

Power struggle for state utility

Santee Cooper is again at the center of a controversy. Legislators used too much muscle on the matter.

It's a measure of how bizarre the South Carolina Legislature sometimes gets that Greenville lawyer Keith Munson resigned from a prestigious and influential state policy board because of the threat of legal harassment and potential liability.

This is the latest chapter of the saga of Santee Cooper, the state-owned electric utility that is both a major player in the South Carolina economy and a contentious control issue for this state's governor and its lawmakers.

Munson got out of the game after the Legislature one-upped the governor with an enactment that, among other things, subjects Santee Cooper board members to \$50,000 fines and legal costs if they perform inappropriately under conditions laid down by the enactment.

The new law responded to moves by Gov. Mark Sanford to put members on the Santee Cooper board to bring the giant utility more in line with his lean operating policies, making the utility less a public corporation run chiefly for its customers, and possibly making it a serious revenue generator for state government.

The governor's veto of that enactment was just as emphatically overridden by the lawmakers, who also blocked him from removing any Santee Cooper board member or even asking a board member to resign. Another handcuffing provision barred the utility from even studying steps toward becoming a private taxpaying entity.

In our part of the state, Duke Power provides power to most homes, businesses and industries. At the same time, taxpayers here and over the rest of South Carolina also own Santee Cooper, with its estimated worth of \$5 billion and 17,000 employees who supply electricity directly or through co-ops to 40 percent of the state's consumers.

Santee Cooper was launched with federal money under state leadership during the 1930s, and has been embedded in the state's political culture ever since. It brought electricity to impoverished rural counties, and nurtured other economic blessings ranging from high-tech industries to wealthy retirement communities.

Its quasi-public standing insulated it from gubernatorial politics, but its independence also lulled it into provincialism and informality. It sometimes extended industrial service unwisely and engaged in charity favors.

The current struggle for control began when Gov. Sanford's predecessor, Jim Hodges, sought to rein in Santee Cooper's aloofness with board member removals and replacements that found surprising support in a state Supreme Court ruling. Sanford pushed the envelope further. And moves and suspected moves by his allies provoked legislative partisans of the utility to strike back with the enactment that both limits the governor's authority and unwisely removes conventional legal immunity from board members.

Utilities live on long-term borrowing and institutional stability. It's a point that politically driven change frightens the bond market and drives up debt costs. The Legislature went too far in protecting Santee Cooper's independence in addressing some understandable concerns.

