

Interim Report to Beaufort City Council  
City Council Meeting of November 14, 2006

I. Overview of Regulatory Environment

A) State Regulatory Background

- 1) SCE&G is a “electrical utility” under Chapter 58 of the Laws of South Carolina and is therefore required to “obey and comply with all requirements of every order, decision, direction, rule or regulation made or prescribed by the Public Service Commission made under this chapter or in relation to any other matter in any way relating to or affecting the business of such electrical utility.”
- 2) The utility is required to “operate and maintain in a safe, efficient and proper condition all of the facilities and equipment used in connection with the regulation, measurement and electric service to any customer up to and including the point of delivery into the facilities owned by that customer.” (PSC Reg. 103-347)
- 3) The utility must comply with the standard of the National Electric Safety Code “as minimum standards of accepted good engineering practice.”
- 4) The utility must “exercise reasonable care to reduce the hazards to which its employees, its customers and the general public may be subjected.” (PSC Reg. 103-391)
- 5) Safety standards are deemed adequate if they comply with the applicable provisions of the National Electric Safety Code. (PSC Reg. 103-390).
- 6) The proposed transmission lines do not require the utility to obtain a certificate of Environmental Compatibility and Public Convenience and Necessity in accordance with Sections 58-33-10 et seq., of the Code of Laws of South Carolina, 1976. Transmission lines with a with a designed voltage of less than 125 KV do not require such certification. (PSC Reg. 103-304(2).)

B) Local Regulation

- 1) Notwithstanding the implication in the letter from the utility’s legal staff, it is clear that Beaufort retains the right to adopt and impose reasonable requirements

- on the utility’s conduct of its business necessary and proper to preserve security, health, safety, general order and good government. (S.C. Code 58-27-100)<sup>1</sup>
- 2) Whether a prohibition by a municipality of transmission lines with poles above a particular height or voltage above a specified level is a reasonable exercise of local police power has not been decided in South Carolina.
- C) Existing Beaufort Ordinances
- 1) Requirement of Historic District Review Commission permission for new “structures” in historic district
  - 2) Requirement of building permit for any structure
- D) Federal Permitting
- E) Federal Historic Impact Requirements
- F) Franchise Agreement
- 1) SCE&G must perform all work “in accordance with all applicable electrical codes and regulations . . . adopted by the South Carolina Public Service Commission.” (Franchise Agreement Section 7, A)
  - 2) “All work upon the streets and public places of the City shall be done under the general supervision of the Mayor and Council of the City.” (Franchise Agreement Section 8)

## II. SCE&G Plan

- A) Initial Proposal
- 1) Replace existing 46KV lines with 125KV lines along the existing route. New transmission poles would be steel and about 70’ to 90’ in height. Existing poles

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<sup>1</sup> SECTION 58-27-100. Effect of chapter on municipal police regulations and ordinances.

Nothing contained in this chapter or in Title 33, Chapter 49 shall be so construed as to limit or restrict the right of cities and towns to adopt and enforce reasonable police regulations and ordinances affecting electrical utilities and electric cooperatives, not inconsistent with the provisions of this chapter or the provisions of Title 33, Chapter 49, including the exercise of powers in relation to roads, streets, markets, law enforcement, health, and order in the municipality or respecting any subject which appears necessary and proper to the municipality for the security, general welfare, convenience, health, peace, order, and good government.

for electrical distribution would remain because phone and cable lines use those poles.

- 2) Line would go underground at place of existing structure in Pigeon Point Park and run underground below Godfrey Street and across river where existing cable transverses.
- 3) Streets most affected included: North, Wright, Ribaut, Green, Wilmington, Rodgers, Calhoun, Pigeon Point. See map for exact route.
- 4) Cost of Project would be borne by SCE&G.

B) “Revised” Initial Proposal

- 1) Same as initial proposal with following exceptions:
  - a) Transmission pole proposal would be reengineered to allow for shorter poles of about 65 feet.
  - b) All distribution lines along Green, Wilmington, Rogers, Calhoun and Pigeon Point streets would be buried and all present distribution poles would be eliminated. This would require agreement of cable and phone service providers but SCG&E is optimistic this agreement can be obtained at no cost to city.
  - c) No cost to city or to customers along the route.

C) Proposal to Underground Transmission Lines

- 1) New transmission lines would be placed underground from a place near Duke Street behind Parkview Apartments, under Beaufort County property, and then along rights of way of Sycamore Street, Park Avenue and Godfrey Street to the existing undergrounding access point in Pigeon Point Park. This route is approximate and would be subject to further review and surveying.
- 2) Additional cost of undergrounding over that of “Revised” Initial Proposal would be the responsibility of City of Beaufort. SCE&G estimate of cost difference is \$4.5 Million.
- 3) No undergrounding of distribution lines under this proposal.

D) SCE&G Representations Regarding Need for and Benefits of Project

- 1) Present and future power needs for Lady’s Island, St. Helena, Harbor Island and Fripp Island.

- 2) Reliability and service improvement by completing 115KV loop through Beaufort, Port Royal and Lady's Island.
- 3) Reliability improvement by creating redundancy of 115KV supply to Lady's Island.

### III. Issues Involved in Decision Process

- A) Cost
- B) Health and Safety
  - 1) Construction Safety
  - 2) System Operational Safety
    - a) Downed wires
    - b) Electromagnetic emissions
    - c) Highway and Traffic
    - d) Risks/Benefits of Undergrounding
    - e) Hurricane and Other Disaster Safety Issues
- C) Comparison of Safety Issues Implicit in Alternative Routes
- D) System Adequacy and Reliability
- E) Disaster Planning and Protection
- F) Private Property Rights and Property Values
  - 1) Opinion on Impact on Property Values?
  - 2) Impact on ability of current property owners to rebuild in event of catastrophic loss
  - 3) Impact on potential development of vacant property
- G) Planning and Aesthetics for Current Proposed Project
- H) Planning and Aesthetics for Future
  - 1) Development of Community Goals
  - 2) Funding and other means of achieving goals
- I) Precedent in Relationship with SCE&G
- J) Relationship to Issues Involving Cable, Land Line Telephone, Cell Phone Service

K) Administration of Relationship with SCE&G

- 1) Require written response to ad hoc committee inquiry
- 2) Inspections and reports
- 3) Institutionalization of future reporting and information flow

IV. Alternatives

A) "Revised" Initial Plan

B) Undergrounding Plan

C) Planned Alternative Routes with Utility Cooperation

D) Forced Alternative Routes by Opposition to Transmission Lines in City Limits

E) Restrictions on Future Transmission Line Expansion