**A** **BILL**

TO AMEND SECTION 58‑27‑10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS, SO AS TO INCLUDE ELECTRIC COOPERATIVES AND CONSOLIDATED POLITICAL SUBDIVISIONS IN THE DEFINITION OF ELECTRICAL UTILITY; TO AMEND SECTION 58‑27‑40, RELATING TO COMPLIANCE WITH ORDERS, DECISIONS, DIRECTIONS, RULES, AND REGULATIONS, SO AS TO REQUIRE ELECTRIC COOPERATIVES AND CONSOLIDATED POLITICAL SUBDIVISIONS TO COMPLY WITH THIS SECTION; TO AMEND SECTION 58‑27‑820, RELATED TO THE SCHEDULED OF RATES, SERVICES RULES AND REGULATIONS AND SERVICE CONTRACT REQUIRED TO BE FILED WITH THE COMMISSION SO AS TO REQUIRE ELECTRIC COOPERATIVES AND CONSOLIDATED POLITICAL SUBDIVISIONS TO COMPLY WITH THIS SECTION; TO AMEND SECTION 58‑27‑840, AS AMENDED, RELATING TO PREFERENCES AND UNREASONABLE DIFFERENCES IN RATES, SO AS TO REQUIRE ELECTRIC COOPERATIVES AND CONSOLIDATED POLITICAL SUBDIVISIONS TO COMPLY WITH THIS SECTION; TO REPEAL SECTION 58‑27‑20 RELATING TO THE INAPPLICABILITY OF THE CHAPTER; AND TO REPEAL SECTION 58‑27‑1010 RELATING TO THE PROHIBITION OF THE COMMISSION TO REGULATE CONTRACTS MADE BY MUNICIPALITIES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 58‑27‑10(7) of the 1976 Code is amended to read:

“(7) The term ‘electrical utility’ includes municipalities to the extent of their business, property, rates, transactions, and operations without the corporate limits of the municipality, persons and corporations, their lessees, assignees, trustees, receivers, or other successors in interest owning or operating in this State equipment or facilities for generating, transmitting, delivering, or furnishing electricity for street, railway, or other public uses or for the production of light, heat, or power to or for the public for compensation~~; but it shall not include an electric cooperative or a consolidated political subdivision and shall not include a person, corporation, or municipality furnishing electricity only to himself or itself, their residents, employees, or tenants when such current is not resold or used by others~~. The term, notwithstanding another provision of law, also includes electric cooperatives and consolidated political subdivisions generating, transmitting, delivering, or furnishing electricity for street, railway, or other public uses or for the production of light, heat, or power to or for the public for compensation.”

SECTION 2. Section 58‑27‑40 of the 1976 Code is amended to read:

“Section 58‑27‑40. Each electrical utility ~~and, to the extent covered by this title, each electric cooperative and consolidated political subdivision~~ must obey and comply with all requirements of every order, decision, direction, rule, or regulation made or prescribed by the Public Service Commission or every direction, rule, or regulation made or prescribed by the Office of Regulatory Staff pursuant to this chapter or in relation to any other matter relating to or affecting the business of the electrical utility, electric cooperative, or consolidated political subdivision and must do everything necessary or proper to comply with and observe every order, decision, direction, rule, or regulation by all of its officers, agents, and employees.”

SECTION 3. Section 58‑27‑820 of the 1976 Code is amended to read:

“Section 58‑27‑820. Under rules and regulations prescribed by the commission, every electrical utility must file with the commission and provide to the Office of Regulatory Staff, within such time and in such form as the commission may designate, schedules showing all rates, service rules and regulations, and forms of service contracts established by the electrical utility and collected or enforced or to be collected or enforced within the jurisdiction of the commission. ~~Under rules and regulations prescribed by the commission, every distribution electric cooperative and consolidated political subdivision must file with the commission and provide to the Office of Regulatory Staff, for information purposes, within such time and in such form as the commission may designate, schedules showing all rates, service rules and regulations, and forms of service contracts established by the distribution electric cooperative or consolidated political subdivision~~ Each electrical utility, distribution electric cooperative, and consolidated political subdivision must keep copies of the schedules open to public inspection under rules and regulations prescribed by the commission.”

SECTION 4. Section 58‑27‑840 of the 1976 Code, as last amended by Act 56 of 2019, is further amended to read:

“~~(A)~~ No electrical utility, or consolidated political subdivision shall, as to rates or services, make or grant any unreasonable preference or advantage to any person, corporation, municipality or consolidated political subdivision to its unreasonable prejudice or disadvantage. No electrical utility, or consolidated political subdivision shall establish or maintain any unreasonable difference as to rates or service as between localities or as between classes of service. Subject to the approval of the Commission, however, electrical utilities, and consolidated political subdivisions may establish classifications of rates and services and such classifications may take into account the conditions and circumstances surrounding the service, such as the time when used, the purpose for which used, the demand upon plant facilities, the value of the service rendered and any other reasonable consideration. The Commission may determine any question of fact arising under this section. ~~The Commission shall not fix any rates charged by electric cooperatives or consolidated political subdivisions.~~

~~(B)~~ ~~No distribution electric cooperative shall, as to rates or services, make or grant any unreasonable preference or advantage to any person, corporation, municipality or consolidated political subdivision to its unreasonable prejudice or disadvantage. No distribution electric cooperative shall establish or maintain any unreasonable difference as to rates or service as between localities or as between classes of service. The Office of Regulatory Staff is granted the authority to audit, on its own initiative or in response to complaints, issues arising under this subsection, including the authority to review and examine whether the distribution electric cooperatives are maintaining any unreasonable differences as to rates or service as between localities or as between classes of service. Rate classifications established by distribution electric cooperatives may take into account the conditions and circumstances surrounding the service, such as the time when used, the purpose for which used, the demand upon plant facilities, the value of the service rendered, and any other reasonable consideration. Upon completion of an audit, review, or examination as provided in this section, the Office of Regulatory Staff must report its findings to the board of the distribution electric cooperative and attempt to resolve any compliance issues identified in the audit.~~

~~(C)~~ ~~The Commission is granted authority to resolve any disputed issues arising from the audit, review, or examination by the Office of Regulatory Staff of matters arising under subsection (B) of this section. The Commission shall not fix any rates charged by electric cooperatives.~~”

SECTION 5. Section 58‑27‑20 of the 1976 Code is repealed.

SECTION 6. Section 58‑27‑1010 of the 1976 Code is repealed.

SECTION 7. This act takes effect upon approval of the Governor.

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