

Santee Cooper customers sue over abandoned nuclear project; Santee Cooper customers sue over nuclear project

Post & Courier (Charleston, SC)

August 31, 2017 Thursday

Copyright 2017 The Post and Courier All Rights Reserved

Section: A; Pg. 17

Length: 534 words

Byline: John McDermott Post and Courier ;

Highlight: Two Santee Cooper customers are suing the utility's board for raising rates to pay for the doomed V.C. Summer nuclear project, saying the increases amount to an unconstitutional "taking" under state law.

Body

Two Santee Cooper customers are suing the utility's board for raising rates to pay for the doomed V.C. Summer nuclear project, saying the increases amount to an unconstitutional "taking" under state law.

The Horry County residents are seeking refunds and are asking a judge to certify their complaint as a class-action case that would allow other ratepayers to join in.

Chris Kolbe and Ruth Ann Keffer filed their lawsuit last week in Berkeley County against the 11-member board. Santee Cooper said it was reviewing the allegations Aug. 25 and had no immediate comment.

The case stems from the state-owned power provider's July 31 decision to walk away from the V.C. Summer Nuclear Station expansion, blaming years of delays and soaring cost overruns. The Moncks Corner-based utility owned 45 percent of the project.

South Carolina Electric & Gas, which controlled the rest, has also abandoned the Fairfield County project. SCE&G has also been sued by ratepayers seeking a refund in a case accusing the Cayce-based power company of "mismanaging" the project.

Kolbe and Keffer allege the Santee Cooper board breached its obligations to customers in several ways since 2009, when the first of several price hikes kicked in to pay for the two unfinished reactors.

For instance, the directors raised rates and approved contractual and financial agreements for V.C. Summer without a formal construction timeline, or "integrated project schedule," from their main contractor, Westinghouse Electric. Lawyers for Kolbe and Keffer called that "remarkable given the size and cost of the reactors."

Santee Cooper customers sue over abandoned nuclear project; Santee Cooper customers sue over nuclear project

The lawsuit singled out a vote this year authorizing Santee Cooper executives to spend up to \$250 million to keep work going at the Midlands site after Westinghouse filed for bankruptcy in late March.

"The board's decision to proceed ... was not in good faith, inconsistent with the care an ordinarily prudent person would exercise under similar circumstances, and not in the best interest of Santee Cooper or its ratepayers," according to the lawsuit.

Kolbe and Keffer also argue in the 21-page filing that the V.C. Summer-related rate hikes became an unlawful and uncompensated "taking" under the S.C. Constitution after the expansion was shelved.

"Santee Cooper mandated ratepayers pay increased rates to cover certain costs associated with the construction of the reactors," according to the lawsuit. "However the expenditure of these funds has never and will never provide any public use because the reactors have been abandoned and will never produce a watt of electricity."

To date, Santee Cooper customers have ponied up about \$500 million to pay for the failed project.

Santee Cooper and SCE&G have spent a combined \$9 billion on the two reactors and costs were projected to balloon to at least \$21 billion if the units were completed.

Local attorneys Clayton McCullough and Jay Ward filed the case on behalf of households and small businesses that buy their power directly from Santee Cooper.

The proposed class action does not extend to electric cooperatives or large industrial customers because they negotiate their electric rates with the utility. Electric co-ops account for the majority of Santee Cooper's business.

Santee Cooper customers sue over abandoned nuclear project; Santee Cooper customers sue over nuclear project



Graphic

Santee Cooper partnered with South Carolina Electric & Gas in the V.C. Summer Nuclear Station expansion project.

File/SCE&G

Load-Date: August 29, 2017