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S.C. SUPREME COURT

THE STATE OF SOUTH CAROLINA
In The Supreme Court

APPEAL FROM
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

Appellate Case No. 2019-001900

Duke Energy Carolinas, LLC,.....Appellant- Respondent,

v.

The South Carolina Office of Regulatory Staff, Hasala Dharmawardena, CMC Recycling, Cypress Creek Renewables, LLC, SC Department of Consumer Affairs, Sierra Club, South Carolina Coastal Conservation League, South Carolina Energy Users Committee, South Carolina Solar Business Alliance, Inc., The South Carolina State Conference of the National Association for the Advancement of Colored People, Upstate Forever, Vote Solar, and Walmart, Inc.....Respondents,

of whom,

South Carolina Energy Users Committee is.....Respondent-Appellant.

Appellate Case No. 2019-001904

Duke Energy Progress, LLC.....Appellant,

v.

South Carolina Office of Regulatory Staff, Nucor Steel-South Carolina, Cypress Creek Renewables, LLC, SC Department of Consumer Affairs, Sierra Club, South Carolina Coastal Conservation League, South Carolina Energy Users Committee, South Carolina Solar Business Alliance, Incorporated, The South Carolina State Conference of the National Association for the Advancement of Colored People, Upstate Forever, Vote Solar, and Walmart, Inc....Respondents.

SECOND APPENDIX TO RECORD ON APPEAL

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I. Public Service Commission Docket No. 2018-318-E (Duke Energy Progress, LLC)

Transcript of Testimony and Proceedings before the Public Service Commission

Testimony
Zachary J. Payne 1

II. Public Service Commission Docket No. 2018-319-E (Duke Energy Carolinas, LLC)

Transcript of Spartanburg Night Hearing held March 12, 2019

Testimony
Wynne Smith 3
Demetri Tsiolkas 5

1 2001 cost amount, are they?

2 A (PAYNE) No.

3 Q Now, I think that -- again, just to -- to conclude,
4 at the -- at the heart of the dispute is: First,
5 the Company would like to recover these rates
6 retroactively, but they want a return on the -- on
7 the -- the cost, correct?

8 A (PAYNE) Yes. That is what they proposed.

9 Q And the ORS has -- disputes the -- the entitlement
10 to a return, correct?

11 A (PAYNE) A portion of it, yes. The portion that --
12 the O&M costs that they would not have earned a
13 return on had they not been deferred costs.

14 Q And that's -- and -- and I guess that was going to
15 be my second point. They're also requesting to
16 recover O&M costs as if they were capital costs,
17 correct?

18 A (PAYNE) More or less. I mean, they are regulatory
19 assets. But, yes, they are requesting to earn a
20 return on their O&M expenses.

21 Q And, ordinarily, in this rate case for instance,
22 the Company is not entitled a return on their O&M
23 that they incurred in the test year, are they?

24 A (PAYNE) No. The way -- the way -- the way the
25 revenue requirement is calculated, they would --

1 they would not earn return on any of their O&M
2 expenses.

3 Q And so, their request gives them some -- some sort
4 of special status, correct?

5 A (PAYNE) It does, yes.

6 Q On a matter that began without a hearing, without
7 notice, and an opportunity to be heard?

8 A (PAYNE) That is correct.

9 MR. ELLIOTT: No further questions, Mr.
10 Chairman. Thank you.

11 CHAIRMAN RANDALL: Thank you. Mr. Smith?

12 MR. SMITH: No questions, Mr. Chairman.

13 CHAIRMAN RANDALL: Thank you. The Company?

14 CROSS-EXAMINATION

15 BY MS. SMITH:

16 Q Good afternoon.

17 A (MAJOR) Good afternoon.

18 A (PAYNE) Good afternoon.

19 Q Mr. Major, I have some questions for you.

20 A (MAJOR) Yes, ma'am.

21 Q On -- let's see. Let me back up.

22 Were you here when Commissioner Ervin
23 suggested that the Company had close relations with
24 the Farm Bureau?

25 A (MAJOR) Yes. I was.

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Ouch.

Do you know what it's like not to be able to pay your power bill? Have you had to decide between paying for food or paying for your power?

I have an average income; I have an average power bill. But if these massive proposed rate hikes take place, I'm going to be faced with this decision. Average wage earners like me will be faced with power bills that they cannot pay, and think of the impact that it's going to have on low-income and fixed-income customers.

I have three Duke Power bills every month. I have a home, a workshop, and a lighting bill. This proposed change to the residential basic-facilities flat charge to \$28 per month per bill is going to be excessive. It's burdensome and it discourages energy conservation. There's nothing I can do to make that any lower.

It's a 237.8 increase in the current fee. This would make it the highest residential - residential facilities fee of any publicly held utility in the nation. Why is one of the poorest states in the country potentially being burdened with one of the highest electric rates? I think I know. Because Duke needs to pay for litigation

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expenses attributed to legal actions related to
mismanagement of coal-ash facilities.

VOICE: Right.

WITNESS: Because Duke –
[Applause]

Because Duke needs money to pay for the
abandoned Gaffney facility.

VOICE: That's right.

VOICE: Yeah.

WITNESS: Because Duke wants to help
shareholders at the expense of their own customers.
Ouch. Not on the backs of us, our – the
residential customers.

We can't afford this. Please vote no to the
planned rate hikes. They're bad business; they're
bad energy policy; they're bad for our State; and
they're bad for us _

VOICE: Yes.

WITNESS: – Duke's customers.

VOICE: Yes.

WITNESS: At a minimum, \$536 additional to my
power bill is something I can't pay. Please help
us out. Ouch.

[Applause]

CHAIRMAN RANDALL: Thank you, Ms. Smith.

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they continue to act reprehensibly. What lesson have they learned? To me, it appears they have not learned anything other than they can continue to pollute our waterways and pay a fine, a fine that will eventually be passed on to the residents. At what point will Duke Energy have to pay for its own mistakes and not pour the debt onto the residents of the Carolinas?

This increase will disproportionately affect lower-income residents. Have those individuals not suffered enough during the difficult economic times of the past few years?

One argument for the proposed increase offered by Duke's state president was to accurately reflect the cost to serve every residential customer, ensuring all customers pay their fair share to access and use the electric grid. In reality, this is yet another attempt to have the folks who are already suffering subsidize the energy use of the wealthier neighbors. I implore the council to consider our friends and neighbors in the Upstate who are already living paycheck-to-paycheck and not have the executives of the company.

Please vote in opposition to the proposed energy increases at least until we can see