

[Santee Cooper board ready to finalize \\$520 million settlement in ratepayer lawsuit](#)

Post & Courier (Charleston, SC)

March 13, 2020 Friday

Copyright 2020 The Post and Courier All Rights Reserved

Section: B; business; news; news/local state news; Pg. 1

Length: 623 words

Byline: Andrew Brown ; , abrown@postandcourier.com

Highlight: The utility's 12-member board of directors gave preliminary approval to the hefty settlement that will reimburse Santee Cooper's electric customers and provide a four-year cost freeze for its ratepayers and the state's 20 electric cooperatives, which the utility also supplies with power.

Body

Santee Cooper is prepared to finalize a \$520 million settlement, ending a standoff with its South Carolina ratepayers and eliminating a major financial threat to the state-run utility.

The utility's 12-member board of directors gave preliminary approval to the hefty settlement that will reimburse Santee Cooper's electric customers and provide a four-year cost freeze for its ratepayers and the state's 20 electric cooperatives, which the utility also supplies with power.

It also eliminates a number of other legal claims that the electric cooperatives and Virginia-based Dominion Energy, the new owner of South Carolina Electric & Gas, filed against Santee Cooper.

[How Santee Cooper is trying to convince SC lawmakers to forgive its costly mistakes](#)

"From a board perspective, this is clearly a risk we should get off the table as quickly as we can," Dan Ray, Santee Cooper's acting board chairman, said before the vote. "This is a really good settlement for Santee Cooper, its customers and the state."

The vote on the settlement coincides with a continued debate in the S.C. Legislature, where the state's 170 lawmakers continue to weigh the fate of the 86-year-old water and electric utility.

The proposed settlement, which was negotiated last month, has already given Santee Cooper a slight boost in the halls of the Statehouse.

Members of the state Senate are considering how to reform Santee Cooper instead of selling it to Florida-based NextEra Energy, the largest investor-owned utility companies in the country.

Santee Cooper board ready to finalize \$520 million settlement in ratepayer lawsuit

But the pending legal deal has not convinced all of the lawmakers in the House. They are moving forward with their own plan to change the way Santee Cooper is governed, while they continue to renegotiate NextEra's offer to buy the utility.

[Federal lawsuit over Santee Cooper 'mini-bonds' can now proceed to trial](#)

The class-action ratepayer lawsuit and the Legislature's search for a potential buyer for Santee Cooper all stem from the same thing: the failed V.C. Summer nuclear project.

Santee Cooper was the minority owner of the two unfinished reactors that were abandoned in July 2017. The state-run utility and SCE&G, the majority owner of the reactors, spent more than \$9 billion on the project before it was called off due to shoddy engineering, schedule delays and cost overruns.

SCE&G were also party to the ratepayer lawsuit that was filed against Santee Cooper just weeks after V.C. Summer was cancelled. It was potentially liable because it was responsible for oversight of the nuclear construction for Santee Cooper.

As a result, Dominion will be paying \$320 million of the full \$520 million in refunds and rebates that will be distributed to Santee Cooper customers and co-op members.

[Santee Cooper plans \\$520M settlement of customer lawsuit over failed SC nuclear project](#)

"I absolutely believe this is the best course for our customers," said William Finn, a Santee Cooper board member.

Dominion's attempt to get Santee Cooper to pay for millions of dollars in other legal costs tied to V.C. Summer will also be dropped under the deal. And it will end any further litigation between Santee Cooper and Dominion that is tied to the nuclear reactors.

Ray, the acting chairman, ended the meeting by trying to extend an olive branch to the leaders of the state's electric cooperatives, Santee Cooper's largest electric customers. The two groups have had a testy relationship for years, and that animosity has been partly fed by the failed nuclear project.

Santee Cooper is ready to work more effectively with the co-ops moving forward, Ray pledged.

Former S.C. Supreme Court Chief Justice Jean Toal, who has overseen the lengthy ratepayer lawsuit, will also need to approve the settlement before it is finalized.



Santee Cooper board ready to finalize \$520 million settlement in ratepayer lawsuit

Load-Date: March 15, 2020

End of Document