



The ORS is now twelve years old. Although the agency's accomplishments are too numerous to cover entirely, here are a few highlights:

- Since the agency's inception, the ORS has facilitated over 440 settlements and agreements with monetary savings of over \$1.6 billion.
- The ORS has facilitated billions of dollars in economic development through the review and support of economic development contracts between utilities and industries locating or expanding in South Carolina.
- The ORS has processed thousands of complaints from consumers and saved them substantial dollars through investigation and resolution of issues with the utilities.
- The ORS has monitored the construction progress and costs associated with SCE&G's new nuclear Units 2 and 3 at the V.C. Summer plant and regularly keeps SCE&G, the public, and the media aware of ongoing challenges that could affect the project.
- The ORS has taken a lead in state emergency preparedness efforts, so much so that we are now considered the go-to agency when emergencies threaten our State.
- Through our efforts under Act 236 and with the development of the State Energy Plan currently underway, the ORS is guiding South Carolina toward a bright future in terms of energy policy.

We continue to make progress on the State Energy Plan. The hard work and collaboration by our Phase One committees resulted in a report of baseline information that will go through the public comment process this summer. Several public engagement sessions will occur around the State. Meanwhile, Phase Two committees are beginning to meet. The work of these committees will result in a set of energy policy recommendations for the PURC. The stakeholder process for the State Energy Plan has grown to include over 100 members representing 45 different organizations. We are very pleased that Secretary Hitt is appointing a representative from Commerce to participate in the Plan's development. I encourage you to visit our ORS-Energy Office website at [www.energy.sc.gov/energyplan](http://www.energy.sc.gov/energyplan) to learn more about the important work we are doing and to follow our progress and activities.

Duke Energy Progress (DEP) filed a request to increase revenues by about \$79 million, for an overall increase of 14.5 percent. The average rate increase from the proposed changes for residential customers is 15.4 percent, while commercial and industrial customers would see an increase of 14.3 percent. The specific increase for individual customers will vary, depending on the rate they pay.

If the DEP proposal is approved, the typical residential customer who uses 1,000 kilowatt-hours (kWh) of electricity monthly would pay about \$121.37 per month – an increase of \$16.60 – beginning on Jan. 1, 2017.

SCE&G has submitted a revised rates filing under the Base Load Review Act (BLRA). SCE&G's request includes an increase in revenues totaling \$74.161 million. This is an addition to the more than \$1 billion SCE&G has already been authorized to charge customers due to the construction of the V.C. Summer Units 2 and 3 (Units).

Under SCE&G's proposed increase, residential customers served on Rate 8 (the most common residential rate) using 1,000 kWh would pay an average of \$148.11 per month. This is an increase of \$4.44 from the current average bill of \$143.67. Of the \$148.11, \$27.61 or 18.64% of the bill is attributable to the construction of the Units.

If approved, SCE&G's electric rates would increase in November as follows:

- 3.1 percent for residential customers
- 3.0 percent for small commercial customers
- 3.3 percent for medium commercial customers
- 3.0 percent for large commercial/industrial customers

A summary of SCE&G's revised rates dockets through 2015 is as follows:

<i>SCE&amp;G Revised Rate Filings</i>					
<b>Docket No.</b>	<b>Order No.</b>	<b>Requested Increase</b>	<b>ORS Examination</b>	<b>Approved Increase</b>	<b>Retail Increase</b>
2008-196-E	2009-104(A)	\$8,986,000	(\$1,183,509)	\$7,802,491	0.43%
2009-211-E	2009-696	\$22,533,000	\$0	\$22,533,000	1.10%
2010-157-E	2010-625	\$54,561,000	(\$7,260,000)	\$47,301,000	2.31%
2011-207-E	2011-738	\$58,537,000	(\$5,753,658)	\$52,783,342	2.43%
2012-186-E	2012-761	\$56,747,000	(\$4,598,087)	\$52,148,913	2.33%
2013-150-E	2013-680(A)	\$69,671,000	(\$2,430,768)	\$67,240,232	2.87%
2014-187-E	2014-785	\$70,038,000	(\$3,800,546)	\$66,237,454	2.82%
2015-160-E	2015-712	\$69,648,000	(\$5,122,719)	\$64,526,000	2.59%
<b>Total:</b>					<b>16.88%</b>

The estimated cumulative impact of the approved revenue increases in SCE&G's revised rate filings is \$1.054 billion, not including the proposed \$74.161 million.

The following is a bill comparison of a residential customer's monthly bill using 1,000 kWh, if the pending requests were approved:

<u>SCE&amp;G</u>	<u>Duke Energy Carolinas</u> <u>(DEC)</u>	<u>DEP</u>
\$148.11	\$116.57	\$121.37

The ORS is continuing its review of SCE&G's request to extend the construction schedule and increase the capital cost schedule for the Units.

The construction scheduled reflected in the request indicates further delays in the completion date for Unit 2 to August 2019 and further delays in the substantial completion date for Unit 3 to August 2020. This request also reflects an increase in SCE&G's total project costs of approximately \$852 million over the \$6.827 billion approved on September 10, 2015. The project cost for SCE&G's 55% is now estimated at approximately \$7.679 billion including owner's cost, transmission, escalation, and allowance for funds used during construction. Santee Cooper will have similar increases for its 45% share.

In June, the ORS certified an additional six solar leasing companies. All of them are serving the small, non-residential customer segment. Currently, 16 solar leasing companies are certified, and two applications are pending.

South Carolina now has a second authorized Transportation Network Company (TNC). Lyft, a competitor of Uber, received its certificate and began operations in the Charleston and Savannah markets; the latter includes Hilton Head. Staff will establish similar practices with Lyft, such as the quarterly conference call, to those it has with Uber.

Our inspectors are continuously conducting inspections around the State to ensure safety and compliance with regulations. Among this month's inspections were the following:

- TNCs at Greenville Airport
- TNCs in Myrtle Beach and particularly at Broadway at the Beach
- HHG carriers at two weigh stations, and
- A non-emergency vehicle company operating in Myrtle Beach, Florence, Columbia, and Greenville.

We continue to participate in the SC Pipeline Emergency Response Initiative (SC PERI). SCPERI is a new natural gas pipeline safety organization created to plan for and better organize training for first responders in natural gas emergencies. In June, the ORS Deputy Director for Safety and Transportation addressed the State Emergency Response Committee (SERC) regarding SCPERI — what it is and why their participation is critical to its success. Among those attending the SERC meeting were the State Fire Marshal and Chief of SLED, whose support is vital to making SCPERI a viable initiative.

Over \$5,000 was recovered on behalf of consumers during the past 30 days through the efforts of our Consumer Services department, which processes consumer complaints and inquiries. Of this amount, \$4,624 was recovered for a Duke Energy Customer after an investigation resulted in the removal of energy-protection charges from the customer's bill.