

November 20, 2008

VIA FIRST CLASS MAIL AND ELECTRONIC MAIL

Heather Anderson, Esquire
State Regulation of Public Utilities Review Committee
Post Office Box 142
Columbia, SC 29202

Re: Initial response from South Carolina's electric cooperatives to request for comments on energy issues and policies

Dear Heather:

On behalf of South Carolina's electric cooperative consumer-members and the 1.5 million people who are served by the electric cooperatives in our state — I am pleased to provide this initial response to the Review Committee's request for comments on energy issues and policies.

Electric cooperatives are unique participants in this process because we are not-for-profit consumer advocates for the people we serve. Those people — our owners — count on us to look out for them. To honor that trust and information to the Review Committee, we have decided to forego issuing substantive comments in the initial comment-period and defer those comments to the following comment-period so that we can evaluate the aggregate data on energy use from the Office of Regulatory Staff's report and consider the information submitted by our friends with generation facilities. Accordingly, please accept this letter as introductory comments on the issues facing the electric cooperatives of South Carolina.

Any consideration of South Carolina's energy future must take into account the challenges familiar to so many of our consumer-members: the revolving-door cycles of poverty and illiteracy in our state; projected double-digit short-term growth in demand; the struggling economy; and the \$1,000-\$1,500 loss of real spending power (adjusted for inflation) of the average American household if some of the climate change proposals in Congress are implemented to cap carbon dioxide emissions.

In South Carolina, 22 percent of co-op families make less than \$25,000 annually, compared with 15 percent nationally. That reality means more families in our state will be forced to choose among life necessities — food, medicine and electricity — than in other states unless Congress chooses a more moderate path to address greenhouse gas emissions and climate change. The state's electric cooperatives recognize the need for solutions to these global issues.

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We need more non-emittent generation, including nuclear power, which may provide the most cost effective and environmentally responsible solution for our consumer-members and all Americans. Renewable energy, including landfill gas generation, already supplies a portion of co-op electricity in our state and will only grow as technology, and our research into viable native renewable generation in South Carolina, begin to bear fruit.

Energy efficiency programs can have an even greater short-term impact. The cooperatives are investing millions in the "Do the Light Switch" CFL giveaway initiative. We placed 1.2 million compact fluorescent light bulbs in members' homes this year and, in time, the energy saved by this program will equal the energy used by 35,000 homes. The results of this and other efficiency efforts are reduced energy consumption and lower power bills for consumers. We must do even more to ensure that all South Carolinians have an opportunity to participate in energy efficiency by encouraging federal loan-guarantee programs and revised building standards. Such initiatives can serve to lower our state's residential energy use by helping to bridge the gap between our current fossil fuel economy and tomorrow's carbon-constrained economy.

Ultimately, crafting an energy policy that works for all South Carolinians will require defining a philosophy and outlining clear ownership of both the regulatory and legislative functions. With the Office of Regulatory Staff (ORS) already in its well defined role, we feel the ORS and the Review Committee (PURC) are ideally positioned to work with the S.C. Legislature to develop a comprehensive energy policy for our state.

In closing, we appreciate the opportunity to offer both initial and responsive comments. We will provide a more definitive statement prior to the close of the reply period on December 1 and would welcome a chance to share more with the Review Committee via oral testimony at future hearings. Please direct any future notices or other contacts from the Review Committee to my attention at the address below.

On behalf of the member-owners of South Carolina's electric cooperatives, thank you for the hard work you are doing on this very important issue.

Sincerely,

Mike Couick
President & Chief Executive Officer