



THE LEAGUE OF WOMEN VOTERS OF SOUTH CAROLINA

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The League of Women Voters is here today to speak to two issues that we believe are fundamental to good government. The first is that government must be accountable to our citizens, in its regulatory functions as in everything else that it does. The second is that all of our citizens deserve access to the basic necessities of life, including shelter and the utilities that make our homes habitable. When consumers are held prisoner to massive cost overruns that point toward a serious errors in management decision-making, this access is endangered for many of our low income and fixed income citizens.

We recognize the right of utility companies to make a fair profit on reasonable and prudent costs, but believe that in South Carolina the regulatory process of balancing the interests of energy users and producers is not working fairly for the consumer. When enormous cost overruns accumulate through delays and management problems and those costs accrue only to the users and not the shareholders, when the utility is guaranteed an extravagant 10.5% return on equity even on those overruns, and when the burden of proof that costs are not justified rests too much on consumers, change is badly needed.

The League of Women Voters has therefore joined with other organizations in the Stop the Blank Check coalition to ask that current SCE&G rate hike requests be denied. Beyond that, we ask that a long-term solution be found through amendment of the Base Load Review Act that governs much decision-making about cost allocation. The BLRA should be amended to enable the Public Service Commission to adjust the Return on Equity and to place the burden on utilities to show that business decisions made during the course of a project are prudent. If they cannot prove that case, then ratepayers must not be asked to absorb cost overruns resulting from imprudent project management.

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The League of Women Voters, a nonpartisan political organization, encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy. Membership in the League is open to men and women of all ages.