favor, please, say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 5, Docket No. 2018-52-T, L&H Transportation is seeking an extension of time.

VICE CHAIRMAN RANDALL: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Randall.

VICE CHAIRMAN RANDALL: I move we grant the request of L&H Transportation Services, LLC, for an extension of time until December 30, 2018, to comply with Commission Rules and Regulations. So moved, Mr. Chair.

CHAIRMAN WHITFIELD: Thank you.

You've heard Commissioner Randall's motion in this item. Is there any discussion?

[No response]

Hearing none, all those in favor, please, say "aye."

COMMISSIONERS: Aye.

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CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 6, Docket No. 2018-78-T, Mark I Moving and Storage is requesting to amend its tariff.

COMMISSIONER FLEMING: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Fleming.

COMMISSIONER FLEMING: In Docket No. 2018-78-T, I move to approve the Amended Tariff filed by Mark I Moving and Storage, Incorporated. Based on the ORS review, the company is in compliance with Commission Rules and Regulations, and ORS has not received any consumer complaints related to the company in the past 12 months. In comparison to the rates charged by the South Carolina Tariff Bureau, some of the company's rates will be below those of the Tariff Bureau, while others will be above. I so move.

CHAIRMAN WHITFIELD: Thank you.

You've heard Commissioner Fleming's motion. Is there any discussion?

[No response]

Hearing none, all those in favor of Commissioner Fleming's motion, please, say "aye" at this time.

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Item 7, Docket No. 2018-95-T, Kelly Moving is asking to amend its tariff.

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VICE CHAIRMAN RANDALL: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Randall.

VICE CHAIRMAN RANDALL: Mr. Chairman, I move that we approve the Amended Tariff filed by Kelly Moving, Incorporated. The ORS review found the company to be in compliance with Commission Rules and Regulations, and no consumer complaints regarding the company have been received by the ORS in the past 12 months. Where comparisons could be made, the company rates will be below those of the South Carolina Tariff Bureau. I so move.

CHAIRMAN WHITFIELD: Thank you.

You've heard Commissioner Randall's motion. Is there any discussion?

[No response]

If not, all those in favor, please, say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

Dr. Spearman.

DR. SPEARMAN: Item 8, Docket No. 2008-153-T, MBF Tours & Travel is requesting to amend its Certificate for a name change.

VICE CHAIRMAN RANDALL: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Randall.

VICE CHAIRMAN RANDALL: Mr. Chairman, I move we grant the request of MBF Tours & Travel, LLC, to amend the Class C Charter Bus Certificate No. 0258-A to read "MBF Charters LLC." So moved.

CHAIRMAN WHITFIELD: Thank you.

You've heard Commissioner Randall's motion.

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Is there any discussion?

[No response]

Hearing none, all those in favor, please, say
“aye”?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed.

[No response]

Motion carries.

DR. SPEARMAN: Mr. Chairman and Commissioners,
Items 9 and 10 are requests to cancel Certificates.
Item 9 is MEDI-CAB’s request to cancel a Non-
Emergency and Item 10 is AWOL Taxi requesting to
cancel its Certificate.

COMMISSIONER HOWARD: Mr. Chairman.

CHAIRMAN WHITFIELD: Commissioner Howard.

COMMISSIONER HOWARD: I will take them
together. Item 9, I move we grant the request of
MEDI-CAB, LLC, to cancel their Class C – that’s
Non-Emergency – Certificate No. 9241; also, to
grant the request of AWOL Taxi, LLC, to cancel
their Class C (Taxi) Certificate, and that number
is 8604-A. So move, Mr. Chairman.

CHAIRMAN WHITFIELD: Thank you.

Commissioners, you’ve heard Commissioner
Howard’s motion regarding Items 9 and 10. Is there
any discussion?

[No response]

If not, all those in favor of Commissioner
Howard’s motion, please, say “aye”?

COMMISSIONERS: Aye.

CHAIRMAN WHITFIELD: Any opposed?

[No response]

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Motion carries.

DR. SPEARMAN: Mr. Chairman and Commissioners, this completes the business meeting agenda for today. I will bring your attention to the fact that we do have a hearing following this meeting.

CHAIRMAN WHITFIELD: Certainly, Dr. Spearman. I'd like to thank you for your attendance. Next meeting, June 6th. This meeting is adjourned, and we will briefly break before we have our transportation hearing. Meeting adjourned.

[WHEREUPON, at 2:50 p.m., the proceedings in the above-entitled matter were adjourned.]



Date: 6/8/18

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