

**FAQ's**  
**Regarding how to remedy**  
**Santee Cooper's flawed policy**  
**For leasing outdoor lights to HOAs**  
(Updated: March 15, 2021)

1 Q: What's this I hear about homeowner associations (HOAs) being overcharged for their outdoor lights leased from Santee Cooper?

A: An unfair policy affecting thousands of Santee Cooper customers is currently in effect.

2 Q: What makes it unfair?

A: Although technically "legal", (since there are two ways for communities to opt out of the contract), it's **unfair** because these two ways are totally impractical. Numerous communities wish to get out of unending high lease costs, but **none** are known to have opted for the only ways allowed by this contract.

3 Q: So, what makes these options so prohibitive?

A: If communities have fulfilled their initial contract period (typically three, five, or seven years), they can:

(Option 1): terminate the contract by giving 30-days' notice, at which time Santee Cooper will come and remove all of their perfectly good lights and poles. The community is then burdened with replacing their outdoor lighting system for hundreds of thousands of dollars.

(Option 2): Santee Cooper will replace existing lights with less expensive ones, thereby reducing monthly lease costs, **but** obligating the community to new 5 to 7-year contracts, **and** they only agree to replace 50 poles a year, thus requiring communities to have dissimilar lights and poles for 3-5 years...stretching out new contracts for this additional period as well!

Since no community considers these options viable, the only **existing** alternative: continue their never-ending lease arrangement.

4 Q: What *is* this "contract" you refer to? Is it available for public review?

A: The contract is titled "South Carolina Public Service Authority (Santee Cooper) Private Outdoor Lighting Services, Schedule OL-17". This 8-page document, which includes Exhibits A & B, is their binding agreement with virtually all HOAs for whom they provide electricity, **currently over 700 communities!**

5 Q: Won't Santee Cooper agree to transfer ownership of a community's outdoor lights to them after lease payments have more than paid for the system?

A: Okay, this is the worst part...As of Feb 2021, NO! One community--Plantation Lakes in Carolina Forest—asked to do just that. They've paid more than \$1.4 million over the past 18 years for a system costing \$718K, but were informed by Santee Cooper that a little-known SC State Code (Section 58-31-75) prohibits transfer of viable assets to a private entity without a vote of the full legislative assembly.

6 Q: So what's been done recently to address these concerns?

A: Got some good news here! With assistance from Rep McGinnis, Sen Goldfinch, & Sen Rankin, here are developments:

**Sep 2020:** Santee Cooper stated they now have a new interpretation regarding what's permissible under the State Code and are willing to discuss this with HOA representatives.

**Dec 2020:** South Carolina's Attorney General rendered an interpretation of the applicable state code, stating that ownership transfer of outdoor lighting assets **is** authorized.

**Jan 2021:** The SC House overwhelmingly passed a bill (H.3194) that (1) again authorizes exploring the sale of Santee Cooper to another utility, (2) adds new oversight and accountability whether or not the utility is sold, and (3) permits Santee Cooper to negotiate with HOAs regarding outdoor lighting, irrespective of other restrictions imposed while a sale is being considered. H.3194 has been sent to the Senate for reconciliation with one or more bills proposed by that chamber.

7 Q: Since the Legislature hasn't decided whether or not to sell Santee Cooper, wouldn't it be best to wait until AFTER that decision to address alleged overcharges to HOAs?

A: Glad you asked! Frankly, **now** is the time to address these concerns because:

1. The decision regarding Santee Cooper's future is a complex one and needs to be carefully deliberated, which is a good thing, because...
2. **All** parties—the legislature **and** potential suitors—need to have **all** the facts laid out in order to accurately assess Santee Cooper's true status.
3. **Before** reaching decisions, they need to be aware of a flawed policy that disadvantages thousands of Santee Cooper customers and be assured it will be remedied in a responsible manner. Only then can the people of South Carolina know their legislators are applying due diligence, taking **all** factors into consideration before reaching important decisions!

8 Q: Santee Cooper claims that the rates they charge HOAs to lease poles and lights only covers ongoing expenses and thus will never be reduced. Do you have an alternative proposal?

A: Absolutely! A leading approach under discussion is a worksheet demonstrating that current lease payments enable Santee Cooper to fully recover capital expenditures after a specified number of years (say 14), after which lease payments should be substantially reduced to a computed amount. This approach is being reviewed and refined...and may well be the basis of a mutually agreed-to future solution, whether ownership of the outdoor lighting systems is transferred to a given HOA or the utility continues ownership and leases to HOAs at a reduced rate.

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NOTE: We toast these successes while realizing we still have a **long**, complex journey ahead to get thousands of dollars cut from our monthly lease payments.

...But it IS nice to see tangible progress, no? :-)

We'll continue to press for a fair solution...Stay tuned!

**For more info:** [scstreetlights.org](http://scstreetlights.org) and [cf-ca.org](http://cf-ca.org)