



HENRY McMASTER
GOVERNOR

November 24, 2020

Mr. P. Rodney Blevins, President
Dominion Energy South Carolina
Post Office Box 100255
Columbia, South Carolina 29202

Dear Mr. Blevins:

I have been monitoring, with great interest, Dominion Energy South Carolina's ("Dominion") application to the Public Service Commission ("PSC"), in which Dominion is seeking to raise its existing rates by approximately 7.7% starting next year. It is my understanding that Dominion is also asking the PSC to approve an increase of its return on equity, or allowed rate of profit, to 10.25%. I urge Dominion to reconsider its position and apparent plans to proceed with seeking a substantial rate increase in the midst of a pandemic.

South Carolina, like all other states, has been significantly impacted by the 2019 Novel Coronavirus ("COVID-19"). In addition to the public health threats associated with COVID-19, the ongoing and evolving pandemic has produced a variety of economic hardships for individuals and businesses alike. A sizable rate increase at this difficult time would impose an unexpected and untenable burden on many South Carolinians. Moreover, as families work to overcome economic uncertainty and businesses small and large struggle to adapt and remain open during this pandemic, Dominion should not be seeking to increase its profit margin, particularly to 10.25%, which is well above the national average for investor-owned utilities.

I feel sure that Dominion has been affected by COVID-19 as well; however, it is my understanding that Dominion's parent company has a current market capitalization of over \$60 billion and appears to be on track to issue one of its largest years of dividends to shareholders in recent history. There is absolutely nothing wrong with that in and of itself, but as South Carolinians are working to keep their lights on and their businesses open, it is important to place Dominion's request for a rate increase in the appropriate context.

To be sure, we are proud to have Dominion as a friend and partner in the State of South Carolina. Although Dominion's arrival in South Carolina was anything but smooth and I took issue with certain of its actions related to the merger with SCANA, I appreciate Dominion's

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willingness to invest in South Carolina, as well as Dominion's ongoing efforts to repair the damage done by its predecessor. Since the PSC approved Dominion's merger with SCANA, I have enjoyed the opportunity to work with Dominion in pursuing our shared interests of economic development and in promoting the future prosperity of our State and people. Whether it be individual citizens, public officials, private businesses, or investor-owned utilities, I remain ready and willing to work with all who seek to advance the economic prosperity and competitiveness of our State. However, when these interests diverge, I will oppose any effort that would negatively impact South Carolinians.

Here, I simply cannot support Dominion's application to increase its rates as South Carolinians continue to confront myriad challenges related to COVID-19. Accordingly, for the foregoing and other reasons, I respectfully urge Dominion to revisit its application and request for a 7.7% rate increase. If Dominion is not willing to withdraw its application, it should, at a minimum, seek the parties' consent and the PSC's approval to suspend, stay, or otherwise pause further proceedings in the midst of the present pandemic. In the event that Dominion plans to proceed with seeking the PSC's approval of its requested rate increase, please know that I will ask the PSC to reject Dominion's application in its current form.

Thank you in advance for your consideration and your prompt attention to this important matter. Should you have any questions or concerns, please do not hesitate to call.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Henry McMaster", written in a cursive style.

Henry McMaster

cc: Thomas F. Farrell, II, Esquire
Executive Chairman, Dominion Energy, Inc.

Nanette S. Edwards, Esquire
Executive Director, Office of Regulatory Staff