

Update: The governor, ORS, and PSC lifted the moratorium on disconnects for nonpayment in mid-May. SEC will resume normal disconnect practices on June 16. Please bring your account current or call us to make an arrangement before this date.

Where do we go from here?



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**SANTEE ELECTRIC
 COOPERATIVE NEWS**

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A Touchstone Energy® Cooperative



IT IS NECESSARY that I touch on a difficult subject this month—unpaid power bills. The COVID-19 crisis has had a huge impact on the economy. Some have seen a reduction in wages, and some have seen wages go away altogether. While it is true that stimulus checks and

boosted unemployment payments have helped some, we recognize the fact that some of our members are in a tough spot right now.

As I am writing this column, investor-owned utilities are still required to suspend the practice of disconnecting power for nonpayment. Though the cooperatives are not bound by the same rules as an IOU, we all chose to voluntarily suspend our own disconnects as well—and we still are. At some point, however, and possibly before this magazine reaches our members, this temporary suspension of disconnects will be lifted.

What will happen then?

Before I answer that question, I need to summarize how a cooperative is operated. You know that we were created roughly 80 years ago as small organizations—that you own—to run on thin margins in order to bring electricity to the rural parts of our nation. Here in South Carolina, the cooperatives must purchase every kilowatt-hour (kWh) of energy that we deliver to you. That system works fine while SEC's member-owners also pay their power bills. However, what happens when some will not (or cannot) pay?

Normally, after a certain number of warnings, we would cut the power off. This usually encourages our

delinquent members to pay. However, each month we have a certain amount of uncollectible debt that must be written off. That power is paid for by our other members. If this is a relatively small amount, the impact is not so bad. However, when we go for months in a row without the ability to disconnect power for nonpayment, the bad debt gets large.

That brings us back to where we are today—getting close to announcing a date when disconnects will again be scheduled.

SEC is planning to waive all late penalties for anyone who brings their account current, or signs an agreement to go on Advance Pay, by the disconnect date that we will announce when we have guidance from the governor and the South Carolina Office of Regulatory Staff. Additionally, members' credit will not be affected by the late payments during the COVID-19 event. For those that cannot bring your account current (or choose not to do so), we need you to call SEC or contact member services via our SmartHub app to make a payment arrangement before the disconnect date. Those with a past due balance and no arrangement will be disconnected shortly after this emergency request is lifted.

Please, if you fall into this group, contact us—and please do not wait until the last minute.

ROBERT G. ARDIS III
 President and Chief Executive Officer