

SCE&G Seeks Rate Hike for Nuclear Reactors

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When SCE&G filed an application in May to raise its rates by 37 percent, buried in the application was a petition to begin clearing a site for two new reactors at the utility's V.C. Summer Nuclear Station in Fairfield County.

While the power company posted a notice that it would accept public comments on the petition, SCE&G did not plan a hearing to discuss its plans, according to Tom Clements, regional coordinator of nuclear issues for Friends of the Earth. "They had requested in the petition that the decision be made by the [S.C.] Public Service Commission without any form of hearing," Clements says.

But Friends of the Earth helped fight for a hearing, and on Sept. 10 the Public Service Commission held one to consider South Carolina Electric & Gas Co.'s petition to begin site clearing for the nearly \$10 billion project. The work would include re-routing train rails and building roads and bridges, SCE&G president Kevin Marsh said.

SCE&G wants to construct the two reactors in partnership with state-owned utility Santee Cooper, contending that the reactors are necessary because of a growing demand for power in the state.

"When someone throws the switch, we gotta have power," SCE&G resource planning manager Joseph Lynch said at the hearing.

For its part, Santee Cooper also faces a fight against plans it is pursuing to build a coal-fired power plant on the Great Pee Dee River in Florence County.

At the hearing, Friends of the Earth attorney Bob Guild of Columbia urged the commission to deny SCE&G's request. Guild argued that the utility should look to conservation and efficiency, not new nukes, to stretch the supply of power available to its customers.

Paying some of the highest utility rates in the country in a state where poverty is all too common, South Carolinians are likely to suffer "rate shock" if forced to shell out more just to keep their lights on, Guild said.

The Public Service Commission did not decide whether to grant SCE&G permission to begin pre-construction, but a decision is expected in the near future.

Guild cross examined Marsh extensively about full-page ads the power company has been running lately in The State newspaper.

In an interview later, Guild called the ads gross misrepresentations, saying that if SCE&G stockholders had to put up the money for pre-construction they would not go along with the project.

The 37 percent rate hike SCE&G is seeking to pay for the reactors would be phased in over the life of the project.

SCE&G attorney K. Chad Burgess peppered Guild's cross examination of Marsh with objections and asked commission Chairwoman Elizabeth Fleming to keep Guild's questioning focused on the necessity of pre-construction. The objections were mostly overruled.

Shannon Hudson of the South Carolina Office of Regulatory Staff, which represents the public's interest as it pertains to utilities, says the office does not oppose SCE&G undertaking pre-construction. But if the reactors do not come to fruition then the company's shareholders, not ratepayers, should incur the costs, Hudson says.

As for the state's environmental community, its leaders are virtually unanimous in advocating conservation and efficiency before building new power plants of any variety.