

South Carolina Office of Regulatory Staff's Second and Continuing Request for Information

**TO: PAMELA WILLIAMS, ESQUIRE, ATTORNEY FOR THE SOUTH CAROLINA
PUBLIC SERVICE AUTHORITY**

The South Carolina Office of Regulatory Staff ("ORS") by and through the undersigned counsel hereby requests, pursuant to S.C. Act 135, Section 11 that the South Carolina Public Service Authority (hereafter referred to as "Santee Cooper," "you" or the "Company") answer fully and separately, in writing and under oath, and serve the undersigned by **12:00, noon, August 1, 2020**, to ORS at 1401 Main Street, Suite 900, Columbia, South Carolina, 29201. The time period to which these questions apply is June 1, 2020, through June 30, 2020.

Santee Cooper's responses to ORS's Second and Continuing Request for Information should include not only all information and documents available to Santee Cooper, but also all information and documents available to its attorneys, investigators, consultants, agents, or other representatives acting on its behalf.

If you are unable to respond to any of these requests, or parts thereof, in a timely manner please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

These requests are intended to be, and shall be, answered or responded to fully as of the date of the response and shall be deemed to be continuing thereafter until the conclusion of this matter.

If you should subsequently acquire any further responsive information or documents called for by these requests, you should promptly furnish such information or documents to the undersigned counsel.

As used in these audit requests, "identify" means, when asked to identify a person, to provide the full name, business title, address and telephone number. As used in these audit requests, "address" means mailing address and business address. When asked to identify or provide a document, "identify" and "provide" mean to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, you may attach to your responses a copy of the document and identify the person who has custody of it. When the word "document" is used herein, it is used in the most comprehensive and inclusive sense permitted by Rule 34 of the South Carolina Rules of Civil Procedure and means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

The use of the singular form of any word includes the plural and vice versa. Wherever in this audit request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage. The word "all" means all. The word "including" means "including without limitation."

IT IS THEREFORE REQUESTED:

- I. That all information shall be provided to ORS in the format requested.

- II. That all attestations be fully completed and signed by an officer of Santee Cooper.
- III. That all responses to the requests below be labeled using the same numbers as used herein.
- IV. That if any information requested has been previously provided to ORS, then that information will be noted as such along with the manner, format, and date the information was provided.
- V. That if information requested is found in other places or other exhibits, reference shall not be made to those; instead, that the information be reproduced and placed in the request in the appropriate numerical sequence.
- VI. That any inquiries or communications relating to questions concerning clarification of the information requested below should be directed to Michael Seaman-Huynh [803.737.0850] or Andrew M. Bateman [803.737.8440 (office) or 803.622.2469 (cell)] of ORS.
- VII. That this entire list of questions be reproduced and included in front of each set of responses.
- VIII. That each question be reproduced and placed in front of the response provided.
- IX. That unless otherwise specified the Company provide access to ORS via a password protected website.
- X. If the response to any request is that the information requested is not currently available, please state when the information requested will be available and provided to the ORS. This statement is not a waiver of the deadline for all other responses.
- XI. That one (1) pdf file containing all non-confidential responses be placed on the protected website. The pdf file shall contain one (1) file with all non-confidential responses (pdf combined and searchable) to the ORS questions.
- XII. That in addition to the signature and attestation at the close of the Company's responses, identify and provide the name, title, and contact information of the Company witness(es) or employee(s) or agent(s) responsible for the information contained in each response.
- XIII. This request shall be deemed to be continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.
- XIV. For information requested herein where the information is kept, maintained, or stored using spreadsheets, please provide electronic versions of the spreadsheets,

including the formulas used and embedded in the spreadsheet. Please provide pdf documents in searchable format.

DEFINITIONS

1. “Review Period.” The term “Review Period” is used herein to refer to the time parameters to which each monthly continuing request for information applies and is June 1, 2020 through June 30, 2020.
2. “Santee Cooper.” The term “Santee Cooper” is used herein to refer to the South Carolina Public Service Authority, including its employees, representatives, agents, subsidiaries, related entities, attorneys, officers, directors, and contractors.
3. “Central.” The term “Central” is used herein to refer to the Central Electric Power Cooperatives, Inc.
4. “Action.” The term “action” is used herein to refer to anything done or step taken by Santee Cooper.
5. “Santee Cooper Oversight Committee.” The term “Santee Cooper Oversight Committee” is used herein to refer to the committee established in Act 135, Section 11(C) that consist of the Governor, the President of the Senate, the Speaker of the House, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.
6. “Settlement of Cook v. Santee Cooper, et al.” The term “settlement of Cook v. Santee Cooper, et al,” and “Cook Settlement” are used herein to refer to the Settlement Agreement and Release entered into on March 17, 2020 by and between Dominion Energy South Carolina; Dominion Energy Southeast Services, Inc, SCANA Corporation; Gregory E. Aliff, James A. Bennett, John F.A.V. Cecil, Sharon A. Decker, Lynne M. Miller, James W. Roquemore, Alfredo Trujillo, Maceo K. Sloan, and James Micali; Kevin Marsh, Stephen Byrne, Jimmy Addison, Martin Phalen, Mark Cannon, Russell Harris, Ronald Lindsay; the South Carolina Public Service Authority; W. Leighton Lord, III, William A. Finn, Barry Wynn, Kristofer Clark, Merrell W. Floyd, J. Calhoun Land, IV, Stephen H. Mudge, Peggy H. Pinnell, Dan J. Ray, David F. Singleton, Jack F. Wolfe, Jr.; Lonnie N. Carter, William Marion Cherry, Jr., Michael. R. Crosby; Central Electric Power Cooperative, Inc.; Palmetto Electric Cooperative, Inc.; Jessica Cook, Corrin F. Bowers & Son, Cyril B. Rush, Jr., Bobby Bostick, Kyle Cook, Donna Jenkins, Chris Kolbe, and Ruth Ann Keffer.
7. “You” and “your.” The words “you” and “your” refer to Santee Cooper, the entity to which these requests are directed, including its directors, both past and present, agents, employees, representatives, successors, or any other person or entity acting for or purportedly acting on Santee Cooper’s behalf.

REQUESTS:

PARAGRAPH 1

- 1.1 Please provide a detailed description of any and all action(s) taken by Santee Cooper during the Review Period related to closing and decommissioning the Winyah Generating Station including, but not limited to, planning, permitting, and securing by purchase or lease one hundred megawatts of combustion turbines and minor transmission upgrades.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Purpose of action(s)
- d. Status of action(s) – designate as “on-going” or “completed”
- e. Status of consent from Central pursuant to the Coordination Agreement
- f. If applicable, identify and describe any and all changes from the prior Review Period
- g. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate. and that to the extent Santee Cooper is taking action for closing and decommissioning the Winyah Generating Station said action is necessary and subject to the consent of Central pursuant to the Power System Coordination and Integration Agreement (“Coordination Agreement”) between Santee Cooper and Central, as amended. I, _____, further attest that during Review Period Santee Cooper not begun constructing a natural gas combined cycle or other major generation resource.

Signature of Officer: _____

PARAGRAPH 2

- 1.2 Please provide a detailed description of any and all action(s) taken by Santee Cooper during the Review Period related to deploying up to 500 megawatts of new solar generation, within the structure described in the Santee Cooper Act 95 Reform Plan Appendix 8.2.4.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Status of consent from Central pursuant to the Coordination Agreement
- f. Copy of the Request for Proposal process including applicable deadlines for action(s)

- g. List of the successful bidders (Project ID) including, but not limited to, transmission interconnection, geographic location (county) of facility site, project capacity (MWac) and Levelized Energy Price.
- h. If applicable, identify and describe any and all changes from the prior Review Period
- i. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate and that, to the extent Santee Cooper has taken any action necessary to deploy 500 megawatts of new solar generation, said action is allowable within the structure in the Santee Cooper Act 95 Reform Plan Appendix 8.2.4 and said action occurred subject to the consent of Central pursuant to the Coordination Agreement.

Signature of Officer: _____

PARAGRAPH 3

- 1.3 Please provide a detailed description of any and all action(s) taken by Santee Cooper during the Review Period related to entering into operational efficiency and joint dispatch agreements with neighboring utilities for a period of up to one year, with annual renewals and reciprocal cancellation clauses thereafter.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Term of the agreement(s)
- f. Copy of the agreement(s)
- g. If applicable, identify and describe any and all changes from the prior Review Period
- h. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate and any and all operational efficiency and joint dispatch agreements with neighboring utilities into which Santee Cooper has entered during the Review Period do not exceed one year with annual renewals and reciprocal cancelation clauses thereafter.

Signature of Officer: _____

PARAGRAPH 4

- 1.4 Please provide a detailed description of any and all action(s) taken by Santee Cooper during the Review Period related to renegotiating existing and entering into new coal supply, transportation, and related agreements that produce savings and for terms not to exceed

five years or such longer period of time as may be approved by the Santee Cooper Oversight Committee.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Term of the agreement(s)
- f. Copy of the agreement(s)
- g. Please indicate what savings were realized as a result of the renegotiated or new agreement. Please provide the calculations to support the savings.
- h. If applicable, identify and describe any and all changes from the prior Review Period
- i. If the length exceeds five years, please provide documentation of approval by the Santee Cooper Oversight Committee.
- j. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate and that any and all coal supply, transportation and related agreements that Santee Cooper has renegotiated or into which Santee Cooper has entered produce savings and do not exceed five years or such longer period of time, as approved by the Santee Cooper Oversight Committee.

Signature of Officer: _____

PARAGRAPH 5

- 1.5 Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to entering into natural gas hedging arrangements for terms not to exceed five years, or such longer period of time as may be approved by the Santee Cooper Oversight Committee.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Term of the arrangement(s)
- f. Copy of the arrangement(s)
- g. Please indicate what savings were realized as a result of the arrangement. Please provide the calculations to support the savings.
- h. If the length exceeds five years, please provide documentation of approval by the Santee Cooper Oversight Committee.
- i. If applicable, identify and describe any and all changes from the prior Review Period

- j. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate and that Santee Cooper has not entered into any natural gas hedging arrangements for a term in excess of five years, unless otherwise approved by the Santee Cooper Oversight Committee.

Signature of Officer: _____

PARAGRAPH 6

- 1.6 Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to conducting the planning, permitting, engineering and feasibility studies to develop natural gas transportation and power transmission to ensure a reliable power supply.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Copy of the studies
- f. If applicable, identify and describe any and all changes from the prior Review Period
- g. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate.

Signature of Officer: _____

PARAGRAPH 7

- 1.7 Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to entering into purchase power arrangements needed for, but not in excess of, anticipated load for a term not to exceed the rate freeze period of the Cook Settlement, and supportive thereof;

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Term of the power purchase agreement(s)
- f. Copy any purchase power arrangement(s) entered into during the Review Period

- g. If applicable, identify and describe any and all changes from the prior Review Period
- h. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate and that Santee Cooper took no action prohibited by Act 135, which permits Santee Cooper to enter into purchase power arrangements needed for, and not in excess of, anticipated load for a term not to exceed the rate freeze period of the Cook Settlement and supportive thereof.

Signature of Officer: _____

PARAGRAPH 8

- 1.8 Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to defeasing debt, issuing or refunding debt under existing bond resolutions and agreements, and entering into financing arrangements consistent with existing bank facilities, all as necessary to manage day to day operations and financing needs, including converting variable rate debt to fixed rate debt.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Were the actions detailed above all taken as necessary to manage day-to-day operations and financing needs? Please explain.
- f. Did Santee Cooper refund existing debt? If yes, did the refund achieve present value savings or mitigate risk while also not extending the average life of the debt? Please explain.
- g. If existing debt is refunded, please provide the calculations and rationale that demonstrate the refund achieves present value savings or mitigates risk as required by Act 135.
- h. If existing debt is refunded, does it extend the average life of the debt? If yes, please identify how long is the extension and provide the calculation.
- i. If applicable, identify and describe any and all changes from the prior Review Period
- j. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate and that all steps taken by Santee Cooper to defease debt, issue or refund debt under existing bond resolutions and agreements, and enter into financing arrangements consistent with existing bank facilities, were done only as necessary to manage day-to-day operations and financing needs, including converting variable rate debt to fixed rate debt. I, _____, further attest that, to the extent Santee Cooper has refunded debt, it has

done so only to achieve present value savings or mitigate risk and did not extend the average life of the debt.

Signature of Officer: _____

PARAGRAPH 9

1.9 Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to resolving outstanding lawsuits and claims.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. If applicable, identify and describe any and all changes from the prior Review Period.
- f. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the information given in response to the above questions is full and accurate.

Signature of Officer: _____

PARAGRAPH 10

1.10 Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to taking whatever steps are prudent and consistent with good utility practice to address the impact of the COVID 19 pandemic.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Please explain how these actions were prudent and consistent with good utility practice.
- f. If applicable, identify and describe any and all changes from the prior Review Period
- g. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that the answers provided above are full and accurate and that all steps taken by Santee Cooper to address the impact of the COVID-19 pandemic were prudent and consistent with good utility practice.

Signature of Officer: _____

PARAGRAPH 11

1.11 Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to freezing rates as provided in the settlement of Cook v. Santee Cooper, et al.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. If applicable, identify and describe any and all changes from the prior Review Period
- f. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

ATTESTATION: For the Review Period I, _____, attest that Santee Cooper has not taken any action in contradiction of Act 135, Section 11(E)(11), which allows for the freezing of rates as provided in the settlement of Cook v. Santee Cooper, et al.

Signature of Officer: _____

OTHER REQUESTED INFORMATION

1.12 Please provide copies of the following documents that were published during the Review Period:

- a. Presentations given to the Board of Directors and any subcommittees
- b. Board of Directors Meeting Minutes
- c. EEMC Report
- d. Investor communications
- e. All releases to the media related to any of the actions undertaken by Santee Cooper related to Act 135 Section 11.

1.13 Please provide a list of all lawsuits and claims involving Santee Cooper including docket number, jurisdiction, relative parties and current status that were filed during the Review Period.

/s/Andrew M. Bateman
Andrew M. Bateman, Esquire
South Carolina Office of Regulatory Staff
1401 Main St., Ste. 900
Columbia, SC 29201
Phone: (803) 737-8440
Fax: (803) 737-0895
Email: abateman@ors.sc.gov

July 17, 2020

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 1
Request: 1.1

Please provide a detailed description of any and all action(s) taken by Santee Cooper during the Review Period related to closing and decommissioning the Winyah Generating Station including, but not limited to, planning, permitting, and securing by purchase or lease one hundred megawatts of combustion turbines and minor transmission upgrades.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Purpose of action(s)
- d. Status of action(s) – designate as “on-going” or “completed”
- e. Status of consent from Central pursuant to the Coordination Agreement
- f. If applicable, identify and describe any and all changes from the prior Review Period
- g. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
 Office of Regulatory Staff – Monthly Review of Santee Cooper
 Time Period: June 1 – 30, 2020
 PARAGRAPH 1
 Request: 1.1

Date	Description of Action	Purpose of Action	Status	Provided By
12-June	Held internal meeting to discuss siting and technology requirements and permitting processes for combustion turbines necessary for system support for the planned retirement of Winyah Generating Station. No actions were taken.	Internal Coordination	Completed	Jane Hood
Various	Provided input on sizing and location requirements for combustion turbines necessary for system support for the planned retirement of Winyah Generating Station. No actions were taken.	Internal Coordination	Completed	Chris Wagner
Various	Coordinated with Central personnel on system support needs due to the retirement of Winyah Generating Station.	External Coordination	On-going	Chris Wagner
Various	Work continued on the development of the Winyah Station Staffing Plan to address the need for fewer employees at Winyah Generating Station due to unit retirements. Progress metrics are under development. No actions were taken.	Internal Coordination	On-going	Tom Curtis
Various	Assessment of maintenance outage timing and scope was conducted for the fleet. Changes were made to accommodate accelerated removal of Winyah units from dispatchable service. Work to update the Planned Maintenance Outage schedule is in progress.	Internal Coordination	On-going	Tom Curtis

Provided by:

Name	Chris Wagner
Title	Director Transmission Planning
Phone	843-761-8000 x4947
Email	cmwagner@santecooper.com

Name	Jane Hood
Title	Senior Director Environmental and Water Systems
Phone	843-761-7042
Email	jhood@santecooper.com

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1 – 30, 2020
PARAGRAPH 1
Request: 1.1

Name	Tommy Curtis
Title	Chief Generation Officer
Phone	843-761-4134
Email	tbcurtis@santeecooper.com

Reference Documents

None

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 1
Request: 1.1

ATTESTATION: For the Review Period I, Charles B. Duckworth, attest that the answers provided above are full and accurate. and that to the extent Santee Cooper is taking action for closing and decommissioning the Winyah Generating Station said action is necessary and subject to the consent of Central pursuant to the Power System Coordination and Integration Agreement (“Coordination Agreement”) between Santee Cooper and Central, as amended. I, Charles B. Duckworth, further attest that during Review Period Santee Cooper not begun constructing a natural gas combined cycle or other major generation resource.

Signature of Officer: Charles B. Duckworth Digitally signed by Charles B. Duckworth
Date: 2020.07.30 12:18:46 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 2
Request: 1.2

Please provide a detailed description of any and all action(s) taken by Santee Cooper during the Review Period related to deploying up to 500 megawatts of new solar generation, within the structure described in the Santee Cooper Act 95 Reform Plan Appendix 8.2.4.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Purpose of action(s)
- d. Status of action(s) – designate as “on-going” or “completed”
- e. Status of consent from Central pursuant to the Coordination Agreement
- f. Copy of the Request for Proposal process including applicable deadlines for action(s)
- g. List of the successful bidders (Project ID) including, but not limited to, transmission interconnection, geographic location (county) of facility site, project capacity (MWac) and Levelized Energy Price.
- h. If applicable, identify and describe any and all changes from the prior Review Period
- i. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
 Office of Regulatory Staff – Monthly Review of Santee Cooper
 Time Period: June 1-30, 2020
 PARAGRAPH 2
 Request: 1.2

Date	Description of Action	Purpose of Action	Status
2-Jun	Call with Central to review Solar RFP draft	Finalize RFP	Completed
5-Jun	Following Central's sign-off RFP sent to developers of solar projects on June 5. No changes were made to the RFP provided in the response to RFP #1 (May 18-31). Responses are due July 30.	Publish RFP	Completed
Various Dates	Questions submitted by bidders to nFront Consulting. Responses were drafted and reviewed with Central before being provided to bidders.	Provide bidders	On-going
Various Dates	NDA's executed with select bidders when requested.	Ensure confidentiality	On-going

Provided by:

Name	Rahul Dembla
Title	Senior Director, Resource and Financial Planning
Phone	917-822-7211
Email	Rahul.dembla@santecooper.com

Reference Documents

Final RFP – Santee Cooper Solar RFP 2020-06-05.pdf
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REQUEST FOR PROPOSALS (“RFP”) FOR SOLAR POWER

Santee Cooper

**Solar Power RFP
RFP 2020-01
June 5, 2020**

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Santee Cooper
Request for Proposals (“RFP”)
Solar Power RFP
RFP 2020-01
June 5, 2020

Overview

The South Carolina Public Service Authority, also referred to as the Authority or Santee Cooper, seeks written proposals from qualified suppliers of electric energy produced from photovoltaic (PV) solar resources (“RFP Process”). Santee Cooper anticipates one or more power purchase agreements (“PPAs”) will be executed by Santee Cooper and Respondents through this RFP process. Central Electric Power Cooperative, Inc. (“Central”) will participate in the evaluation of responses received, identification of most attractive Submittals, and potentially may also choose to become a counterparty to one or more PPAs through this RFP process.

Below is a listing of certain information presented in this RFP. Respondents are referred to the entire RFP, and any supplemental information distributed after RFP issuance, for complete information.

1. Beginning in October 2019, Santee Cooper began the current procurement process by conducting an RFI process open to all suppliers of solar energy. Notification of the process was provided to a broad list of industry participants approaching 150 in number. Of those, almost 50 requested Santee Cooper’s RFI. Santee Cooper is now continuing the initial procurement process by issuing this RFP. Santee Cooper anticipates conducting subsequent solar procurement processes which will be open to any qualified supplier of solar energy produced from PV resources as was the case with Santee Cooper’s current process beginning with the RFI.
2. The current resource plan for service of Santee Cooper’s customers includes addition of up to 1,000 MWac of solar capability in aggregate to be placed into service by 2024 and an additional 500 MWac by 2031¹.
3. This RFP solicits proposals to sell output and other attributes from PV solar projects having a total capability² to produce energy during peak solar conditions, or installed capability, of up to 500 MWac.
4. The total installed capability placed under contract through this RFP is expected to be sourced from multiple solar projects, located at geographically diverse sites, with each project having an installed capability in the range of 25 MWac to 125 MWac.
5. PPAs between seller and buyer will obligate seller, without limitation, to plan, finance, implement in all respects, operate, maintain, insure, and retire the solar project, bear all costs with respect thereto, and deliver agreed upon output and all other project attributes, other than tax incentives, to buyer over an agreed upon 15 to 25 year contract term;
6. PPAs will entitle buyer to receive available output and all other attributes of the project, other than tax incentives, and obligate buyer to make payments to seller based solely on the attributes received; and

¹ As discussed below, Santee Cooper is currently updating its resource plan, which may result in changes in these amounts and dates.

² “Capability” as used herein refers to the amount of energy in MWac that would be produced from a PV solar project under peak solar conditions. “Installed capability” refers to capability before degradation.

Santee Cooper
Request for Proposals (“RFP”)
Solar Power RFP
RFP 2020-01
June 5, 2020

7. Santee Cooper anticipates PPAs will be developed and executed with one or more Respondents to this RFP but reserves the right to reject any or all Submittals.

To be considered, Respondents must submit their questions pertaining to this RFP by email no later than 2 pm EDT on July 13, 2020, submit their Submittals by email no later than 2 pm EDT on July 30, 2020, and meet other requirements specified in the RFP.

All communications regarding this RFP must be directed solely to contacts designated in this RFP. Contacts regarding this RFP with Santee Cooper’s or Central’s Board members, other employees, and representatives may result in disqualification.

Introduction

Santee Cooper is a component unit of the State of South Carolina (the “State”), created by the State in 1934 for the purpose of providing and aiding interstate commerce, navigation, electric power, and wholesale water to the people of South Carolina.

Santee Cooper is the state's largest power provider, supplying power for 2 million South Carolinians. Santee Cooper serves more than 187,700 retail customers in Berkeley, Georgetown, and Horry counties. Santee Cooper also serves 27 large industrial facilities, and two municipal electric systems, the cities of Bamberg and Georgetown. Santee Cooper generates power provided to Central Electric Power Cooperative, Inc. (“Central”) and distributed by the state's 20 electric cooperatives to more than 821,000 customers in all 46 counties.

The Authority’s electric assets include wholly owned and ownership interests in a variety of coal, natural gas, nuclear, hydro, biomass, landfill, and solar generating units totaling 5,112 megawatts (MW) based on peak output ratings under summer conditions.

The Authority also operates an integrated transmission system network (the “Integrated Transmission Network”), which includes transmission facilities owned by Santee Cooper and Central.

Santee Cooper’s credit ratings³ are investment grade as follows:

- Moody’s – Revenue bond rating – A2
- S&P Global Ratings – A
- Fitch Ratings – A-

Central’s credit rating is investment grade as follows:

- S&P Global Ratings – A+

On May 22, 2019, the Governor of South Carolina signed Act 95 into law, which directed the Department of Administration (“DOA”) to establish a process to conduct a competitive bidding process for the sale of some or all of Santee Cooper and to receive management proposals for Santee

³ Please see: <https://www.santeecooper.com/About/Investors/Index.aspx> for more information concerning Santee Cooper’s credit ratings.

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Cooper (“Act 95 Process”). In early March 2020, all bids to acquire and manage Santee Cooper were rejected by the State legislature. On May 18, 2020, continuing legislation was passed authorizing Santee Cooper, among other actions, to procure up to 500 MW of solar power, working in coordination with Central.⁴

Plans to Add Solar Capability

The resource plan developed by Santee Cooper in 2019 includes addition of 1,000 MWac of installed solar capability sourced from multiple projects, in diverse geographic locations, to be placed into service by 2024 with each project having an installed capability in the range of 25 MWac to 125 MWac. The plan also includes an additional 500 MWac of solar capability to be added by 2031.

Santee Cooper is currently evaluating potential updates to the plan prepared in 2019 and, therefore, the amounts of solar capability included its resource plan may change. Santee Cooper does not expect the resource plan update to impact this RFP process.

Solar capability is included in the resource plan to provide energy to the system at a known price as a hedge against higher potential costs of fuel, carbon legislation, future renewable standards, or other regulatory changes aimed at reducing carbon or other emissions. Solar capability is also included as part of an overall strategy to reduce carbon and other emissions. Santee Cooper has not included solar capability in its plan for the purpose of reliably serving load in peak demand periods.⁵

Requests for Proposals

Santee Cooper seeks binding proposals to sell all, or a specified share of, electrical energy and all other attributes, except for tax incentives, from a photovoltaic solar project under one or more long-term power purchase agreements, or PPAs.

Santee Cooper anticipates up to 500 MW of solar capability may be procured through this RFP. Key provisions of PPAs are discussed below under “PPA Preferences and Requirements.”

RFP Submittal Requirements

Respondents are required to include with their RFP Submittal a completed and signed copy of the Notice of RFP Procedure, RFP Form 1, in acknowledgment of their understanding and acceptance of the provisions of this RFP for evaluating responses and finalizing PPAs.

Each RFP Submittal may contain any information Respondent chooses to provide regarding its Submittal but must contain at least the following information organized in sections (or appendices) as noted.

Section 1: **Team Members** – This Section should identify each team member participating in the RFP Submittal and/or expected to participate in fulfilling obligations of the seller under

⁴ The referenced legislation can be accessed at: https://www.scstatehouse.gov/sess123_2019-2020/bills/3411.htm

⁵ Santee Cooper’s need for generation capacity is driven primarily by its winter peak demand.

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the PPA. This section should identify the anticipated role of each team member in the planning, ownership, development, operation, and maintenance of the project.

Section 2: **Demonstrated Experience** – This section should list projects that demonstrate experience of Respondent’s project team⁶ with design, construction, development, financing, operation, and maintenance of utility scale solar projects of 25 MWac or greater. More specifically, this section should include, separately, for each project team member, projects that demonstrate that project team member’s experience in fulfilling the role of the team member in the Respondent’s Submittal, whether the project is under development or in service, the size of the project in terms of installed capability in MWac, actual and planned date of commercial operation, and county and state in which each project is or will be located. To be responsive, information Respondent provides in Section 2 should demonstrate experience level of each key member of Respondent’s project development and operations team. For each organization involved the project team, please provide information that demonstrates the experience of each senior that would lead the organization’s project activities. Information concerning lead personnel is particularly important for relatively new organizations.

Section 3: **Proposed Term Sheet and Proposed PPA** - This section should include a completed Term Sheet (Form 2) for each project and a listing of exceptions⁷ to the Standard PPA Form to be provided to prospective Respondents as RFP Addendum 1. As used in the RFP, the term “Proposed PPA” shall refer to the Term Sheet and Standard PPA Form, as modified by the list of exceptions provided by Respondent.

Section 4: **Project Information** - This section should provide information regarding the project(s) on which Respondent’s Submittal are based. This section of Respondent’s Submittal should provide the information specified on RFP Form 3.

Each RFP Submittal must be signed by Respondent’s authorized representative. Sections 3 and 4 should be provided for each project included in Respondent’s Submittal.

Santee Cooper plans to evaluate and rank Respondents based on the information contained in the RFP Submittal. However, Santee Cooper may undertake written or oral communications with responsible Respondents to better understand or request information regarding variances on or exceptions to the projects and PPA terms and conditions included in the Respondent’s RFP Submittal. Respondents contacted by Santee Cooper through this communications process may be afforded the opportunity to update their RFP Submittals to reflect those communications.

⁶ As used herein, “Respondent’s project team” is used to include Respondent’s organization and any other organizations anticipated to participate in developing, operating, and maintaining the projects on which Respondent’s Submittal is based. We understand that in many if not most, cases, Respondent may be a single organization.

⁷ Respondents may provide a red-lined copy of the Standard PPA Form in lieu of a list of exceptions.

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Santee Cooper reserves the right to complete its evaluation of a Respondent’s RFP Submittal without discussion with Respondent.

Submittal Duration

The terms and conditions proposed in an RFP Submittal, including without limitation provisions of the Proposed PPA, shall remain in effect and be valid until at least February 1, 2021, unless superseded by an executed PPA or Respondent’s Submittal is rejected in writing.

Communications and RFP Submittal Protocol

Santee Cooper reserves the right to disqualify from further consideration any Respondent that violates the communications and RFP Submittal protocol set forth in this section of the RFP.

Respondents are required to confine all communication related to this RFP exclusively to the contact persons specified below and any other representatives designated in writing by those contact persons during the following periods of time:

- For Respondents not selected for PPA negotiations, from the date this RFP is published until the date on which a notice of rejection of the Respondent’s RFP Submittal or other notice of cessation of the RFP process is made; and
- For Respondents selected for PPA negotiations, from the date this RFP is published until the date Respondent executes a PPA or is notified by Santee Cooper of termination of PPA negotiations.

Unless authorized in advance, no contact related to the RFP will be permitted between a Respondent, its employees, representatives, or affiliates and any board member, officer, official, director, employee or other representative of Santee Cooper or central other than the designated contacts during the above periods.

Santee Cooper has retained nFront Consulting as its consultant during this RFP process, and unless and until notified by Santee Cooper in writing to the contrary, nFront Consulting will coordinate communications with Respondents and take such other actions as are approved by Santee Cooper and Central with respect to the administration of this RFP.

All questions regarding this RFP, technical or otherwise, should be submitted electronically by e-mail in accordance with the RFP Schedule below to the following Contacts.

Subject: Santee Cooper Solar RFP 2020-1

Contact names and email addresses:

Glenda Horne
solarRFP@santeecooper.com

John F. Painter
JohnPainter@nFrontConsulting.com

Only responses provided in writing by one of the above-designated contacts will be considered official. Typically, all responses will be provided by nFront Consulting. A verbal response will not be considered

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an official response. Responses to questions determined by Santee Cooper, in its sole discretion, to be applicable to the RFP process in general and all published addenda will be provided to all persons who request the RFP and to potential Respondents to whom this RFP has been distributed. Questions, answers, and addenda will be communicated only in electronic form.

Each Respondent is required to include in its RFP Submittal all information identified under the heading **RFP Submittal Requirements** and may provide or be asked to provide additional information and explanation to supplement the requested information.

Each RFP Submittal must be delivered by email to the following addresses by the date shown below under the heading RFP Schedule.

Subject: Santee Cooper Solar RFP 2020-1

Contact names and email addresses:

Glenda Horne
solarRFP@santeecooper.com

John F. Painter
JohnPainter@nFrontConsulting.com

Completed and signed originals of the RFP Submittal with all supporting materials must be delivered to the following addresses by the time and date shown below under the heading **RFP Schedule**.

Subject: Santee Cooper Solar RFP 2020-1

Contact names and shipping addresses:

Glenda Horne
Santee Cooper
1 Riverwood Drive
Moncks Corner, SC 29461

John F. Painter
nFront Consulting LLC
2465 Southern Hills Ct
Oviedo, FL 32765

Failure to submit complete, signed RFP Submittals by the times specified below may be a basis for disqualification of the Respondent.

RFP Schedule

The timetable for this RFP process is shown below. The dates and times set forth below may be changed at any time at the discretion of Santee Cooper and Central. All deadlines for submittals due from Respondents are specified in Eastern Daylight Time (“EDT”).

Milestone	Due Date
RFP Published	6/5/2020

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Milestone	Due Date
RFP Addendum 1 – Standard PPA Form Published	6/17/2020
Last date for Respondents to submit questions regarding the RFP to assure a response	7/13/2020 by 2 pm EDT
Date by which responses will be provided by Santee Cooper to questions submitted by the due date above:	7/20/2020 by 5 PM EDT
RFP Submittal Delivered <ul style="list-style-type: none"> • By Email • Delivery of Original Copy 	7/30/2020 by 2 pm EDT 8/4/2019 by 5 pm EDT

RFP Process and Outcomes

Santee Cooper anticipates negotiating and finalizing PPA terms and conditions with a limited number of RFP Respondents which present information regarding experience, project plans, and pricing and other PPA terms that, in Santee Cooper’s sole judgment, best meet the needs and objectives of Santee Cooper and its customers. Santee Cooper anticipates the PPA finalization process will occur between mid-September and mid-November 2020.

Santee Cooper also reserves the right to:

1. Not disclose information which Santee Cooper has determined may be confidential or may be subject to a non-disclosure or confidentiality agreement with any other Respondent;
2. Not reject any Submittals until parties with which PPAs are to be finalized have been identified;
3. Reject any, or all, RFP Submittals;
4. Waive irregularities, omissions, requirements, and formalities with respect to any RFP Submittal;
5. Request clarifications from a Respondent at any time;
6. Amend this RFP at any time;
7. Cease discussions with any or all Respondents at any time;
8. Set deadlines for completing finalization of a PPA;

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9. Reject the RFP Submission by any Respondent during the RFP process for withdrawing information contained in its RFP Submittal; and
10. As provided in Santee Cooper’s RFI of October 15, 2019, reject RFP Submittals that include higher energy prices than provided in the party’s RFI Submittal not justified, in Santee Cooper’s sole judgement, by changes beyond control of the Respondent.

Confidentiality of Information

The Respondents acknowledge that as a state agency Santee Cooper is subject to the South Carolina Freedom of Information Act. Upon receipt of a request for information under the Freedom of Information Act, Santee Cooper shall give written notice of same to the Respondent prior to the date of compliance with such request, at which time Santee Cooper or Respondent, or both, may pursue all legal or equitable remedies available to limit disclosure of such Confidential Information. However, Santee Cooper will disclose such portions of Confidential Information that it determines it is required to do so under the Freedom of Information Act.

In connection with receiving RFP Submittals, it may be necessary for Respondents to disclose to Santee Cooper certain information which Respondents regard as confidential, including but not limited to, pricing and other commercially sensitive information. Upon request of a Respondent, Santee Cooper and Central are amenable to entering into an acceptable non-disclosure agreement (NDA). The form of an acceptable NDA is attached hereto as RFP Form 4.

Project and Interconnection Preferences and Requirements

Santee Cooper seeks Submittals based on projects having the following characteristics.

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Project and Interconnection Preferences and Requirements	
Required Technology	Solar Photovoltaic
Preferred Project Capability Range	25 to 125 MWac at each project site proposed
Initial Power Delivery Date⁸ and Delivery Term Preferences	<p>Santee Cooper prefers proposals for which Initial Power Delivery Dates are not later than January 1, 2024.</p> <p>The initial power delivery term proposed may range from approximately 15 years but not longer than 25 years in duration.</p> <p>Multiple delivery terms may be proposed (e.g., 15-year, 20-year, or 25-year). Respondents are required to provide specific energy pricing Submittals for each PPA term proposed.</p>

⁸ Used to denote the date on which buyer would be first obligated to take energy from the project and seller first obligated to have the project in commercial operational status.

Project and Interconnection Preferences and Requirements	
Interconnection and Delivery Requirements and Preferences	<p>Santee Cooper prefers projects interconnected to the Integrated Transmission Network.</p> <p>Seller will be obligated to make timely arrangements for and bear all costs of interconnecting the Project.</p> <p>Should a Project be located such that output must be transmitted to the Santee Cooper portion of the Integrated Transmission Network, seller will be solely obligated to make timely arrangements for, and bear all costs of, delivering output from the project to the Integrated Transmission Network, including, without limitation, arrangements for and costs of (i) firm transmission service to be purchased from others or (ii) use of facilities owned by Central</p> <ul style="list-style-type: none"> • Respondents would not incur transmission service charges to deliver output of resources interconnected with Santee Cooper-owned portions of the Integrated Transmission Network to loads on the Combined Central-Santee Cooper system. • Santee Cooper expects Respondents would incur facilities charges for resources interconnected with facilities owned by Central and would incur transmission service charges for resources interconnected with other transmission systems (e.g., the Southern Company, Duke Power or Dominion South Carolina transmission systems). • Location of resources on load side of Santee Cooper’s or Central’s transmission facilities will not result in avoidance of transmission service or transmission facilities charges. <p>Prices stated in Submittals must be applied to energy amounts delivered, or available to be delivered, to the Santee Cooper portion of the Integrated Transmission Network to determine charges to buyer for energy under the PPA.</p>

Project and Interconnection Preferences and Requirements	
Required OATT Compliance	<p>Respondent must take those actions, required by Attachment M of Santee Cooper Open Access Transmission Tariff (relating to standard large generator interconnection procedures), to connect its facility to the Integrated Transmission Network.</p> <p>Respondent’s project must meet requirements of the OATT to qualify as a network resource for use by Santee Cooper in serving loads of its wholesale and retail customers.</p>
Project Status	Santee Cooper will consider PPAs for output from existing and proposed projects.
Preferred Location	Santee Cooper’s preference is for Projects to be in South Carolina. Santee Cooper will consider the economic benefits and reliability impacts associated with the location of each proposed project.
New Project Development Status	Santee Cooper requires Respondents to demonstrate in their RFP Submittals a clear project development plan with all critical milestones scheduled to achieve the Initial Power Delivery Date as planned by the developer. The project development plan must identify the status of each milestone and key uncertainties that may impact achieving the milestone as scheduled. Santee Cooper reserves the right to reject any RFP Submittal based on a determination in Santee Cooper’s sole judgement that the project development plan submitted is not likely to achieve project completion by the planned Initial Power Delivery Date. Please see Form 3 attached to this RFP for more detail regarding information to be included in the Submittal.

PPA Preferences and Requirements

This section summarizes preferences and requirements pertaining to the terms of Proposed PPAs. Respondents also should refer to the Standard PPA Form to be provided as Addendum 1 to the RFP for more detailed information. Should a conflict existing between this section of the RFP and the Standard PPA Form, the Standard PPA Form will control.

1. Seller would assume responsibility for all costs incurred over the life of the project, including without limitation, all costs of land acquisition or lease, planning, siting, permitting, zoning, changes, necessary site infrastructure, design, equipment acquisition, construction,

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development, management, interconnection, financing, operation, site use of electricity, water and sewer services, maintenance, decommissioning, and all local, state, and federal income, property and other taxes pertaining to the project. Proposed pricing is expected to reflect that seller bears all costs of the project over its life unless Respondent specifically states otherwise.

2. Seller would, without limitation, be responsible to plan, finance, implement in all respects, operate, maintain, insure, and retire the solar projects as required to deliver agreed upon output and other attributes over the agreed upon term of the PPA. Other finance, ownership, operation, and maintenance options may be explored with potential counterparties based on alternative Submittals submitted by Respondent or developed as PPA terms and conditions are finalized.
3. Buyer would be entitled to all, or a specific pro rata share of, energy available from the project in each hour, and any, and all, environmental, ancillary, renewable, and other attributes of the project, except for tax incentives, including but not limited to renewable energy credits, green tags, greenhouse gas or carbon credits, and any other emissions attributes. Buyer’s rights to its share of project attributes would be on a first call or pro rata share basis. PPA terms that provide for buyer’s rights to attributes to be secondary to rights of any other party would not be accepted.
4. Seller would be responsible to supply the site for the project and understand, account for, and comply with applicable interconnection requirements of the owner of the electric transmission system to which the project would be interconnected. Respondents may provide an estimated price reduction if Santee Cooper provides a suitable site for the facility and/or provides interconnection facilities as an alternative for Santee Cooper’s consideration.
5. Buyer specifically would not be responsible for, and would be indemnified against any, and all, project-related costs over the life of the project except for costs, if any, that the PPA specifically assigns to buyer.
6. PPAs would include expectations and limitations on degradation of the capability of the project to provide energy to buyer for each year of the term of the PPA. PPA provisions would identify key component replacement and renewal schedules and anticipated impacts of renewals and replacements on the capability of the project to produce energy.
7. PPAs would provide the only basis for charges to buyer would be an energy charge computed as the product of an energy price⁹ expressed on a \$/MWh basis and the MWhs of energy supplied or made available to buyer at a point of delivery on the Integrated Transmission Network.
8. Energy prices would either be:

⁹ The energy price may have a one or more components.

- a. Fixed for the entire term or specified for each year or for certain periods within the term of the PPA (e.g., by year or multi-year periods); or
 - b. Specified for a base year or base period and then escalated for subsequent years at a fixed annual percentage.
9. PPAs would provide for buyer to take and pay for energy as and if available from the project, any scheduling or dispatch flexibility available to buyer, and costs or charges associated with buyer exercising any rights to schedule, or take less than, its share of output available from the project.
 10. PPAs would provide for buyer to have first rights to energy and attributes available from the project up to buyer’s pro rata share of the project’s planned capability and a first right, but not obligation, to take energy produced from the project in excess of the planned capability of the project.
 11. PPAs will provide for seller to bear all risks, financial and otherwise, associated with eligibility to receive (i) production and investment tax credits or qualify for accelerated depreciation; and (ii) a FILOT pursuant to agreement with the South Carolina Department of Revenue. More generally, Seller would retain rights to any tax incentives of the project and bear all risk that seller would not receive anticipated tax incentives.

Santee Cooper may find it valuable to include PPA provisions under which Santee Cooper would have rights, but not obligations, to modify the amount of installed capability to be developed, extend the transaction beyond the initial term, or acquire ownership of the project during its life. Parties are encouraged to enhance their Submittals by providing alternatives for consideration in these areas.

Evaluation of RFP Submittals

RFP Submittals will be analyzed quantitatively and qualitatively considering the following factors.

1. Costs to buyer incurred under the PPA and the proposed project’s impact on buyer’s net costs of power;
2. Demonstrated experience of Respondent in planning, developing, operating, and maintaining similar projects;
3. Respondent’s credit rating, bonding capabilities, commitments to provide letters of credit when required, and other creditworthiness considerations;
4. Creditworthiness;
5. Location of proposed projects and impact of location on Santee Cooper’s costs, operations, and risks;
6. Flexibility and optionality anticipated to be afforded to buyer;
7. Uncertainties concerning transmission and interconnection arrangements;

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8. Uncertainties and guarantees concerning performance and availability as proposed, including permitting and other risks; and
9. Uncertainties and guarantees concerning commencement of the transaction in a timely fashion.

Projections of a project’s impact on buyer’s net costs of power may consider, but not be limited to, the following factors:

1. Proposed charges for energy and any other proposed or potential charges to buyer or costs to be directly borne by buyer;
2. Profile of energy anticipated to be available from Respondent’s project; and
3. Impacts of the proposed purchase on costs of energy supplied from other resources (e.g., reductions in costs of supplying energy from other Santee Cooper resources, costs of cycling other resources, and changes in costs of operating reserves and other ancillary services).

Evaluation of an RFP Submittal also is expected to or may qualitatively and/or quantitatively consider:

1. Flexibility and optionality that may be provided to buyer, both contractually and operationally; and
2. Potential differences in reliability and ability of proposed projects to withstand extreme weather conditions.

Evaluations will be based on information provided in the RFP Submittal regarding: entitlements to energy and other attributes; energy pricing and other cost responsibility of buyer; scheduling, constraints, flexibility, and charges; expected availability of energy; completion, milestone, and energy availability guarantees; and delivery point(s) proposed.

Santee Cooper and Central, in their discretion, may make assumptions regarding future fuel costs, market prices, economic conditions, index levels, and costs of environmental compliance requirements in performing the evaluation. Santee Cooper and Central reserve the right to make all decisions and judgments as to the assessment of all RFP Submittals, the appropriate assumptions to be used for the assessment, and the priority and weight to be given to each factor.

Alternative Approaches and Options

Respondents are encouraged to submit alternatives outside of the specific requirements or preferences set forth in this RFP, particularly where these alternatives offered can provide measurable benefits to the buyer. However, Santee Cooper and Central, in their discretion, reserve the right to not consider alternatives submitted that deviate from stated requirements or preferences.

Santee Cooper is predominantly interested in options that will supply Santee Cooper with solar power at the lowest possible cost. However, Santee Cooper will accept and consider options from Respondents designed to provide additional flexibility to schedule output from the proposed solar facility(ies) and reduce risks.

For example, options could include facilities, as applicable, and pricing for:

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1. approaches that provide increased flexibility for buyer to curtail¹⁰ or schedule solar facility production, included but not limited to integrated energy storage devices; and
2. flexible utility dispatch of solar facilities and inverter operations to provide system balancing and other operating services.

Information pertaining to any options should include a full description of (i) the operating and/or scheduling flexibility being offered; (ii) impacts on pricing arrangements; and (iii) a full description of real-time and period operating advantages and limitations.

Respondents should include responses to this portion of the RFP as alternatives to, not as a replacement for, Submittals to provide solar power at the most attractive cost.

Also, as noted under **PPA Preferences and Requirements** above, Respondents are asked to provide alternative proposals under which buyer would have rights, but not obligations, to:

- Provide a suitable site for the facility with or without interconnection facilities; and
- Modify the amount of installed capability to be developed,
- Extend the transaction beyond the initial term, or
- Acquire ownership of the project during its life.

Other Requirements and Provisions of the RFP

By submitting a Submittal under this RFP, Respondent certifies that it has not divulged, discussed, or compared its Submittal with other Respondents and has not colluded whatsoever with any other Respondent or parties with respect to its Submittal.

Each Submittal will be prepared at the sole cost and expense of the Respondent and with the express understanding that the Respondent has no claims whatsoever for reimbursement from Santee Cooper or Central.

Respondent shall bear all costs and expenses of any response in connection with its Submittal, including providing additional information, and costs of finalizing PPAs and reviewing any documentation.

Santee Cooper, or any Board member, officer, employee, agent or representative of any of them, and Central, its Members, or any trustee, officer, employee, agent or representative of any of them, shall not be liable for any costs incurred by Respondents in responding to this RFP, or for any damages arising out of or relating to any modification or withdrawal of this RFP, rejection of any Submittal, Respondent’s reliance upon any communication received from Santee Cooper or Central, failure to enter into an agreement, or for any other reason relating to or arising out of this RFP. In no event will

¹⁰ Santee Cooper anticipates buyer will have rights under the PPA to curtail output by notification to seller See paragraph 9 under PPA Preferences and Requirements above.

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Santee Cooper or Central be liable for any damages incurred by any party relying upon any action or statement by Santee Cooper, Central or any of its members in connection with this RFP.

Any PPA developed through this RFP process shall be subject to approval of Santee Cooper’s Board of Directors and/or Central’s Board of Trustees and may be subject to other regulatory oversight and approvals.

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Form 1: RFP Procedure

Form 1: RFP Procedure

The undersigned Respondent, having read and examined the RFP, hereby acknowledges that the RFP process is to be conducted as described in the RFP.

Written or oral discussions may be conducted with responsible Respondents after RFP Submittals are received by Santee Cooper. A determination may be made based on evaluation of RFP Submittals to finalize PPA terms with certain Respondents. As a result of questions posed and during the process of finalizing PPA terms, the Respondent involved may choose to modify proposed project plans, information included in its RFP Submittal, or PPA terms and conditions. Evaluation of a Respondent’s RFP Submittal may be completed without discussions based solely on the information included in the RFP.

Respondents are required to comply with the communications and submission protocols specified in this RFP.

All RFP Submittals are subject to all other specifications and requirements provided for in this RFP.

Santee Cooper has the right to terminate this RFP process, including without limitation any negotiations without any liability to the undersigned respondent. Neither Santee Cooper nor Central shall have any binding obligation to purchase energy or any other attributes from Respondent unless and until the Respondent and Santee Cooper or Central has duly executed a PPA, and then, such obligations shall be subject to any conditions contained in the PPA.

Name of Company	_____
Authorized Signature	_____
Printed Name	_____
Title	_____
Date	_____

Respondent’s Designated Contact

(Person authorized to respond to questions or engage in communications concerning Respondent’s RFP Submittal)

Printed Name	_____
Title	_____
Phone:	_____
Email:	_____
Shipping Address:	_____
Mailing Address:	_____

Form 2: Term Sheet

Respondents are required to provide the essential elements of a Term Sheet as requested in this RFP Form 2 in addition to providing proposed exceptions, if any, to the Standard PPA Form and other experience and project information.

With respect to the following topics, please include at least the level of detail normally included in a proposed Term Sheet.

Item	Provision/description
1. Buyer(s)	Santee Cooper and/or Central
2. Anticipated Seller	
3. Credit Support Approach (Described and document anticipated Seller's or Parental Entity's credit ratings and whether its anticipated credit support would be provided through parental guarantees or letters of credit)	
4. Product Description	
5. Attributes to be sold	
6. Term of Agreement	
7. Conditions Precedent to Seller's Obligations	
8. Installed Capability Amount and Capability Offered for Sale to Buyer (MWac)	

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Form 2: Term Sheet

Item	Provision/description
9. Anticipated Degradation	
10. Flexibility of Buyer to Adjust Planned Installed Capability Amount During PPA Negotiations	
11. Energy Price - Single Project <ul style="list-style-type: none"> a. Price by Component b. Escalation, if any 	
12. Pricing for Multiple Projects Indicate pricing if Respondent is selected to provide multiple projects and PPAs	
13. Pricing-related Contingencies if any Clearly indicate any conditions that pertain to the pricing Submittals set forth in Sections 11 or 12 above.	
14. Santee Cooper provided Sites or Interconnections, if Applicable Proposed price reduction if Santee Cooper provides a suitable site for the facility and/or interconnection facilities. Specify key site requirements	
15. Other Charges if Any	
16. PPA Delivery Point	

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Form 2: Term Sheet

Item	Provision/description
17. Project Interconnection Point	
18. Arrangements for Transmitting Power from the Point of Interconnection to the Delivery Point, if Applicable	
19. Scheduling Flexibility Normal flexibility and options for flexible operation and scheduling of the proposed solar facility(ies)	
20. Project Completion Guarantees Offered	
21. Availability Guarantees Offered	
22. Pricing, Notice and Other Provisions 1 Pertaining to any proposed option for Santee Cooper to extend the term of the transaction beyond the initial term	
23. Pricing, Notice and Other Provisions 2 Pertaining to any proposed option for Santee Cooper to assume ownership of the project during its life	

Form 3: Project Description and Data

Form 3: Project Description and Information

The information requested on this Form 3 should be provided for each specific project proposed by Respondent.

Respondents are encouraged to provide as much of the information requested below as possible by supplying PVSYST reports or reports from other comparable software. The format of the request below is not intended to specify a specific format to be used to supply the information requested.

Project Description

Respondent should identify the proposed site(s) on which each price proposal has been based. Respondent should describe key components expected to be used for potential project(s), specifying anticipated technology for each major component. RFP Submittals should provide the information listed below.

1. Location (including latitude and longitude);
2. Physical site acreage;
3. Other key physical characteristics;
4. Required electric transmission interconnection facilities, including required transmission facilities ratings and voltage of interconnection;
5. Description of photovoltaic modules to be used for the project, including PV technology, manufacturer, power ratings, conversion efficiency, warranties, and guaranteed maximum degradation;
6. Description of racking and tracking apparatus, including technology, manufacturer, orientation and tilt, and any unique operating characteristics, such as back-tracking;
7. Description of inverters, including technology, manufacturer, efficiency, guaranteed availability and performance, and any unique operating characteristics, such as ability to provide electric system voltage or VAR support;
8. Description of the total project site performance, including total installed PV module capability (maximum DC rating), total inverter capability (maximum input DC and maximum output AC ratings), and total project capability to provide output to the point of interconnection of the project with the electric transmission system (maximum coincident AC rating and voltage) and if different to the point of delivery on Santee Cooper's transmission system; and
9. Project's proposed or preliminary site plan showing the site location and footprint, point of interconnection), array configuration including equipment positions, one-line, showing both DC and AC systems, and other infrastructure.

Project Development Plan and Schedule

If the project is not existing, Respondent is required to provide a development plan and schedule. For each major task listed below, the development plan must explain status, descriptions of key sub-tasks and processes involved, and key uncertainties.

Form 3: Project Description and Data

The project plan should clearly describe and document status and plans for:

1. project site control, including land acquisition;
2. permitting, zoning, and any other governmental approvals;
3. site development;
4. equipment procurement;
5. electric transmission interconnection studies requested and performed, and status and position number in Santee Cooper's and any third-party transmission provider's interconnection queues;
6. construction, including mobilization model (e.g., employees or subcontractors, credentials of any subcontractors, etc.) approach to providing oversight during construction; and
7. testing and commercial operation demonstration.

A project development schedule showing each of the major tasks listed above, and key sub-tasks, must be provided with a level of detail needed to allow evaluation of the reasonableness of Respondent's schedule during the evaluation.

Projected Project Energy Production

The following data and information are intended to be used to understand and confirm Respondent's projection of energy to be delivered to the electric transmission system from Respondent's proposed project.

Interval data (e.g., hourly data) shall be provided in an Excel Spreadsheet or CSV format, with a date and time referenced for each interval and with the time zone and treatment of daylight savings time clearly defined.

1. Please provide a projection of the proposed project output, as described below, for a period of at least one calendar year. (If data is provided for an initial year only, the amount of any degradation that is included in the initial year shall be clearly defined and additional information regarding any projected degradation over the proposed term of the PPA shall be provided.)
 - a. Site specific projected output data must be provided.
 - b. If equipment has been procured or selected, output data must be equipment specific.
 - c. Any energy that is to be supplied by the electric system should be depicted in the data provided (e.g., energy required for auxiliaries or inverter operation).
 - d. The projected output data shall include, or allow Santee Cooper to readily determine, at a minimum:
 - i. Hourly output for each hour of a full calendar year (i.e., 8760 hours of projected facility output representing full chronological weather events);

Form 3: Project Description and Data

- ii. Hourly delivered energy for a representative 24 hours in each month under peak output conditions;
 - iii. Hourly delivered energy for a representative 24 hours in each month under average output conditions; and
 - iv. Total delivered energy for each month.
 - e. Respondents shall provide a full description of the source and basis for determining the projected output data, including, at a minimum:
 - i. The name of the software model used to develop the projection;
 - ii. Site assumed, including both a general description and latitude and longitude;
 - iii. Meteorological data used (vendor and weather station);
 - iv. PV technology modeled;
 - v. PV module efficiency;
 - vi. Inverter technology modeled;
 - vii. Inverter efficiency;
 - viii. Tracking technology (including any unique operating approaches);
 - ix. Orientation (azimuth and tilt);
 - x. Ground coverage ratio;
 - xi. Maximum DC rating;
 - xii. Maximum AC rating; and
 - xiii. Average system losses (excluding electric transmission interconnection losses).
 - f. Respondents shall include a loss diagram for the total proposed facility that depicts losses by component starting with irradiance for the proposed site and continuing through the energy delivered to the transmission system. Quantified and reported values shall include, at a minimum, losses for: shading, soiling, irradiance losses, PV conversion, temperature, module miss-match, wiring losses, inverter losses, inverter nighttime consumption, auxiliaries, electric transformation losses. The provided information should indicate how differences in sizing for PV modules and inverters are accounted for in the loss computations.
- 2. If the project on which the Respondent's RFP Submittal is based is an existing facility, Respondents should also provide actual output data for the most recent five years (or since commercial operation of the project if less than five years). Data shall be provided on at least an integrated hourly basis, including all hours of each historical year provided. If data is available for smaller increments of time, please also provide (please indicate whether the data represents integrated or instantaneous readings).

Form 4: NDA Agreement

Should the Respondent request Santee Cooper and Central enter an NDA as a prerequisite to receiving an RFP Submittal, the attached NDA would be acceptable to Santee Cooper and Central.

Please direct questions regarding the terms of the proposed NDA to:

Fred Haddad

FredHaddad@nFrontConsulting.com

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Confidentiality and Non-disclosure Agreement (this "Agreement"), dated _____, 2020 is between the South Carolina Public Service Authority, a body corporate and politic organized pursuant to South Carolina statutes ("Santee Cooper"), located at 1 Riverwood Drive, Moncks Corner, SC 29461 and Central Electric Power Cooperative, Inc. ("Central"), located at 20 Cooperative Way, Columbia, SC 29210 (both collectively referred to herein as the "Receiving Parties") and _____ with offices at _____ ("Disclosing Party"), collectively referred to as (the "Parties").

BACKGROUND

STATEMENT

WHEREAS, Receiving Parties desire to receive Confidential Information and potentially have confidential discussions with Disclosing Party in connection with the Disclosing Parties' RFP Submittal in response to Santee Cooper's Request for Proposals for Solar Power dated June 4, 2020 ("RFP") and potentially the subsequent RFP Process pertaining to proposed transactions between the Parties ("Proposed Transactions").

WHEREAS, the Parties acknowledge that Receiving Parties will be receiving, reviewing, and analyzing information with respect to Proposed Transactions that is confidential, proprietary, or otherwise commercially sensitive and not publicly available.

WHEREAS, Receiving Parties and Disclosing Party have entered into this Agreement to establish terms and conditions applicable to the exchange of Confidential Information in connection with the Proposed Transactions.

AGREEMENT

1. "Confidential Information". For purposes of this agreement, the term "Confidential Information" means any and all non-public information that is furnished, before or after the date hereof, to Receiving Parties or their Representatives by Disclosing Party or otherwise that relates to or concerns Proposed Transactions or the Disclosing Party and its affiliates, and is designated as confidential by the Disclosing Party, including without limitation business plan information as it relates to future business, technical information, financial information and other information proprietary to Disclosing Party and provided to Receiving Parties in connection with the Proposed Transactions. Any such information furnished to Receiving Parties or their Representatives by a director, officer, employee, member, partner, lender, consultant, agent, or other representative of Disclosing Party will be deemed furnished by Disclosing Party for the purpose of this Agreement. "Confidential Information" shall not include:

- (A) Information that Receiving Parties can demonstrate was rightfully in Receiving Parties' possession prior to the date of disclosure by Disclosing Party;

- (B) Information which, at the time of disclosure or later, is or will become published or otherwise available to the general public as part of the public domain through no act or failure to act on the part of Receiving Parties;
- (C) Information that becomes available to Receiving Parties on a non-confidential basis from third party, other than Disclosing Party or a representative of Disclosing Party, if such third party had a bona fide right to make such information available; or
- (D) Information that is independently developed by or on behalf of Receiving Parties without use of or reference to Confidential Information.

2. Non-disclosure of Confidential Information. Confidential Information will be kept strictly confidential by Receiving Parties. Confidential Information may, however, be disclosed by Receiving Parties to their directors, officers, members, employees, attorneys, consultants and financial advisors (collectively, "Representatives"), but only if such Representatives (i) need to know the Confidential Information in connection with Receiving Parties' evaluation of Proposed Transactions, and (ii) agree to be bound by the terms of this Agreement. Receiving Parties shall not disclose the Confidential Information to any person other than as expressly permitted by this Agreement and shall take measures that are no less stringent than Santee Cooper uses to protect its own confidential information in order to safeguard the Confidential Information from unauthorized disclosure. Receiving Parties shall use the Confidential Information solely for the purpose of evaluating Proposed Transactions and for no other purpose.

3. Disclosures Required by Court Order or Law. The Disclosing Party acknowledges that as a state agency Santee Cooper is subject to the South Carolina Freedom of Information Act. In the event Santee Cooper is obliged or receives a request to disclose Confidential Information as required by any statute or regulation, or under the terms of an order issued by a court of competent jurisdiction or by a governmental body or agency, or pursuant to an appropriate request for production of documents in any proceeding before a court of competent jurisdiction, Santee Cooper shall give written notice of same to Disclosing Party at least fifteen (15) days prior to the date of compliance with such request (unless Santee Cooper has less than fifteen (15) days within which to comply, in which case Santee Cooper shall give the Disclosing Party as much notice as is practicable under the circumstances) so that the Disclosing Party has an opportunity to seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If (in the absence of a waiver by the Disclosing Party) the Disclosing Party has not secured a protective order or other appropriate remedy despite attempting to do so, and Santee Cooper is nonetheless then legally obliged to disclose any Confidential Information, Santee Cooper may without liability hereunder, disclose only that portion of the Confidential Information which is necessarily subject to disclosure.

3. Ownership of Confidential Information. Confidential Information will remain the property of Disclosing Party.

5. Return of Materials. Upon request of the Disclosing Party, Receiving Parties shall: (a) promptly return to Disclosing Party or destroy the originals and any copies of tangible Confidential Information provided by Disclosing Party as Receiving Parties decides (acting in their respective sole discretion); (b) destroy documents and other materials produced from the

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Confidential Information by Receiving Parties which contains Confidential Information belonging to the Disclosing Party; and (c) upon request, certify in writing to the Disclosing Party they have complied fully with the provisions of this Section 5, except that Receiving Parties may retain (i) one physical copy of such materials solely for archival, legal, compliance or regulatory purposes, and (ii) electronic copies in accordance with the Receiving Parties' customary electronic record retention and retrieval practices, provided that such copies are not accessible in the ordinary course of business of Receiving Parties or their Representatives. Any Confidential Information so retained shall remain subject to this Agreement without regard to Section 7 hereof.

6. No Waiver. No failure or delay in exercising any right, power, or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege hereunder.

7. Remedies. Because money damages may not be a sufficient remedy for a breach of this Agreement by Receiving Parties or their Representatives, Disclosing Party shall be entitled to seek specific performance and injunctive relief as remedies for any such breach or threatened breach. Such remedies will not be deemed to be the exclusive remedies for a breach of this Agreement by Receiving Parties or any of their Representatives but will be in addition to all other remedies available to Disclosing Party at law or in equity.

8. Term. Except as otherwise provided in Section 4, this Agreement shall terminate on the date that is two (2) years from the date first written above.

9. Notice. Any notice required by this Agreement shall be in writing and shall be given either personally or by overnight or express mail courier. Notices shall be deemed sufficiently given if, and when, received by the party to be notified at its address listed below. Notices shall be addressed as follows:

To Disclosing Party: _____

To Receiving Parties: South Carolina Public Service Authority
One Riverwood Drive
Moncks Corner, South Carolina 29461

Central Electric Power Cooperative, Inc.
20 Cooperative Way
Columbia, SC 29210

10. No Assignment; Successors. Receiving Parties may not assign all or any part of this Agreement without Disclosing Party's prior written consent. This Agreement inures to the benefit

of the Parties hereto and their successors and permitted assigns and is binding on each other and each other's successors and permitted assigns.

11. Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF SOUTH CAROLINA, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD OTHERWISE DIRECT THE APPLICATION OF THE LAWS OF A DIFFERENT JURISDICTION. EACH OF THE PARTIES HERETO AGREES THAT (A) ANY LEGAL ACTION BROUGHT HEREUNDER SHALL BE BROUGHT IN THE FEDERAL OR STATE COURTS LOCATED WITHIN SOUTH CAROLINA AND (B) ANY RIGHT OF THE UNDERSIGNED TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION ARISING OUT OF THIS AGREEMENT IS WAIVED.

12. Entire Agreement; Headings. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof. The headings of the Sections of this Agreement are inserted for convenience only and do not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement. This Agreement may be executed via email, facsimile, or by other duplication and may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument, and each Parties' signature transmitted therein shall be binding as if it is an original signature of the party to be bound.

13. No Further Agreements. The Parties agree that neither is under an obligation to enter any further agreement with the other.

14. Savings Clause. If any provision of this Agreement or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of the Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

15. Miscellaneous. Each signatory warrants that he is authorized to execute this Agreement on behalf of the party to be bound, and that there is no known legal reason that the party is prohibited from entering this Agreement.

16. Amendments. This Agreement may not be amended except by a written instrument executed on behalf of both parties hereto.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

DISCLOSING PARTY

RECEIVING PARTIES

SANTEE COOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

CENTRAL

By: _____

Name: _____

Title: _____

Date: _____

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 2
Request: 1.2

ATTESTATION: For the Review Period I, Charles B. Duckworth, attest that the answers provided above are full and accurate, and that to the extent Santee Cooper has taken any action necessary to deploy 500 megawatts of new solar generation, said action is allowable within the structure in the Santee Cooper Act 95 Reform Plan Appendix 8.2.4 and said action occurred subject to the consent of Central pursuant to the Coordination Agreement.

Signature of Officer: Charles B. Duckworth Digitally signed by Charles B. Duckworth
Date: 2020.07.30 12:27:14 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 3
Request: 1.3

Please provide a detailed description of any and all action(s) taken by Santee Cooper during the Review Period related to entering into operational efficiency and joint dispatch agreements with neighboring utilities for a period of up to one year, with annual renewals and reciprocal cancellation clauses thereafter.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Term of the agreement(s)
- f. Copy of the agreement(s)
- g. If applicable, identify and describe any and all changes from the prior Review Period
- h. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 3
Request: 1.3

Date of action

June 16, 2020

Description of Santee Cooper action

Finalized MOU with Southern establishing areas to review for opportunities to achieve benefits

Purpose of Santee Cooper action

Establish framework for discussions with Southern

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Term of the agreement(s)

One year

Any changes from prior Review Period

No

Provided by:

Name	Michael Brown
Title	Director – Research and Development
Phone	843 709 0000 mobile 843 761 4178 office
Email	mcbrown@santeecooper.com

Reference Documents

1.3 mbrown MOU NDA 2020 06 29.pdf

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “**MOU**”), dated this 16th day of June, 2020 (the “**Effective Date**”), by and between Southern Power Company and Southern Company Services, Inc. (collectively referred to as “Southern”), each a Delaware Corporation, and the South Carolina Public Service Authority, an agency of the State of South Carolina (“**Santee Cooper**”), collectively referred to as the “Parties” or individually referred to as a “Party.” This MOU is subject to that certain Mutual Non-Disclosure Agreement dated June 16, 2020 by and between Southern Company Services, Inc (on behalf of itself and its affiliates) and Santee Cooper (the “**Confidentiality Agreement**”).

WHEREAS, Southern and Santee Cooper pledge to cooperate and jointly analyze certain opportunities as set forth on **Exhibit A** (Opportunities), with the goal of negotiating transactions that achieve efficiencies, economies of scale and other economic benefits;

NOW, THEREFORE, in consideration of the time, expense, and resources the Parties are and will be expending in the discussions and negotiations related to the Opportunities, the Parties hereby agree as follows:

1. Each of Southern and Santee Cooper agree that it will, and will cause its representatives to, cooperate and jointly perform an analysis of the Opportunities. Each Party shall dedicate the resources and personnel reasonably necessary to promptly conduct an analysis of the Opportunities and shall cooperate and use commercially reasonable efforts to provide the other Party and its advisors with timely access to all information reasonably necessary to assess the Opportunities and negotiate related agreements, to the extent that the Parties find it mutually beneficial to do so. Nothing in this MOU obligates a Party to enter into a definitive binding agreement related to the Opportunities and no Party shall be liable to another Party if, for whatever reason, a Party elects not to enter into such an agreement.
2. This MOU will terminate one year from the Effective Date and may be terminated for any reason by a Party upon thirty (30) days’ written notice. Notwithstanding the foregoing this MOU may be renewed on an annual basis by mutual agreement of the Parties evidenced in writing signed by both Parties. Following the termination of this MOU, the Parties shall have no further obligations to each other under this MOU, except as provided for in the Confidentiality Agreement.
3. Each Party agrees to bear its own expenses in connection with the assessment of and negotiations related to the Opportunities.
4. The Parties acknowledge that Santee Cooper’s business activities are subject to certain provisions of Act No. 135, including but not limited a prohibition against entering into certain contracts with a duration of longer than one year and seeking authorization from the Santee Cooper Oversight Committee to enter into certain contracts. The Parties’ discussions under this MOU and any resulting agreements shall comply with the provisions of Act No. 135. Santee Cooper shall be responsible for all communications with the Santee Cooper Oversight Committee related to the Opportunities, including requesting such approvals as may be necessary.
5. The Parties acknowledge that they will be sharing confidential proprietary information for the purpose of contract negotiations. Accordingly, the information provided by the Parties shall

be considered Confidential Information under the Confidentiality Agreement. However, the Parties acknowledge that information pertaining to the Opportunities may need to be disclosed to the Santee Cooper Oversight Committee in order to comply with Act No.135. The Parties will work in good faith to determine how any Southern Confidential Information will be incorporated into any such presentation, including limiting public disclosure of commercially sensitive information. A Party may make a public statement concerning the existence of this MOU, but no Party will issue any press release or public statement about the specific terms or the Opportunities except as may be required by applicable law, rule or regulation, or upon the mutual agreement of the Parties.

6. As between Southern and Santee Cooper, none of the Parties shall be deemed to be partners or members of a joint venture, nor shall either Party be deemed to be an agent, representative, trustee or fiduciary of the other Party as a consequence of the execution of this MOU.

7. The Parties shall be obligated to provide or purchase goods or services as a result of the Opportunities only upon the execution of a definitive binding agreement. In the event of a conflict between this MOU and a definitive agreement between any of the Parties, the terms of the definitive agreement shall control. No Party shall be liable to another under contract, tort or any other theory for failure to reach a definitive agreement as a result of the Opportunities.

8. No Party shall be liable to another under contract, tort or other theory for any indirect, special, consequential, punitive or exemplary damages in connection with this MOU and actions taken related to it, including but not limited to liability for lost profits, lost revenues, increased costs, or lost business opportunities thereunder.

9. Neither this MOU nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by either Party without the written consent of the other Party, which consent may be granted or withheld at the sole and unfettered discretion of the non-assigning Party. This MOU may not be amended except by an instrument in writing signed on behalf of both of the Parties. The MOU may be executed in electronic form, and in counterparts, each of which counterpart shall be deemed to be an original, but all of which together shall constitute one document, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to one another.

10. This MOU shall be governed by and construed under the laws of the State of South Carolina without giving effect to any choice of law or conflict of law provision or rule (whether of South Carolina or any other jurisdiction) that would require the application of any other law. This MOU and the Confidentiality Agreement: (a) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter expressed herein; and, (b) are not intended to confer upon any person or entity other than the Parties any rights or remedies.

11. Any notice required by this Agreement shall be in writing and shall be given either personally or by overnight or express mail courier. Notices shall be deemed sufficiently given if and when received by the party to be notified at its address listed next below. Notices shall be addressed as follows:

In the case of Southern:

Southern Company Services, Inc
30 Ivan Allen Blvd NE.
Atlanta, GA 30308

Attention: Mark S. Lantrip, President and Chief Executive Officer

With a copy to:

H. Kirk Lanier
Director Business Development
Southern Power Company
30 Ivan Allen Blvd NE.
Atlanta, GA 30308
hklanier@southernco.com

In the case of Santee Cooper:

Santee Cooper
One Riverwood Drive
Moncks Corner, SC 29461

Attention: Mark B. Bonsall, President and Chief Executive Officer

With a copy to:

B. Shawan Gillians
Director, Legal Services
Santee Cooper
One Riverwood Drive
Moncks Corner, South Carolina 29461
shawan.gillians@santeecooper.com

IN WITNESS WHEREOF, the Parties each have caused this MOU to be executed by their duly authorized representatives, as of the date first written above.

Southern Company Services, Inc.

By: 
Name: **Mark S. Lantrip**
Title: President and CEO

South Carolina Public Service Authority

By: 
Name: **Mark B. Bonsall**
Title: President and CEO

Southern Power Company

By: 
Name: **John G. Trawick**
Title: Senior Vice President and
Chief Administrative Officer

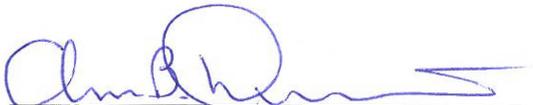
By: 
Name: **Charles B. Duckworth**
Title: Deputy CEO and
Chief Planning & Innovation
Officer



Exhibit A

Memorandum of Understanding Principles

Southern and Santee Cooper commit to work together to analyze and develop plans and procedures intended to result in increased efficiencies and provide economic benefits for both entities. This arrangement is intended to achieve those ends through the analysis and implementation of coordinated operational efficiencies, through continuous operational improvements and joint planning efforts that are mutually beneficial to Southern and Santee Cooper. Southern and Santee Cooper will work together to establish target level savings as an initial goal in the review process.

Operational Functions: The analysis and implementation of operational efficiencies between Santee and Southern Company Services, Inc. (SCS) through the following efforts:

- **Fuel Supply Management:** reviewing current fuel procurement practices to leverage synergies related to fuel procurement and transportation agreements for both coal supply and gas supply. Optimizing usage of existing access to fuel supplies and existing transportation arrangements to generation facilities.
- **Procurement:** reviewing current procurement practices and policies to find volume buying opportunities mutually beneficial to both parties.
- **Demand Side Management Options, Metering and Grid Modernization:** leveraging market intelligence on demand side management options, energy efficiency, distributed energy resources (DERs), transmission, distribution, and metering infrastructure across service territories to achieve cost savings. PowerSecure will be involved in these discussions and will suggest beneficial options.
- **Coal Combustion Products (CCP):** reviewing practices at Southern and Santee Cooper to identify opportunities for synergies in the management of CCP programs.
- **Generation Technical Services:** reviewing existing practices at generation facilities with opportunity to explore services that could be provided by SCS such as technical training, monitoring and diagnostics, and other technical support services.

Commercial Opportunities: The joint coordination of planning and commercial activities between Santee and Southern Power Company (SPC) to create savings from the following areas:

- **Expanded Power Pool and Energy Trading Services:** optimizing utilization of existing generation fleet of Southern and Santee Cooper to maximize the utilization of existing generation capacity and firm transmission availability as well as integration of new renewable resources with load-following services.
- **Short-term Power Supply:** examining opportunities to provide short-term generation from existing SPC resources.
- **Long-term Power Supply:** joint planning and potential construction and/or acquisition of new natural gas-based generation capacity, renewable resources, and storage as may be required to meet projected demands, including the potential selection of one or more sites for the construction of joint generation capacity.
- **Gas Supply:** exploring the coordinated planning for future natural gas transportation capacity to maximize the potential benefit for new natural gas generation capacity.

Future Learning Opportunities: The coordinated exchange of information between Southern and Santee Cooper to remain on the forefront of emerging technologies and initiatives such as:

- **Utilization of Technology for Asset Management:** studying practices within each utility to leverage the use of technology to implement Asset Management principles.

MUTUAL NON-DISCLOSURE AGREEMENT

This Mutual Non-Disclosure Agreement (the "Agreement") is made and entered into this 16th day of June 2020, by and between Southern Power Company and Southern Company Services, Inc. (collectively "Southern"), and the South Carolina Public Service Authority a/k/a Santee Cooper ("Santee Cooper"), an agency of the State of South Carolina:

WITNESSETH:

WHEREAS, Southern and Santee Cooper plan to execute a Memorandum of Understanding with regard to an analysis of certain Opportunities ("MOU"), as that term is defined in the MOU; and

WHEREAS, Southern has requested that Santee Cooper provide certain information related to the MOU pursuant to this Agreement and Santee Cooper has agreed to provide certain information related to the MOU to Southern, pursuant to this Agreement;

WHEREAS, Santee Cooper has requested that Southern provide certain information related to the MOU pursuant to this Agreement and Southern has agreed to provide certain information related to the MOU to Santee Cooper, pursuant to this Agreement; and

WHEREAS this Agreement addresses only the exchange of information and does not address or require any further action by either party;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1 - CONFIDENTIAL INFORMATION

(a) For purposes of this Agreement, "Confidential Information" shall mean non-public information of any kind in written, documentary or other tangible form disclosed by Southern or Santee Cooper to the other on or after the effective date of the MOU, including, but not limited to, (i) agreements with third parties, (ii) information of a business, planning, marketing, financial or technical nature, (iii) models, tools, hardware and software, and (iv) any documents, reports, memoranda, notes, files or analyses prepared by or on behalf of the receiving party that contain, summarize or are based upon any of the foregoing.

(b) "Confidential Information" shall not include information that:

- (i) is publicly available prior to the date of this Agreement;
- (ii) becomes publicly available after the date of this Agreement through no wrongful act of the receiving party;

(iii) is rightfully known by the receiving party without any confidential restrictions at the time of receipt of such information from the disclosing party or becomes rightfully known to the receiving party without confidential restrictions from a source other than the disclosing party; or

(iv) is independently developed by the receiving party by persons who did not have access, directly or indirectly, to the Confidential Information.

SECTION 2 - CONFIDENTIALITY

(a) The receiving party shall protect all of the Confidential Information received from a disclosing party as confidential and, except with the prior written consent of the disclosing party or as otherwise specifically provided herein, shall not disclose, copy or distribute such Confidential Information to any other individual, corporation or entity (other than to "Representatives" as defined below); provided, however, that the parties may discuss agreements that constitute Confidential Information and are reasonably related to the transactions contemplated by the MOU with any of the counterparties to such agreements to the extent that the party has entered into a non-disclosure agreement (that in substance is at least as protective with respect to Confidential Information as this Agreement is with respect to Confidential Information) with such counterparty.

(b) Southern acknowledges that as a state agency Santee Cooper is subject to the South Carolina Freedom of Information Act. In the event a receiving party is obliged or receives a request in either case to disclose Confidential Information as required by any statute or regulation, or under the terms of an order issued by a court of competent jurisdiction or by a governmental body or agency, or pursuant to an appropriate request for production of documents in any proceeding before a court of competent jurisdiction, the receiving party shall give written notice of same to the disclosing party at least ten (10) days prior to the date of compliance with such request (unless the receiving party has less than ten (10) days within which to comply, in which case the receiving party shall give the disclosing party as much notice as is practicable under the circumstances) so that the disclosing party has an opportunity to seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If (in the absence of a waiver by the disclosing party) the disclosing party has not secured a protective order or other appropriate remedy despite attempting to do so, and the receiving party is nonetheless then legally obliged to disclose any Confidential Information, the receiving party may without liability hereunder, disclose only that portion of the Confidential Information which is necessary to comply with its legal obligations.

(c) The receiving party shall not disclose all or any part of the Confidential Information received from the disclosing party to any affiliates, or agents, officers, directors, employees, consultants, attorneys, accountants or representatives (collectively, "Representatives") of the receiving party or its affiliates except on a reasonable need-to-know basis. The receiving party agrees to inform any of its Representatives who receive Confidential Information received from the disclosing party of the confidential nature thereof and of such Representative's obligations with respect to the maintenance of such Confidential Information in conformance with the terms of this Agreement. The receiving party hereby agrees that it is

obligated to cause its Representatives which receive Confidential Information to keep such information confidential and restricted in terms of use as if such Representative was the receiving party of such Confidential Information hereunder. For the avoidance of doubt, the receiving party shall be responsible for any breach hereof by any of its Representatives as if the receiving party committed the breach.

(e) The receiving party shall use the same degree of care to protect the confidentiality of the Confidential Information disclosed to it as it uses to protect its own confidential information, but in all events shall use at least a reasonable degree of care. Each party represents and warrants that such degree of care provides adequate protection for its own confidential information.

(f) The receiving party shall immediately advise the disclosing party in writing of any known misappropriation or misuse by the receiving party or any of its Representatives of Confidential Information received from the disclosing party.

(g) The receiving party agrees that its use of any Confidential Information it receives from the disclosing party will be limited to that use reasonably necessary to evaluate potential lawful agreements, arrangements or proposals between or involving the parties, and expressly will not be used in commerce in a manner which is violative of either federal or state laws and regulations governing competition, or any other applicable law or regulation.

(h) All Confidential Information that is furnished by or on behalf of the disclosing party, including, without limitation, any copies of such materials, shall be promptly returned by the receiving party to the disclosing party upon written request by the disclosing party for any reason. Any documents or materials prepared by or on behalf of the receiving party (including, without limitation, reports, memoranda, notes, files or analyses, whether in written or electronic form) which contain Confidential Information, including all copies, shall promptly be destroyed by the receiving party upon written request by the disclosing party for any reason. Notwithstanding the foregoing, the receiving party may retain Confidential Information (i) that has become part of its routine systems back-up files and/or procedures and (ii) to the extent reasonably necessary to comply with applicable law or to defend or maintain any litigation or administrative proceedings related to this Agreement or the MOU; provided, such information that is retained shall otherwise remain subject to the obligations provided for herein.

SECTION 3 - REMEDY FOR BREACH

Each receiving party acknowledges that the Confidential Information of the disclosing party is central to the disclosing party's business and was developed or obtained by the disclosing party at a significant cost. Each receiving party further acknowledges that damages would not be an adequate remedy for any breach of this Agreement by the receiving party or its Representatives and that the disclosing party may seek to obtain injunctive or other equitable relief to remedy or prevent any breach or threatened breach of this Agreement by the receiving party or any of its Representatives. Such remedy shall not be deemed to be the exclusive remedy for any such breach of this Agreement but shall be in addition to all other remedies available at law or in equity to the disclosing party.

SECTION 4 - MISCELLANEOUS

(a) This Agreement may not be modified except by written agreement signed by both parties.

(b) This Agreement shall be governed by South Carolina law regardless of the place of execution. Any dispute in connection with this agreement, including its validity, shall be exclusively submitted to the Court of Common Pleas of Berkeley County, South Carolina. Neither party hereto shall be liable to the other party for indirect, incidental, special, consequential, or punitive damages (including, without limitation, lost profits) under, arising out of, or due to or in connection with such party's performance or non-performance of this Agreement or any of its obligations herein, whether based in contract, tort (including, without limitation, negligence), strict liability, warranty or otherwise.

(c) It is understood and agreed that no failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, power or privilege hereunder. No waiver of any terms or conditions of this Agreement shall be deemed to be a waiver of any subsequent breach of any term or condition. All waivers must be in writing and signed by the party sought to be bound.

(d) If any part of this Agreement shall be held unenforceable, the remainder of this Agreement will nevertheless remain in full force and effect.

(e) The disclosure of Confidential Information hereunder shall not be construed to obligate either of the parties to enter into any further agreement or negotiation with or make any further disclosure to the other party hereto. Neither party makes any representation or warranty, express or implied, with respect to the accuracy of any Confidential Information.

(f) No public announcement may be made by either party concerning this Agreement, the MOU or the related discussions without the prior written approval of the other party, provided that the parties may disclose the same to the extent required by applicable law, rule (including NYSE rules) or regulation.

(g) The provisions of this Agreement are for the benefit of the parties hereto and their permitted successors and assigns, and no third party may seek to enforce, or shall benefit from, these provisions.

(h) This Agreement shall terminate upon the earliest to occur of (i) the date that is concurrent with the expiration of the MOU; or (ii) upon thirty days' written notice by either party.

(i) Any notice required by this Agreement shall be in writing and shall be given either personally or by overnight or express mail courier. Notices shall be deemed sufficiently given if and when received by the party to be notified at its address listed next below. Notices shall be addressed as follows:

In the case of Southern:

Southern Company Services, Inc
30 Ivan Allen Blvd NE.
Atlanta, GA 30308

Attention: Mark S. Lantrip, President and Chief Executive Officer

With a copy to:

H. Kirk Lanier
Director Business Development
Southern Power Company
30 Ivan Allen Blvd NE.
Atlanta, GA 30308
hklanier@southernco.com

In the case of Santee Cooper:

Santee Cooper
One Riverwood Drive
Moncks Corner, SC 29461

Attention: Mark B. Bonsall, President and Chief Executive Officer

With a copy to:

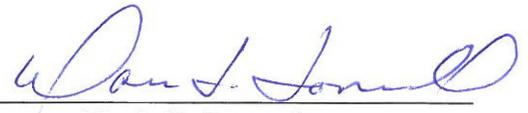
B. Shawan Gillians
Director, Legal Services
Santee Cooper
One Riverwood Drive
Moncks Corner, South Carolina 29461
shawan.gillians@santeecooper.com

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Southern Company Services, Inc.

By: 
Name: **Mark S. Lantrip**
Title: President and CEO

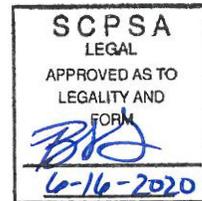
South Carolina Public Service Authority

By: 
Name: **Mark B. Bonsall**
Title: President and CEO

Southern Power Company

By: 
Name: **John G. Trawick**
Title: Senior Vice President and
Chief Administrative Officer

By: 
Name: **Charles B. Duckworth**
Title: Deputy CEO and
Chief Planning & Innovation
Officer



Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 3
Request: 1.3

Date of action

June 3, 2020

Description of Santee Cooper action

Enhance existing hourly and daily energy bid and offer processes to identify opportunities to enter bilateral transactions with Dominion Energy South Carolina.

Purpose of Santee Cooper action

Identify and complete energy transactions from Dominion Energy South Carolina when their costs are lower than the energy market and Santee Cooper resources. Also, sell Dominion energy when Santee Cooper costs are competitive with the energy market or Dominion resources.

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Term of the agreement(s)

The existing energy transaction processes were enhanced to leverage cost advantages between companies. No agreement was necessary.

Any changes from prior Review Period

First report.

Provided by:

Name	Stony Martin
Title	Sr. Mgr, System Operations
Phone	843-761-8000 x5297
Email	Stony.martin@santecooper.com

Reference Documents

Act 135, Section 11(E)

Office of Regulatory Staff – Monthly Review of Santee Cooper

Time Period: June 1-30, 2020

PARAGRAPH 3

Request: 1.3

1.3 jmposton Executed Dominion-Santee Cooper MOU 20200612

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 3
Request: 1.3

Date of action

June 11, 2020

Description of Santee Cooper action

Santee Cooper (SC) and Dominion Energy South Carolina (DESC) Joint Dispatch Study

Purpose of Santee Cooper action

Conduct a joint dispatch study to calculate the potential savings of operating a joint dispatch fleet compared to each entity operating independently. The consultant, Power Cost, Inc, (PCI), is to conduct two studies. One study assumes no energy market and, thus, energy transactions will only occur between SC and DESC. The second study assumes a market is available to leverage based upon economics in addition to SC and DESC resources.

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Term of the agreement(s)

Terms of the agreement with PCI are Net 30 after completion of study and presentation of results.

Any changes from prior Review Period

First report.

Provided by:

Name	Stony Martin
Title	Sr. Mgr, System Operations
Phone	843-761-8000 x5297
Email	Stony.martin@santeecooper.com

Reference Documents

Act 135, Section 11(E)

Office of Regulatory Staff – Monthly Review of Santee Cooper

Time Period: June 1-30, 2020

PARAGRAPH 3

Request: 1.3

1.3 jmposton Executed Dominion-Santee Cooper MOU 20200612

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 3
Request: 1.3

Date of action

June 1, 2020 – June 30, 2020

Description of Santee Cooper action

Joint Vegetation Management Practices on Shared Corridors

1. Initial kickoff meeting between utilities was held on 6/10/20 in Columbia at Dominion SC headquarters.
2. In mid-late June, preliminary data was shared and joint corridors were identified and mapped.

Purpose of Santee Cooper action

Goal is to work with Dominion to identify and leverage opportunities to conduct joint vegetation management on shared corridors.

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Term of the agreement(s)

Complete pilot project for hazard tree cutting through end of 2020. Pursue additional opportunities for other maintenance activities (herbicide spray, aerial side trimming, etc.) in 2021.

Any changes from prior Review Period

N/A

Provided by:

Name	Mike Johnson
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Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 3
Request: 1.3

Title	Sr. Manager, Transmission Operations
Phone	843.761.8000, ext. 5092
Email	Mike.johnson@santeecooper.com

Reference Documents

1.3 jmposton Executed Dominion-Santee Cooper MOU 20200612

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "**MOU**"), is dated as of June 12, 2020 (the "**Effective Date**"), by and between and between Dominion Energy South Carolina, Inc., a South Carolina corporation ("**Dominion**" or "**Dominion South Carolina**"), and the South Carolina Public Service Authority, an agency of the State of South Carolina ("**Santee Cooper**"), collectively referred to as the "**Parties**" or individually referred to as a "**Party**." This MOU is subject to that certain Mutual Non-Disclosure Agreement dated June 12, 2020 by and between Dominion and Santee Cooper (the "**Confidentiality Agreement**").

WHEREAS, Dominion and Santee Cooper agree to cooperate and jointly analyze certain areas of operations ("**Operations and Planning Analysis**") as set forth on **Exhibit A**, with the goal of achieving efficiencies and economies of scale to result in joint savings for the entities;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the time, expense, and resources the Parties are and will be expending in the discussions and negotiations related to the Operations and Planning Analysis, the Parties hereby agree as follows:

1. Each of Dominion and Santee Cooper agree that it will, and will cause its representatives to, cooperate and jointly perform the Operations and Planning Analysis. Each Party shall dedicate the resources and personnel reasonably necessary to promptly conduct the Operations and Planning Analysis, and shall cooperate and use commercially reasonable efforts to provide the other Party and its advisors with timely access to all relevant information pertaining to the Operations and Planning Analysis.
2. This MOU will terminate one year from the Effective Date and may be renewed annually by mutual agreement of the Parties. This MOU may be terminated for any reason by either Party upon thirty (30) days written notice. Following the termination of this MOU, the Parties shall have no further obligations to each other under this MOU, except as provided for in the Confidentiality Agreement.
3. Each Party agrees to bear its own expenses in connection with the Operations and Planning Analysis and all other transactions contemplated hereunder.
4. No Party will issue any press release or public statement about the Operations and Planning Analysis or its terms except as may be hereafter mutually agreed to by the Parties in connection with any reform proposal submitted by Santee Cooper, or as may be required by applicable law, rule or regulation, or upon the mutual agreement of the Parties.
5. As between Dominion and Santee Cooper, neither Party shall be deemed to be partners or members of a joint venture, nor shall either Party be deemed to be an agent, representative, trustee or fiduciary of the other Party, as a consequence of or solely by reason of this MOU.
6. Neither this MOU nor any oral or written communication between the Parties pertaining to the subject matter hereof constitutes a legally binding obligation to enter into any definitive agreements relating to this MOU or otherwise, or to refrain from entering into or proposing any other transaction separate and distinct from this MOU. Unless and until such definitive agreements

are executed and delivered and the other conditions precedent set forth therein are satisfied, no Party hereto, nor any of its affiliates or representatives, have any legal obligation or liability in connection with the subject matter hereof (except as provided for in the Confidentiality Agreement).

7. Neither this MOU nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by either Party without the written consent of the other Party, which consent may be granted or withheld at the sole and unfettered discretion of the non-assigning Party. This MOU may not be amended except by an instrument in writing signed on behalf of both of the Parties. This MOU may be executed in electronic form, such as PDF/electronic mail or facsimile, and in counterparts, each of which counterpart shall be deemed to be an original, but all of which together shall constitute one document, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to one another.

8. This MOU shall be governed by and construed under the laws of the State of South Carolina without giving effect to any choice of law or conflict of law provision or rule (whether of South Carolina or any other jurisdiction) that would require the application of any other law.

9. This MOU and the Confidentiality Agreement: (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to, but only with respect to, the specific subject matter expressed herein; and (b) is not intended to confer upon any person or entity other than the Parties any rights or remedies.

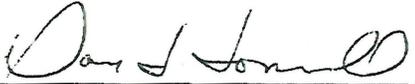
[Signatures Follow]

IN WITNESS WHEREOF, the Parties each have caused this MOU to be executed by their duly authorized representatives as of the date first written above.

Dominion Energy South Carolina, Inc.

South Carolina Public Service Authority

By: 
Name: P. Rodney Blevins
Title: President,
Dominion Energy South Carolina

By: 
Name: Mark B. Bonsall
Title: President and CEO

By: 
Name: W. Keller Kissam
Title: President, Electric Operations,
Dominion Energy South Carolina

By: 
Name: Charles B. Duckworth
Title: Deputy CEO and Chief
Planning & Innovation Officer

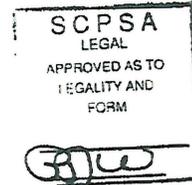


Exhibit A

Memorandum of Understanding Principles

Dominion South Carolina and Santee Cooper commit to work together to analyze and develop plans and procedures intended to result in increased efficiencies and cost savings for both entities. This arrangement is intended to result in cost savings through the analysis and implementation of coordinated operational efficiencies through continuous operational improvements and joint planning efforts that are mutually beneficial to both Dominion South Carolina and Santee Cooper.

Operational Functions: Analysis and implementation of operational efficiencies will be pursued in the following areas:

- **Power Supply:** optimizing commitment and dispatch across Dominion South Carolina and Santee Cooper generation fleets.
- **Dark Fiber Utilization:** optimizing the integration of the dark fiber networks of Dominion South Carolina and Santee Cooper to minimize duplication of construction.
- **Right of Way Management and Inspection:** integrating vegetation management and line patrols to streamline operations based on geographic overlap of transmission systems.
- **System Operations:** expanding current coordination efforts to schedule outages in a manner that minimizes impacts to both systems and work together to find opportunities to support outage response across the systems.
- **Craft Labor Training:** assessing the training practices of Dominion South Carolina and Santee Cooper to identify opportunities for joint or centralized training of craft labor positions.
- **Metering and Grid Modernization:** jointly modernize the distribution and metering infrastructure across the state to achieve cost savings.
- **Coal Combustion Products (CCP):** reviewing CCP practices at Dominion South Carolina and Santee Cooper to identify partnering opportunities.
- **Fleet Standardization:** exploring potential for standardization of vehicles and power operated equipment.
- **Fuel Supply Management:** reviewing current fuel procurement practices to leverage synergies related to fuel procurement and transportation agreements for both coal supply and gas supply. Optimizing usage of existing access to fuel supplies and existing transportation arrangements to generation facilities.

Planning Coordination: The joint coordination of planning activities will be pursued in the following areas:

- **Gas Supply:** exploring the coordinated planning for future natural gas transportation capacity to maximize the potential benefit for new natural gas generation capacity.
- **Generation Capacity:** joint planning and potential construction of new natural gas-based generation capacity as may be required to meet projected demands. Planning will consider the selection of one or more sites for the construction of joint generation capacity.
- **Transmission Planning, Engineering and Construction:** building upon existing planning relationships to identify additional opportunities to provide added value to utility customers within South Carolina.

MUTUAL NON-DISCLOSURE AGREEMENT

This Mutual Non-Disclosure Agreement (the "Agreement") is made and entered into this 12th day of June 2020, by and between Dominion Energy South Carolina, Inc. ("Dominion"), and the South Carolina Public Service Authority a/k/a Santee Cooper ("Santee Cooper"), an agency of the State of South Carolina:

WITNESSETH:

WHEREAS, Dominion and Santee Cooper plan to execute a Memorandum of Understanding with regard to an Operations and Planning Analysis ("MOU"), as that term is defined in the MOU; and

WHEREAS, Dominion has requested that Santee Cooper provide certain information related to the MOU pursuant to this Agreement and Santee Cooper has agreed to provide certain information related to the MOU to Dominion, pursuant to this Agreement;

WHEREAS, Santee Cooper has requested that Dominion provide certain information related to the MOU pursuant to this Agreement and Dominion has agreed to provide certain information related to the MOU to Santee Cooper, pursuant to this Agreement; and

WHEREAS this Agreement addresses only the exchange of information and does not address or require any further action by either party;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1 - CONFIDENTIAL INFORMATION

(a) For purposes of this Agreement, "Confidential Information" shall mean non-public information of any kind in written, documentary or other tangible form disclosed by Dominion or Santee Cooper to the other on or after the effective date of the MOU, including, but not limited to, (i) agreements with third parties, (ii) information of a business, planning, marketing, financial or technical nature, (iii) models, tools, hardware and software, (iv) any documents, reports, memoranda, notes, files or analyses prepared by or on behalf of the receiving party that contain, summarize or are based upon any of the foregoing, and (v) the existence of this Agreement, the MOU, the fact that communications have or may take place relating to the MOU and the substance of any such communications, whether written or oral.

(b) "Confidential Information" shall not include information that:

- (i) is publicly available prior to the date of this Agreement;
- (ii) becomes publicly available after the date of this Agreement through no wrongful act of the receiving party;

(iii) is rightfully known by the receiving party without any confidential restrictions at the time of receipt of such information from the disclosing party or becomes rightfully known to the receiving party without confidential restrictions from a source other than the disclosing party; or

(iv) is independently developed by the receiving party by persons who did not have access, directly or indirectly, to the Confidential Information.

SECTION 2 - CONFIDENTIALITY

(a) The receiving party shall protect all of the Confidential Information received from a disclosing party as confidential and, except with the prior written consent of the disclosing party or as otherwise specifically provided herein, shall not disclose, copy or distribute such Confidential Information to any other individual, corporation or entity (other than to "Representatives" as defined below); provided, however, that the parties may discuss agreements that constitute Confidential Information and are reasonably related to the transactions contemplated by the MOU with any of the counterparties to such agreements to the extent that the party has entered into a non-disclosure agreement (that in substance is at least as protective with respect to Confidential Information as this Agreement is with respect to Confidential Information) with such counterparty.

(b) Dominion acknowledges that as a state agency Santee Cooper is subject to the South Carolina Freedom of Information Act. In the event a receiving party is obliged or receives a request in either case to disclose Confidential Information as required by any statute or regulation, or under the terms of an order issued by a court of competent jurisdiction or by a governmental body or agency, or pursuant to an appropriate request for production of documents in any proceeding before a court of competent jurisdiction, the receiving party shall give written notice of same to the disclosing party at least ten (10) days prior to the date of compliance with such request (unless the receiving party has less than ten (10) days within which to comply, in which case the receiving party shall give the disclosing party as much notice as is practicable under the circumstances) so that the disclosing party has an opportunity to seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If (in the absence of a waiver by the disclosing party) the disclosing party has not secured a protective order or other appropriate remedy despite attempting to do so, and the receiving party is nonetheless then legally obliged to disclose any Confidential Information, the receiving party may without liability hereunder, disclose only that portion of the Confidential Information which is necessary to comply with its legal obligations.

(c) The receiving party shall not disclose all or any part of the Confidential Information received from the disclosing party to any affiliates, or agents, officers, directors, employees, consultants, attorneys, accountants or representatives (collectively, "Representatives") of the receiving party or its affiliates except on a reasonable need-to-know basis. The receiving party agrees to inform any of its Representatives who receive Confidential Information received from the disclosing party of the confidential nature thereof and of such Representative's obligations with respect to the maintenance of such Confidential Information in

conformance with the terms of this Agreement. The receiving party hereby agrees that it is obligated to cause its Representatives which receive Confidential Information to keep such information confidential and restricted in terms of use as if such Representative was the receiving party of such Confidential Information hereunder. For the avoidance of doubt, the receiving party shall be responsible for any breach hereof by any of its Representatives as if the receiving party committed the breach.

(e) The receiving party shall use the same degree of care to protect the confidentiality of the Confidential Information disclosed to it as it uses to protect its own confidential information, but in all events shall use at least a reasonable degree of care. Each party represents and warrants that such degree of care provides adequate protection for its own confidential information.

(f) The receiving party shall immediately advise the disclosing party in writing of any known misappropriation or misuse by the receiving party or any of its Representatives of Confidential Information received from the disclosing party .

(g) The receiving party agrees that its use of any Confidential Information it receives from the disclosing party will be limited to that use reasonably necessary to evaluate potential lawful agreements, arrangements or proposals between or involving the parties (but shall not be limited to the transactions contemplated by the MOU), and expressly will not be used in commerce in a manner which is violative of either federal or state laws and regulations governing competition, or any other applicable law or regulation.

(h) All Confidential Information that is furnished by or on behalf of the disclosing party, including, without limitation, any copies of such materials, shall be promptly returned by the receiving party to the disclosing party upon written request by the disclosing party for any reason. Any documents or materials prepared by or on behalf of the receiving party (including, without limitation, reports, memoranda, notes, files or analyses, whether in written or electronic form) which contain Confidential Information, including all copies, shall promptly be destroyed by the receiving party upon written request by the disclosing party for any reason. Notwithstanding the foregoing, the receiving party may retain Confidential Information (i) that has become part of its routine systems back-up files and/or procedures and (ii) to the extent reasonably necessary to comply with applicable law or to defend or maintain any litigation or administrative proceedings related to this Agreement or the MOU; provided, such information that is retained shall otherwise remain subject to the obligations provided for herein.

SECTION 3 - REMEDY FOR BREACH

Each receiving party acknowledges that the Confidential Information of the disclosing party is central to the disclosing party's business and was developed or obtained by the disclosing party at a significant cost. Each receiving party further acknowledges that damages would not be an adequate remedy for any breach of this Agreement by the receiving party or its Representatives and that the disclosing party may seek to obtain injunctive or other equitable relief to remedy or prevent any breach or threatened breach of this Agreement by the receiving party or any of its Representatives. Such remedy shall not be deemed to be the exclusive remedy

for any such breach of this Agreement but shall be in addition to all other remedies available at law or in equity to the disclosing party.

SECTION 4 - MISCELLANEOUS

(a) This Agreement may not be modified except by written agreement signed by both parties.

(b) This Agreement shall be governed by South Carolina law regardless of the place of execution. Any dispute in connection with this agreement, including its validity, shall be exclusively submitted to the Court of Common Pleas of Berkeley County, South Carolina. Neither party hereto shall be liable to the other party for indirect, incidental, special, consequential, or punitive damages (including, without limitation, lost profits) under, arising out of, or due to or in connection with such party's performance or non-performance of this Agreement or any of its obligations herein, whether based in contract, tort (including, without limitation, negligence), strict liability, warranty or otherwise.

(c) It is understood and agreed that no failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, power or privilege hereunder. No waiver of any terms or conditions of this Agreement shall be deemed to be a waiver of any subsequent breach of any term or condition. All waivers must be in writing and signed by the party sought to be bound.

(d) If any part of this Agreement shall be held unenforceable, the remainder of this Agreement will nevertheless remain in full force and effect.

(e) The disclosure of Confidential Information hereunder shall not be construed to obligate either of the parties to enter into any further agreement or negotiation with or make any further disclosure to the other party hereto. Neither party makes any representation or warranty, express or implied, with respect to the accuracy of any Confidential Information.

(f) No public announcement may be made by either party concerning this Agreement, the MOU or the related discussions without the prior written approval of the other party, provided that the parties may disclose the same to the extent required by applicable law, rule (including NYSE rules) or regulation.

(g) The provisions of this Agreement are for the benefit of the parties hereto and their permitted successors and assigns, and no third party may seek to enforce, or shall benefit from, these provisions.

(h) This Agreement shall terminate upon the earliest to occur of (i) the date that is concurrent with the expiration of the MOU; or (ii) upon thirty days' written notice by either party.

(i) Any notice required by this Agreement shall be in writing and shall be given either personally or by overnight or express mail courier. Notices shall be deemed sufficiently

given if and when received by the party to be notified at its address listed next below. Notices shall be addressed as follows:

In the case of the Company:

Dominion Energy South Carolina, Inc.
400 Otarre Parkway, Mail Code D-304
Cayce, South Carolina 29033

Attention: P. Rodney Blevins, President and Chief Executive Officer

With a copy to:

Jim Stuckey
Deputy General Counsel – Labor, Employment, and Utility Operations
Dominion Energy Services, Inc.
400 Otarre Parkway, Mail Code D-308
Cayce, South Carolina 29033

In the case of Santee Cooper:

Santee Cooper
One Riverwood Drive
Moncks Corner, SC 29461

Attention: Mark B. Bonsall, President and Chief Executive Officer

With a copy to:

B. Shawan Gillians
Director, Legal Services
Santee Cooper
One Riverwood Drive
Moncks Corner, South Carolina 29461

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Dominion Energy South Carolina, Inc.

South Carolina Public Service Authority

By: 
Name: P. Rodney Blevins
Title: President,
Dominion Energy South Carolina

By: 
Name: Mark B. Bonsall
Title: President and CEO

By: 
Name: W. Keller Kissam
Title: President, Electric Operations,
Dominion Energy South Carolina

By: 
Name: Charles B. Duckworth
Title: Deputy CEO and Chief
Planning & Innovation Officer



Act 135, Section 11(E)
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PARAGRAPH 3
Request: 1.3

ATTESTATION: For the Review Period I, Charles B. Duckworth, attest that the answers provided above are full and accurate and any and all operational efficiency and joint dispatch agreements with neighboring utilities into which Santee Cooper has entered during the Review Period do not exceed one year with annual renewals and reciprocal cancelation clauses thereafter.

Signature of Officer: Charles B. Duckworth Digitally signed by Charles B. Duckworth
Date: 2020.07.29 16:41:00 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 4
Request: 1.4

Please provide a detailed description of any and all action(s) taken by Santee Cooper during the Review Period related to renegotiating existing and entering into new coal supply, transportation, and related agreements that produce savings and for terms not to exceed five years or such longer period of time as may be approved by the Santee Cooper Oversight Committee.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Term of the agreement(s)
- f. Copy of the agreement(s)
- g. Please indicate what savings were realized as a result of the renegotiated or new agreement. Please provide the calculations to support the savings.
- h. If applicable, identify and describe any and all changes from the prior Review Period
- i. If the length exceeds five years, please provide documentation of approval by the Santee Cooper Oversight Committee.
- j. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 4
Request: 1.4

Date of action

June 4, 2020

Description of Santee Cooper action

Entered into a new coal supply agreement with Consol Pennsylvania Coal Company LLC. Annual contract volume is 30-4-40(a)(1) tons with the right to nominate +/- 50-4-40(a)(1) in a given quarter.

Purpose of Santee Cooper action

Coal is projected to be a large percentage of our fuel mix through 2024. This agreement secures a portion of our projected coal needs at a price below the Reform Plan assumption, offers volume flexibility, and will be one of four coal supply agreements contributing toward our diverse coal supply portfolio.

Status of action:

<input type="checkbox"/>	On going
<input checked="" type="checkbox"/>	Completed

Term of the agreement (Note: if length of term exceeds five years, provide documentation of approval by the Santee Cooper Oversight Committee)

January 1, 2022 – December 31, 2024

Savings realized as a result of the renegotiated or new agreement

\$20.5 million based on Reform Plan projections

Any changes from prior Review Period

Provided by:

Name	Marty Watson
Title	Director, Supply & Trading
Phone	(843) 761-8000 ext. 7072
Email	marty.watson@santeecooper.com

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 4
Request: 1.4

Reference Documents

1.4 jwatson consol coal supply contract CONFIDENTIAL 1.4 jwatson consol coal supply contract_REDACTED
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Solid Fuel Contract

**South Carolina Public Service Authority
(Santee Cooper)
1 Riverwood Drive
P.O. Box 2946101
Moncks Corner, SC 29461**

and

**Consol Pennsylvania Coal Company LLC
1000 Consol Energy Drive
Canonsburg, PA 15317**

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COAL SUPPLY AGREEMENT

THIS AGREEMENT ("Agreement"), is entered into as of June 4, 2020 ("Contracting Date") with Coal deliveries beginning on or about January 1, 2022 ("Effective Date"), by and between the SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, a body corporate and politic owned by and operating under the laws of the State of South Carolina and a generation, transmission and distribution public electric utility (hereinafter referred to as "Buyer"), and Consol Pennsylvania Coal Company LLC with its principal office located in Canonsburg, PA (hereinafter referred to as "Seller"). Both Buyer and Seller are herein individually referred to as "Party" and collectively referred to as "Parties."

RECITALS

WHEREAS, Buyer owns and operates the Cross and Winyah Generating Stations ("Station" or "Stations"), which are located in South Carolina; and

WHEREAS, Buyer desires to contract for a supply of Coal for delivery to the Stations; and

WHEREAS, the Coal to be burned at the Station must meet certain specifications in order to satisfy the technical requirements of the Station's boilers and coal-handling equipment and to allow full power generation at the Station in compliance with air quality and other environmental requirements; and

WHEREAS, Seller owns, leases or otherwise controls sufficient reserves of Coal from which Seller can produce Coal in the quantity and of the quality required by Buyer;

NOW THEREFORE, in consideration of the covenants and premises herein set forth, Seller agrees to sell and deliver and Buyer agrees to purchase, accept and pay for Coal in the quantity, of the quality, during the period, at the Price and upon the other terms and conditions set forth herein.

ARTICLE 1 - DEFINITIONS AND TERM

1.1 Definitions

In addition to any defined terms as set forth in the text or preamble of this Agreement, wherever the following additional defined terms appear in this Agreement, they shall have the meaning stated below:

- (a) Adjusted Base Price - Base Price adjusted in accordance with Article 6 hereof.
- (b) Ash Fusion Temperature - Temperature of initial deformation of ash fusion samples, measured in a reducing atmosphere.
- (c) As-Received Basis - Analysis data calculated to the moisture condition of the sample as it arrived at the Lab and before any sample processing or conditioning.
- (d) Btu - British thermal unit of Heating Value.

- (e) Base Price - The Price established in accordance with Section 6.1 hereof.
- (f) Business Day - Monday through Friday excluding legal holidays and holidays recognized by Buyer or Seller.
- (g) Calendar Day or Day - The 24 hour period beginning at 12:00 midnight Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) and ending at 11:59 pm Eastern Standard Time (or Eastern Daylight Savings Time, as applicable). The terms Day and Calendar Day may be used interchangeably and shall have the same definition.
- (h) Calendar Month or Month - A Calendar Month shall begin at 12:00 midnight Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) on the first Day of the current Month and shall end at 11:59 pm Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) on the last Day of the current month. The terms Month and Calendar Month may be used interchangeably and shall have the same definition.
- (i) Calendar Year or Year - A Calendar Year shall be the 12 Month period beginning at 12:00 midnight Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) on January 1 and ending at 11:59 pm Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) on December 31. The terms Year and Calendar Year may be used interchangeably and shall have the same definition.
- (j) Coal - This term shall mean crushed, bituminous coal, containing no synthetic fuels ("synfuel"). Seller may not ship synfuel under the terms of this Agreement.
- (k) Delivered Cost - The sum of the Price plus the normal cost of transporting the Coal supplied hereunder from the Shipping Point (as defined in Section 2.2) to the Station exclusive of extra costs related to transportation incurred by either Party due to circumstances such as demurrage, substitution of sources, or diversion of Shipments.
- (l) Destination - The railcar unloading facilities of the Station or the railcar unloading facilities of such other Buyer owned or controlled destination points as may be designated, from time to time, by Buyer.
- (m) Dry Basis - Analysis data calculated to a theoretical base of no moisture associated with the sample.
- (n) Grindability Test - Determination of the relative ease of pulverization of Coal samples, using the Hardgrove index, pursuant to ASTM test number D-409.
- (o) Heating Value - The gross or high heating value of Coal expressed in Btu per pound.
- (p) Lab - Geochemical Testing in Somerset, PA or another independent, ASTM certified, third party, testing laboratory that is mutually agreed upon by the Parties.

- (q) Mine - The mining operation, identified by name in Section 2.2, from which Coal is supplied hereunder.
- (r) Price - The Price to be paid by Buyer for Coal received hereunder, calculated in accordance with Article 6 of this Agreement.
- (s) Proximate Analysis - Determination of moisture, volatile matter, ash, and fixed carbon. In addition, for purposes of this Agreement the Proximate Analysis shall include determination of total sulfur and Heating Value.
- (t) Receipt - Receipt of Coal supplied under this Agreement shall occur when the delivering rail carrier is released by Seller at the Mine and Shipment conforms to the requirements of this Agreement.
- (u) Shipment - A Shipment of Coal supplied under this Agreement shall be a trainload or Unit Train of Coal loaded by Seller and received by Buyer. All cars included in a bill of lading or individual mine cards/tags for delivery to the same Destination shall be considered part of the same Shipment.
- (v) Shipping Point - The loading point, identified by name in Section 2.2, from which Seller ships the Coal supplied hereunder.
- (w) Station - Buyer's electric generating station where coal is consumed.
- (x) Ton - A short Ton of two thousand (2,000) pounds (avoirdupois).
- (y) Unit Train - A trainload of at least 12,750 net tons (approximately 110 cars) in private equipment billed on one day, from Seller to Buyer for one delivery at one destination and necessary locomotive used in transporting Buyer's Coal from origin to destination pursuant to this Agreement.

1.2 Term

(a) Primary Term

The term of this Agreement ("Term") shall be for a period commencing with the Contracting Date and ending on the date shown in Appendix A, paragraph 1, unless extended as provided in Section 1.2(b). If the Term of this Agreement is extended as provided in Section 1.2(b), the word "Term" shall thereafter be deemed to mean the original Term so extended. Shipments under this Agreement shall begin in January 2022.

(b) Extension of Term

Any extension of the primary Term shall be negotiated by the Parties and subject to the

following conditions:

If a Party wishes to extend the Term of this Agreement, such Party shall give the other Party written notice of a request to extend the Term ("Extension Request"), which shall be sent no later than June 1, 2024. Thereafter, the Parties shall negotiate in good faith any such Term extension with such negotiations to be completed by August 30, 2024. If the Parties are unable to agree upon the terms and conditions for any extended Term, then neither Party shall have any obligation to the other Party beyond the Term of this Agreement except for the completion or fulfillment of any obligations relating to the quantity of Coal to be provided under this Agreement through December 31, 2024.

ARTICLE 2 - SALE, PURCHASE AND TRANSPORTATION OF COAL

2.1 Quantity

(a) Base Annual Tonnage

The quantity of Coal to be sold and purchased hereunder during each Calendar Year shall be the Base Annual Tonnage Obligation as shown in Appendix A, paragraph 2 and shall be delivered approximately *pro rata* throughout the year in accordance with a delivery schedule mutually agreed upon by the Parties. For the avoidance of doubt, the foregoing shall mean that Buyer shall receive approximately one-twelfth of the adjusted base annual tonnage obligation each Calendar Month.

(b) Excess Quantity

Buyer shall not be required to accept any quantity of Coal shipped during a Calendar Month in excess of the total Monthly amount agreed upon by the Parties, but if Buyer accepts any excess quantity of Coal, Buyer may, upon notice to Seller, require that such excess amount be deducted from the total Monthly quantity to be shipped during any of the three (3) Calendar Months immediately following the Month in which the Coal is shipped.

(c) Volume Flexibility

Buyer shall have the right to nominate tonnages in a given quarter at [REDACTED] of the total base volume to be delivered for the quarter, provided that Buyer shall retain the obligation to accept the delivery of the Base Annual Tons for Contract Years 2022-2024 as provided herein. Buyer shall notify Seller [REDACTED] days prior to the start of each quarter of any decreases or increases in tonnages for the quarter (such Tons are referred to herein as "Flex Tons"). Any additional Flex Tons that are shipped to Buyer as a result of exercising Buyer's option shall be delivered at the Contract Price in effect at the time of delivery. With respect to any Flex Tons that are reduced by Buyer below the Base Annual Tons in any given year, Buyer shall have the right to satisfy those reductions with quarters where tonnage increases are made. Any Tons that are reduced by Buyer below the Base Annual Tons for Contract Years

2022, 2023, and 2024 (the "Rollover Tons") that are not made up by 2024, shall be delivered in Calendar Year 2025 at the 2025 Base Price shown in Appendix D. In the event that at the end of the Term of this Agreement, Buyer has not satisfied all of the reduced tonnages via those Months where tonnages were increased, Buyer shall ship those Tons within a six (6) Month period following the expiration of the normal terms of this Agreement. Seller shall have the right, by giving Buyer sixty (60) Days' notice to forego delivery of the Flex Tons in 2025, and by doing so Buyer will not be obligated to receive those Tons and the Agreement will end at the end of the Term. .

Contract Quantity	2022	2023	2024	2025
Base Annual Tons	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Flex Tons Maximum Quarterly Amount	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Maximum Annual Contract Tons with Flex Tons	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Minimum Annual Contract Tons with Flex Tons	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Rollover Tons (Max)				[REDACTED]

* Maximum Rollover Tons for 2025 if Buyer exercises its Flex Tons option to reduce 2022 by [REDACTED] Tons, 2023 by [REDACTED] Tons and 2024 by [REDACTED] Tons. For example, if Buyer exercises its Flex Tons right to reduce 2022 Contract Year Tons by [REDACTED] Tons and 2023 Contract Year Tons by [REDACTED] tons, then the Rollover Tons in 2025 may be [REDACTED]

(d) **Buyer's Requirements**

This Agreement is not and shall not be construed as a contract for all of Buyer's Coal requirements for the Station.

2.2 Source and Substitute Coal

The Coal sold and purchased hereunder shall be produced from Seller's existing and future mines on the reserves described in Appendix B, paragraph 1 (hereinafter known as the "Mine"), and loaded at Seller's or Seller's affiliate's Shipping Point(s) also described in Appendix B, paragraph 1. Seller shall not produce Coal for Shipment to Buyer from any source other than the Mine nor load Coal for Shipment to Buyer at any location other than the Shipping Point(s) unless Buyer shall have given its prior written consent, which shall not be unreasonably withheld. Seller's approved substitute source is described in

Appendix B, paragraph 2. If Seller proposes to supply Coal hereafter from a substitute source other than the Mine, Shipping Point, and/or approved substitute source, such proposal shall be given to Buyer in writing and signed by all Parties who are named as Seller in this Agreement. Buyer shall not unreasonably withhold approval of Coal from a substitute source not named in Appendix B, provided that it conforms to all the provisions of quality as set forth in Article 3 and Appendix C and Buyer approves it prior to Shipment. If Seller ships Coal from a Substitute Source, including approved Substitute Sources, the Price shall be reduced by any additional transportation costs incurred by Buyer.

2.3 Transportation

Except as otherwise expressly provided herein, Seller shall load and ship Coal sold and purchased hereunder in accordance with this Section 2.3 and Sections 2.4, 2.5, and 2.6 below, and such applicable tariff(s) and/or agreement(s) between Buyer and the delivering carrier(s) as Buyer may specify from time to time (the "railroad provisions"). All such applicable tariffs, agreements and/or railroad provisions in effect as of the Effective Date of this Agreement are specified in Appendix H, attached hereto. Buyer shall notify Seller of any amendments or revisions to said tariffs, agreements and/or railroad provisions in sufficient time to permit Seller's compliance with same. In the event of a conflict between published tariff(s) and the railroad provisions, the railroad provisions shall control. Buyer shall pay normal freight costs directly to the delivering carrier.

Seller shall load Coal, at its expense, in accordance with the loading and tonnage requirements of the railroad provisions. Seller warrants that it is able to comply with the railroad provisions specified in Appendix H attached hereto as of the Effective Date of the Agreement. In addition, Seller warrants that its loading facilities at the Shipping Point include track capacity for 110 empty railcars, and a loading capability of 110 railcars (minimum 100 Ton/car) in 4 hours. Seller warrants that it will maintain facilities with the capabilities described above for so long as this Agreement shall remain in effect. Buyer shall have the right, at its sole discretion, to specify that Coal be loaded in private rail cars owned or leased by Buyer provided that Seller's loading capabilities permit loading of such cars.

Buyer shall make timely arrangements with carrier for ordering and placement of suitable, fit, and clean railcars preferably with a minimum nominal capacity of 100 net Tons per railcar for the delivery of Coal hereunder. Seller shall perform a reasonable visual inspection of all empty railcars to see that they are suitable and fit for loading to Buyer's Destinations. Such inspection shall consist of, but not be limited to, examination of railcars to see that pocket doors are fully operable and door locking mechanisms are in proper working condition; and that the railcar is free of snow, ice, debris, foreign objects, or other materials. Failure of Buyer to tender suitable, fit, and clean railcars may result in Seller's rejection of the railcars at the Shipping Point, and Buyer shall reimburse Seller for any reasonable charges or expenses as

a result thereof. Failure of Seller to make a reasonable inspection and refuse equipment that is not suitable, fit, and clean, or to comply with any of the provisions of Appendix H attached hereto may result in Buyer's rejection of the railcar(s) at Destination. Seller shall reimburse Buyer for any demurrage, diversion, or related or similar charges assessed against Buyer as a result of Seller's failure to load and ship Coal in accordance with Sections 2.3, 2.4, and Appendix H attached hereto.

2.4 Time of Shipments

Unless another Shipment schedule is mutually agreed upon or unless a change in railroad provisions requires a change in the Shipment schedule, Coal sold and purchased hereunder shall be shipped by Seller throughout the Month in accordance with a Monthly schedule based on quantities specified pursuant to Section 2.1.

Buyer, at its sole option and upon reasonable notice, may delay previously scheduled Shipments to initiate preventative maintenance outages for Coal handling equipment that is required in order to insure efficient operation of such equipment. Such Shipments will be made up on a mutually agreed upon schedule. Shipments of Coal hereunder shall commence no earlier than the first week of January 2022. Each Day Coal is shipped Seller shall notify Buyer ("Shipping Notice") as soon as possible, but no later than one (1) Business day after the trainload departs from the Shipping Point. The Shipping Notice shall conform to the terms and conditions as specified in Appendix H attached hereto.

2.5 Title and Risk of Loss

Seller warrants that title to all Coal received by Buyer hereunder shall be good, and its transfer rightful, and that such Coal shall be free of any lien, claim, demand, security interest, or other encumbrance. Seller shall indemnify and hold Buyer harmless from any and all expenses (including reasonable attorneys' fees), losses, damages, and liabilities of every kind resulting from or arising out of any breach of this warranty. Title and risk of loss to the Coal shall pass from Seller to Buyer upon Receipt of Coal by Buyer at the Shipping Point and upon release to CSXT for shipment to Buyer.

2.6 Diversion of Shipments

Buyer shall have the right, from time to time in the event of a breakdown in unloading equipment at the Station, to divert any Shipment or portion of a Shipment of Coal, hereunder, or a trainload of Coal in transit, to an alternative Destination for unloading, provided that such diverted Shipment shall be re-delivered to and utilized solely by the Station. Buyer shall be responsible for any increased costs, demurrage or similar charges or costs incurred due to the diversion of any Shipment or portion of a Shipment, or a trainload of Coal in transit other than such charges caused by Seller's failure to ship as provided in Sections 2.3, 2.4, and Appendix H attached hereto.

2.7 Reserves

Subject to Article 8 below, Seller warrants that Seller now owns, leases, or controls, and has dedicated to the Mine a sufficient number of Tons of recoverable Coal contiguous and accessible to the Mine (the "Reserves") to enable Seller to supply Coal in the total quantity and of the quality called for by this Agreement (including the period of the extension Term). A description of such Reserves is set forth in Appendix B, and a map depicting such Reserves is attached thereto. Seller further warrants that, subject to Article 8 below, these Reserves can and will be mined economically by use of modern Coal-mining and processing techniques and that the Coal from these Reserves will meet the terms and conditions of this Agreement.

Seller covenants that it will not sell, lease, contract to sell, or otherwise transfer or agree to transfer to others, Coal, or any interest therein, from such Reserves in such quantity as to jeopardize Seller's ability to supply the total quantity and quality of Coal called for by this Agreement or as to interrupt Monthly Shipment schedules. Nothing in this Section 2.7 shall be construed as preventing Seller from: (1) mining and selling Coal from such Reserves to others, provided Seller's ability to meet the requirements of Section 2.1 has not been impaired and the foregoing covenants and warranties with respect to such Reserves are complied with, or (2) selling an interest in such Reserves provided Seller retains sufficient Reserves to enable Seller to supply Coal in the total quantity and of the quality called for by this Agreement (including the period of the extension option). If Seller enters into a new contract, after the effective date of this Agreement for the sale of Coal from the Reserves for a term longer than 36 Months, Seller shall ensure Buyer that such sale has not impaired Seller's ability to supply the Coal called for by this Agreement.

ARTICLE 3 - QUALITY

3.1 Coal Specifications

The Coal sold by Seller and purchased by Buyer hereunder shall be as uniformly blended as possible and such blend shall be reasonably consistent from railcar to railcar, shall be reasonably free of bone, shale, rock, dirt, and clay, and substantially free of extraneous material which term shall include, but not be limited to plastic, rubber, iron, steel, wood and other waste materials, and shall conform to the guaranteed specifications in Appendix C on an As Received Basis, measured for each Shipment delivered to Buyer:

Seller shall perform a reasonable visual inspection and remove any extraneous material from each railcar discovered during such inspection prior to loading. Seller shall reimburse Buyer for all damage caused to Buyer's equipment by any extraneous material that is proven to be loaded with the Coal by Seller.

3.2 Analysis

Coal received hereunder shall be sampled and analyzed as follows:

- (a) Coal supplied hereunder shall be sampled at Seller's expense at the Shipping Point. Seller shall cause a representative sample to be taken by the Lab on an "as-loaded" train-lot basis. Said sample shall be collected in accordance with then current ASTM standards by a mechanical sampling system. Said system shall be in good working condition and shall have been bias tested by an independent third party within five (5) years prior to Coal being sampled. The Lab collecting the sample shall divide it into three parts: the first part of such representative sample shall be sent to Buyer to perform a Proximate Analysis and Grindability Test, the results of which, subject to Section 3.2(c) below, shall govern hereunder. The Lab shall perform an "as loaded" analysis on the second part of such representative sample shall be sent to Seller to perform "as-loaded" analysis. The third part of the representative sample shall be held in reserve by the Lab as a referee sample. All Proximate Analyses and Grindability Tests performed by the Lab or Buyer shall be made in accordance with the synopsis of the procedures as set forth in Appendix J hereto, or other mutually acceptable procedures as agreed to in writing. In the event that a sample is not able to be obtained at loading with bias tested equipment in proper working condition, the Parties shall confer for purposes of reaching agreement as to an alternative means of sampling.
- (b) Seller shall furnish Buyer the complete results of the "as-loaded" analysis performed by Lab of each Shipment within one (1) Business Day of loading. Buyer shall furnish Seller, in a timely manner, a complete report of the results of each governing Proximate Analysis and Grindability Test performed for each Shipment. The Lab and Buyer shall maintain portions of the samples analyzed as follows: for Proximate Analysis, they are to be maintained for a period of sixty (60) Days from the date of Shipment and the portions of such samples shall be maintained on a 60 mesh size consist. For Grindability Test, they are to be maintained for a period of sixty (60) Days from the date of the test on the composite of all Monthly samples and the portions of such samples shall be maintained on a 4 mesh size consist.
- (c) If Seller disagrees with the results of any Proximate Analysis or Grindability Test provided by Buyer, Seller shall notify Buyer within ten (10) Calendar Days of Seller's receipt of Buyer's report of the results of such Proximate Analysis and Grindability Test and shall request that a portion of Buyer's sample and/or the Referee sample be submitted to an independent test laboratory to be selected by mutual agreement of the Parties. The

analysis conducted by the independent test laboratory shall be on a Dry Basis and converted to an As-Received Basis using the Lab's as-received analysis for total moisture content of the Coal from which the samples were taken. The results of the independent analysis shall be accepted as final and binding upon Buyer and Seller if the results of such analysis and Buyer's analysis are not within ASTM tolerances for variations in analyses between laboratories. If the results of the independent analysis and Buyer's analysis are within ASTM tolerances for variations in analyses between laboratories, Buyer's analysis shall be final and binding upon the Parties. The costs of the independent analysis shall be borne as follows: (1) by Seller if the results of the independent analysis and Buyer's analysis are within ASTM tolerances for variations in analysis between laboratories, or (2) by Buyer if the results are not within such tolerances.

- (d) Notwithstanding 3.2 (c) above, if Seller gives notice to Buyer that it disagrees with Buyer's analysis three (3) or more times within a sixty (60) day period, then Seller and Buyer shall confer for the purpose of auditing Buyer's lab and Seller's independent lab procedures.

3.3 Adjustments for Quality Variation

The Parties recognize that the failure of Seller to meet the guaranteed specifications and satisfy the suspension and rejection specifications set forth in Appendix C may cause Buyer to be unable to operate the Station without violating certain federal, state, or local environmental laws, rules, regulations, or ordinances, or may increase Buyer's costs of operating the Station. Seller shall therefore use all reasonable means to ensure that all Coal shipped hereunder shall meet the guaranteed specifications and satisfy the suspension and rejection set forth in Appendix C. The Price of Coal as determined under Article 6 shall be adjusted as follows for variation in Heating Value, ash, grind, and/or sulfur content, which Price Adjustments, subject to Section 3.5 below, shall be Buyer's sole and exclusive remedy for Shipments that vary from the guarantee specifications but satisfy the Suspension and Rejection specifications. Such adjustments shall be cumulative and will be applied as noted under each adjustment.

(a) **Heating Value Adjustment** The Base Price shall be adjusted in the manner set forth below to compensate for any difference between the As Received trainload weighted average Heating Value and the guaranteed Btu per pound. The adjustment in Base Price is in addition to any remedies provided by the Agreement or In law or equity (provided that such remedies are consistent with this Agreement) with regard to any Shipments that fail to satisfy Suspension and Rejection specifications.

(1) For Coal received which contains, on a trainload weighted average basis, a Heating Value which is greater than or less than the guaranteed Btu per pound, the Base Price will be adjusted as follows:

$$\text{(Base Price)} \times \frac{\text{(As Received Btu/lb)}}{12,900} = \text{Heat Value Adjusted Price}$$

The Price then in effect will be multiplied by a fraction, the numerator of which shall be the As Received trainload average Heating Value and the denominator of which is the guaranteed Heating Value. The difference between the Heat Value Adjusted Price and the Base Price then in effect shall be the premium applicable to the Price of such Coal.

(b) Ash Adjustment In addition to other adjustments, the Price per Ton to be paid by Buyer for Coal shall be adjusted downward in proportion to the ash content in excess of the guaranteed level in the event that the ash is more than one percentage point more than the guaranteed level. This adjustment shall be subtracted from the Price adjusted for Heating Value as calculated under Paragraph 3.3(a) of Coal delivered and unloaded and shall be based upon the "As Received" trainload average ash content of Coal unloaded. The amount per Ton of this Ash Adjustment shall be calculated as follows:

The downward Price adjustment shall be \$0.30 per Ton multiplied by the difference by which the "As Received" trainload average ash content for Coal unloaded (expressed as a percentage) exceeds the guaranteed level (expressed as a percentage). The adjustment in Price is in addition to any remedies provided by the Agreement or in law or equity (provided that such remedies are consistent with this Agreement) with regard to any Shipments that fail to satisfy Suspension and Rejection specifications. The Ash Adjustment Formula is:

$$\text{\$ Downward Adjustment/Ton}^* = \$0.30 (\% \text{ Ash minus } \% \text{ guaranteed Ash})$$

* Only applies if the trainload average As Received ash content is greater than the guaranteed ash content

(c) Sulfur Adjustment For Coal received which contains, on a trainload average basis, greater than the guaranteed sulfur content, the Price shall be adjusted as set forth below. This adjustment shall be subtracted from the Price adjusted for Heating Value as calculated under Paragraph 3.3(a) of Coal delivered and unloaded and shall be based upon the Monthly average "As Received" sulfur content for Coal unloaded. The adjustment in Price is in addition to any remedies provided by the Agreement or in law or equity (provided that such remedies are consistent with this Agreement) with regard to any Shipments that fail to satisfy Suspension and Rejection specifications.

In the event that the As Received sulfur content of Seller's Shipments on a Monthly weighted average basis exceeds the guaranteed sulfur level, the downward adjustment shall be \$1.80 per Ton

multiplied by the difference by which the Monthly weighted trainload average 'As Received' sulfur content for Coal unloaded exceeds the guaranteed maximum sulfur level, measured in percent sulfur. The exceedance shall be calculated to each one-tenth of one percent, at a rate of \$0.18 per Ton per one-tenth of one percent. The Sulfur Adjustment Formula is:

$$\text{\$ Downward Adjustment/Ton} = \$1.80 (\% \text{ Sulfur minus } \% \text{ guaranteed Maximum Sulfur})$$

(d) **Deficient Grindability Adjustment** In addition to other adjustments, Seller shall pay Buyer a deficient grindability adjustment based on a trainload average composite. This adjustment shall be subtracted from the Price adjusted for Heating Value as calculated under Paragraph 3.3(a) of Coal delivered and unloaded and shall be based upon the average grindability of Coal unloaded for the Month. The amount per Ton of this grindability adjustment shall be calculated as follows:

The adjustment shall be \$0.25 per Ton multiplied by the number of Hardgrove index points by which the trainload average grindability content of Coal unloaded is more than three (3) Hardgrove index points below the guaranteed level. No credits shall be given if the grindability content is greater than the guaranteed level.

The adjustment is in addition to any remedies provided by the Agreement or in law or equity (provided that such remedies are consistent with this Agreement). The Grindability Adjustment Formula is:

$$\text{\$ Downward Adjustment/Ton}^* = \$0.25 (\text{Guaranteed HGI minus } 3 \text{ minus Actual HGI})$$

* Only applies if the As Received grindability content is more than three Hardgrove index points below the guaranteed level

(e) The adjustments provided for in Paragraphs 3.3 (a), (b), (c) and (d) are intended to be adjustments to reflect the increase or decrease in the value of Coal supplied to Buyer according to the Heating Value, ash, grind, and sulfur content of that Coal. They are not intended to be, nor shall they be construed to be, either liquidated damages or penalties. Application of these adjustments shall not be construed to allow a range of specifications different from those specified in Appendix C and shall not prevent Buyer from exercising any other rights or remedies it may have if Seller delivers Coal that does not meet the Heating Value, ash, grind, or sulfur Suspension or Rejection specifications set forth in Appendix C.

3.4 Suspension of Shipments for Coal Quality Deficiencies

Should the Coal quality of two (2) Shipments within a sixty (60) Day period or four (4) Shipments within a six (6) Month period fail to comply with any of the Suspension specifications stated in Appendix C of this Agreement, Buyer shall have the right to, suspend immediately all Shipments by giving written notice of the suspension to Seller. After receipt of such written notice, Seller shall immediately commence appropriate action and use its best efforts to correct the deficiency. Seller shall furnish Buyer with such

documentation as Buyer may reasonably require to assure Buyer of Seller's ability to perform. If Buyer is reasonably assured that Seller can deliver Coal which complies with the guaranteed specifications of Appendix C, then a test Shipment shall be scheduled. If analysis by Buyer shows that the test Shipment to be in compliance with the guaranteed specifications and satisfies the Suspension and Rejection specifications of Appendix C, deliveries shall be permitted to resume. Buyer shall have the sole right to determine if Seller shall be allowed to make up any tonnage not delivered during the suspension in accordance with a mutually agreeable delivery schedule. If Buyer does not receive adequate assurance of Seller's ability to deliver Coal which complies with the guaranteed specifications, within thirty (30) Days of its suspension notice, or if the test delivery fails to comply with the guaranteed specifications and satisfy the Suspension and Rejection specification, Buyer shall so notify in writing to Seller of such failure, and this Agreement may be immediately terminated, at Buyer's option.

3.5 Termination of Agreement for Coal Quality Deficiencies

In addition to and not as a limitation upon other rights of Buyer, if during a sixty (60) consecutive Day period following notice to Seller of failure to comply with Appendix C, more than fifty (50%) percent of the Coal shipped fails to comply with any of the guaranteed specifications set forth in Appendix C, Seller shall be in material breach of this entire Agreement and Buyer shall have the right to immediately terminate this Agreement.

In the event Buyer terminates this Agreement under this Section 3.5, or suspends or terminates delivery pursuant to the provisions of Section 3.4, and in addition to other remedies provided by this Agreement or by law (provided that such legal remedy is consistent with this Agreement), Seller shall be liable to Buyer for breach of the Agreement and shall be responsible and shall pay Buyer for any and all direct, non-consequential costs incurred by Buyer under this Agreement in accordance with Article 9 and Section 11.2 below. Buyer shall provide Seller with documentation of such costs.

3.6 Rejection of Coal for Coal Quality Deficiencies

In addition to and not a limitation upon its suspension or termination rights, Buyer shall have the right to reject any trainload, prior to the unloading thereof, should the quality of Coal of that trainload show, by analysis, failure to comply with the Rejection limits as set forth in Appendix C. Buyer shall also have the right to reject any trainload based on visual inspection if the Coal is not substantially free from impurities, such as bone, slate, scrapped iron, steel, earth, rock, pyrite, wood, or blasting wire. Buyer shall give prompt notice to Seller of any rejection of trainloads hereunder. After notification by Buyer of a rejected trainload, Seller shall not resume Shipments until Coal quality has been corrected to Buyer's satisfaction. In the event that Buyer rejects any Coal, Seller shall immediately remove said Coal from Buyer's facilities or from transportation equipment at Seller's expense and shall reimburse Buyer for its

direct, non-consequential costs and expenses, including transportation costs, incurred in connection with the rejected Shipment consistent with Article 9 and Section 11.2 below. Buyer shall provide Seller with documentation of such costs.

If Buyer's unloading and sampling systems are in proper working condition and Coal fines (1/4" x 0" as defined in Appendix C) prevent unloading of a Shipment due to fugitive dust emissions and train unloading is delayed until weather conditions permit unloading, Seller will pay demurrage or extra costs to return locomotives if the Coal fines fail to meet the suspension specification in Appendix C. In the event that Buyer, at its sole discretion, accepts Coal in which the "As Received" trainload analysis fails to comply with any Rejection limit as set forth in Appendix C, the following additional Price adjustments shall apply:

Moisture Adjustment	-	\$3.00 per Ton for each one percent (1%) or any fraction thereof above the rejection limit
Ash Adjustment-		\$3.00 per Ton for each one percent (1%) or any fraction thereof above the rejection limit
Btu Adjustment-		\$2.00 per Ton for each 100 Btu's or fraction thereof below the rejection limit
Sulfur Adjustment	-	\$2.00 per Ton for each one-tenth of each one percent (0.1%) above or below the rejection limits
Fines Adjustment	-	\$1.00 per Ton for each one percent (1%) or fraction thereof above the rejection limit

If Buyer elects to accept Coal that fails to comply with the Rejection limits and receive a Price adjustment pursuant to this Section 3.6, then such Shipment shall be excluded from the calculation of the Monthly weighted trainload averages and will not affect any other remedy under the Agreement, including Buyer's right to reject Coal shipped thereafter which fails to comply with the Rejection limits as set forth in Appendix C. The quality adjustments in this Section 3.6 are in addition to the quality adjustments set forth in Section 3.3.

3.7 Suspension and Termination of Agreement for Operational Considerations

Buyer shall have the right to suspend deliveries hereunder if it determines, in its sole and reasonable judgment, that utilization of the Coal results in a severe and unforeseen degradation of Buyer's generating plant(s) operational performance such that Buyer is unable to economically utilize Seller's Coal without significant operational revisions.. Should such determination be made by Buyer, Buyer shall give Seller written notice of such determination and suspension along with documentation of said performance degradation. Upon such suspension, the Parties shall meet and confer in good faith in an effort to identify means to overcome the problem giving rise to such adverse effect. If within ninety (90)

Days after suspension of deliveries under this Section, the Parties are unable to agree upon an acceptable means to overcome the problem, Buyer shall have the right to immediately terminate this Agreement. In such event, neither Party shall have any further obligation or liability under this Agreement or at law except with respect to Coal delivered prior to said termination date or other obligations accrued as of the date of termination.

ARTICLE 4 - MEASUREMENT OF COAL RECEIVED

Coal shall be weighed at the Mine using approved and certified weighing devices. Seller shall maintain and certify these weighing devices in accordance with the NIST Handbook 44, Specifications Tolerances and other Technical Requirements for Weighing and Measuring Devices. Buyer may, at its own expense, have a representative present to observe such certifications.

If Seller's weighing devices become inoperable, then Buyer's weighing devices at the Destination shall be used. Seller and/or the appropriate rail carrier may, at their own expense, inspect Buyer's weighing devices and verify or be present for Buyer's weighing device(s) certification. If Seller's and Buyer's weighing devices become inoperable, then the appropriate rail carrier's weighing devices shall be used at Seller's expense.

In the event that weighing devices owned by Buyer, Seller, or the appropriate rail carrier are found to be in error, an equitable adjustment in Price or settlement shall be promptly made by Buyer or Seller, as appropriate, and, in the absence of definite information as to when such error began, the adjustment shall be made on the basis of such error having existed for one-half (1/2) the time between the discovery of the error and the most recent test indicating that the weighing devices were accurate. If, for any reason, a Shipment of Coal is not weighed using weighing devices owned by Buyer, Seller, or the applicable rail carrier, then the average net weight per car for each same type or size of car received for the previous five (5) Shipments shall be used for that Shipment in lieu of weighing devices. Weights determined in accordance with this Article 4 shall be used for payment and for all purposes under this Agreement.

ARTICLE 5 - PAYMENT AND RECORDS

5.1 Payment

(a) Within seven (7) Business Days of the Receipt of each Coal Shipment hereunder, Buyer shall forward Seller a copy of the Station's Receiving Report and Coal sample data sheet ("Data Sheet"). Seller upon receipt of Data Sheet shall prepare and issue an invoice to Fuel Accounting for Coal received in such Shipment. Payment for such Coal shall be paid net fifteen (15) Days from shipment of Coal and with Seller's properly completed invoices in duplicate received at Fuel Accounting Office. Payment shall be effectuated by wire transfer on the due date by Buyer. Each invoice shall be numbered and include

the following information shipping date, Mine at which the Coal was produced, purchase order number, number of cars shipped, Tons, F.O.B. Mine Price, Unit Train number, and total invoice amount. Payment shall be based on the Price as determined in accordance with Article 6, using the weights determined in accordance with Article 4 and assuming no adjustments for variation in quality pursuant to Section 3.3.

(b) Price adjustment calculations for variations in quality shall be calculated in accordance with Section 3.3 and forwarded to Seller by written notice. Buyer shall forward said written notice to Seller within fifteen (15) Calendar Days following the Month in which Coal was shipped. Where payment is due Seller as a result of such adjustment, Seller shall prepare and issue an invoice to Buyer. Where Buyer is due a refund as a result of any such adjustment, Buyer shall have the option to take credit on Seller's outstanding invoice covering payment for Coal or to require cash payment from Seller within fifteen (15) Business Days of Seller's receipt of Buyer's written notice.

(c) Payment shall be made by wire transfer as shown in Appendix E, which may be changed by written notice.

(d) The payment terms set forth herein are based on the financial condition of Buyer (or its Guarantor) as of the date of this Agreement. If Seller (the "Requesting Party") has reasonable grounds to believe Buyer's (or its Guarantor's) (the "Receiving Party") creditworthiness or financial stability has become unsatisfactory and, in the reasonable judgment of the Requesting Party, is affecting the ability of the Receiving Party to perform under this Agreement, the Requesting Party reserves the right to demand adequate assurance from the Receiving Party in accordance with the Uniform Commercial Code including, but not limited to, revised payment terms.

5.2 Records

Each Party shall keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement. All such records shall be maintained for at least three (3) years after the expiration, termination, or cancellation of this Agreement and for any additional length of time required by regulatory agencies with jurisdiction over the Parties.

Either Party or its designated representatives shall have the right from time to time, upon written notice to the other, to examine true and correct copies of relevant records and data of the other Party relating to this Agreement, including without limitation the weights and analyses of the Coal supplied hereunder, and records supporting Base Price components, quantity and quality of reserves, independent audits, and reports to federal and state entities, any time during the period in which the records are required to be maintained. Either Party upon signing an appropriate confidentiality agreement, may require the other Party to supply the requesting Party with copies of audited annual reports. This requirement may be satisfied if a Party's financial reports are available at www.sec.gov.

ARTICLE 6 - PRICE

6.1 Base Price

The Base Price of Coal supplied hereunder, loaded in railcars at Shipping Point, shall be as set forth in Appendix D (in U.S. dollars per Ton), effective January 1, 2022. The Base Price shall be subject to adjustment only as specifically provided herein.

6.2 Adjustment for Changes in Government Imposition

The term "Government Imposition," as used in this Agreement, means any tax or fee or any requirement or duty imposed by any government or governmental agency or any statute, administrative regulation or ruling, state or local ordinance, or the like affecting the cost of the following: permitting, production, severance, preparation, loading, transporting, or sale of Coal and reclamation of the Coal property designated in Appendix B hereunder. The term does not include impositions on Seller, such as federal or state income taxes or excise taxes, which are not levied upon the production, preparation, loading, transportation or sale of Coal or reclamation of the Coal property designated in Appendix B hereunder or any employer's social security, worker's compensation, or unemployment taxes. A Government Imposition shall only include impositions affecting the general Coal industry, not impositions affecting only the Seller.

The Base Price stated in Section 6.1 includes all costs of compliance by Seller with all Government Impositions effective as of January 1, 2022 regardless of whether or not Seller is actually in compliance with all such Government Impositions as of that date. It is recognized that effective January 1, 2022, the Base Price includes the Black Lung Excise Tax, the Reclamation Fee, and the Severance Tax.

Price adjustments shall be made for changes in costs due to Seller's or Seller's affiliate's compliance with Changes In Government Impositions which shall be (1) amendments after January 1, 2022 to Government Imposition; (2) requirements of entirely new Government Impositions which are enacted or promulgated after January 1, 2022; or (3) judgments, orders or decrees issued after January 1, 2022 by any court of law or equity, which reflect new and different interpretations of Government Impositions where such changes in cost directly affect and are binding upon Seller's or Seller's affiliate's operation hereunder. Such changes in cost shall hereinafter be called "Changes in Costs". Changes in Costs shall not include, and no Price adjustments shall be made for, costs due to compliance with (1) any Government Imposition effective and imposed as of January 1, 2022, regardless of whether the Base Price reflects the full costs of compliance with such Government Imposition; or (2) any civil or criminal fine or penalty imposed as the result of failure to comply with any statute, administrative regulation or ruling, state or local ordinance, or judgment, order or decree of any court.

In the event and whenever after January 1, 2022 there is a Change in Government Imposition, Seller shall give Buyer written notice thereof within sixty (60) Days of the effective date of the new or changed Government Imposition.

If the change in Government Imposition is a tax or fee which is expressly imposed on a per Ton basis, Seller shall submit a claim within sixty (60) Days of the date that the new or changed Government Imposition is imposed on Seller.

If the change in Government Imposition results in a change in Costs not expressly imposed on a per Ton basis, Seller shall submit a claim which describes the change in Costs and which contains sufficient documentation and data to permit Buyer to verify Seller's computation of the change in Costs. The documentation and data shall be based on an adequate period of experience in compliance with such change in Government Imposition, but in no case, shall such adequate period exceed twelve (12) Months. In the case of a determination of a change in Costs which is an increase, an adjustment to the Price shall be made for the period no more than twelve (12) Months prior to the receipt by Buyer of Seller's claim, and during which such change in Government Imposition was in effect. In the case of a Change in Costs which is a decrease, an adjustment to the Price shall be made from the date such change in Government Imposition was in effect. Buyer shall have the right to require Seller to evaluate and submit such a claim if Seller fails to do so after a change in Government Imposition is effective.

If the cumulative effect of adjustments resulting from changes in Costs which would be required to meet Government Impositions would be such as to make the Price of the Coal to be sold to Buyer hereunder more than 10% higher than its then prevailing Price, excluding all adjustments under this Section, , then Buyer shall have the right to terminate this Agreement upon six (6) Months' notice to Seller, such termination being Buyer's sole remedy under this Agreement with no further obligation on the part of Seller. Seller shall have the right to limit or forego the cumulative effect of adjustments resulting in Changes in Costs which would be required to meet Government Imposition in order to preclude Buyer's right to terminate this agreement.

ARTICLE 7 - RIGHT TO VISIT

Each Party grants to the other (including its agents) the right to visit its facilities at reasonable times, from time to time, upon reasonable notice and subject to the applicable safety and check in rules and regulations of the facilities, in order to witness, review and audit operations related to this Agreement, including, but not limited to the sampling and analysis of Coal and adequacy of reserves.

ARTICLE 8 - FORCE MAJEURE, ENVIRONMENTAL REQUIREMENTS, TERMINATION, AND SYSTEMWIDE REDUCTION

8.1 Force Majeure

"Seller's Force Majeure" as used herein shall mean a cause reasonably beyond the control of Seller which wholly or in part prevents the permitting, mining, preparing, loading, shipping or delivery of Coal. "Buyer's Force Majeure" as used herein shall mean a cause reasonably beyond the control of Buyer which wholly or in part prevents the unloading, storing or burning of Coal by Buyer at its Destination. Examples (by way of illustration and without limitations, and whether or not foreseen or foreseeable) of force majeure for either Party are the following: acts of God; acts of any public enemy; insurrections; riots; strikes; labor disputes; work stoppages; fires; explosions; floods and other adverse weather conditions; electric power failures; breakdowns of or damage to generating plants, mining equipment or preparation plant faults in the Coal seam or other extraordinary or unsafe geological conditions; interruptions to or contingencies of transportation; embargoes; and orders or acts of civil authority (including, without limitation, a city or county ordinance or order by a regulatory agency, an act of a state legislature, an act of the United States Congress, a court decision or ruling) or military authority; provided, however, for the purposes of this Agreement, force majeure shall not include, and neither Party shall be excused from performance because of the development or existence of economic conditions which may adversely affect the anticipated profitability of the mining activities of Seller hereunder or which may adversely affect the use of Coal by Buyer. Scheduled outages shall not be considered force majeure. Acts or omissions of either party which constitute mismanagement shall not be considered force majeure hereunder. Force majeure shall also not include (i) the Buyer's ability to purchase replacement coal at a price lower than the price set forth in this Agreement; or (ii) the loss of Seller's supply or Seller's ability to sell the Coal at a more advantageous price.

If because of Buyer's Force Majeure, Buyer is unable to carry out its obligations under this Agreement, and if Buyer gives Seller prompt written notice of such force majeure, the obligations and liabilities of Buyer and the corresponding obligations of Seller shall be suspended to the extent made necessary by and during the continuance of such Buyer's Force Majeure; provided, however, that the disabling effects of such force majeure shall be eliminated as soon as and to the extent possible (except that either party may settle any of its own labor disputes, strikes, or terminate any of its own lockouts in its sole discretion).

Upon elimination of a Buyer's Force Majeure condition, Seller may, at its sole option, elect to ship tonnage not received during the force majeure period at the Base Price prevailing at the time the subject tonnage was initially scheduled for shipment to Buyer.. In the alternative, Seller may, at its sole option,

elect to excise any tonnage not received during the force majeure period without further obligation of either Party with respect to such tonnage.

If because of Seller's Force Majeure Seller is unable to carry out its obligations under this Agreement, and if Seller gives Buyer prompt written notice of such force majeure, the obligations and liabilities of Seller and the corresponding obligations of Buyer shall be suspended to the extent made necessary by and during the continuance of such Seller's Force Majeure; provided, however, that the disabling effects of such force majeure shall be eliminated as soon as and to the extent possible (except that either Party may settle any of its own labor disputes, strikes, or terminate any of its own lockouts in its own sole discretion).

Upon elimination of a Seller's Force Majeure condition, Buyer may, at its sole option, elect to receive tonnage not shipped during the force majeure period at the Base Price prevailing at the time the subject tonnage was initially scheduled for shipment by Seller. In the alternative, Buyer may, at its sole option, elect to excise any tonnage not delivered during the force majeure period without further obligation of either Party with respect to claim for such tonnage.

It is agreed that in the event that any valid act, law, ordinance, order, rule or regulation of a municipality, regulatory agency, county, state or the United States government, or final judicial decision, judgment or order, is adopted or passed after the date of this Agreement, which (a) directly prohibits, significantly burdens or restricts the mining contemplated hereunder, or (b) imposes significant burdens or restrictions upon the burning or use of such Coal by Buyer (except for Environmental Related Requirements as pursuant to Section 8.2) to the extent that Buyer is unable or would not be allowed to utilize such Coal or would be allowed to utilize such Coal only after the installation or substantial renovation of plant equipment that would make Seller's Coal significantly less economical than other available sources, then the existence and implementation of such act, law, ordinance, rule, regulation, judgment or order shall constitute an instance of permanent force majeure whereupon this Agreement may be terminated by the Party so affected. If Buyer is required by such Force Majeure to replace Seller's Coal, Seller shall have the option to replace Coal at the same Delivered Cost, in cents per million Btu, as other available sources. In the event Buyer, in its sole and reasonable judgment, determines that Seller cannot achieve this result, then Buyer may terminate this Agreement without further obligation of either Party.

Notwithstanding the provisions of this Section 8.1, if (a) a condition of force majeure occurs which causes the mutual obligations to be suspended as provided above with respect to the total quantity of Coal to be supplied, and (b) such condition (alone or extended by other conditions of force majeure) continues so that the mutual obligations remain suspended for a period of six (6) Months, and (c) at the end of said six (6) Months or at any time thereafter, the Party not claiming force majeure, in the exercise

of its reasonable judgment, concludes that there is little likelihood that the Force Majeure condition(s) will end in the immediate future, then the party not claiming force majeure may terminate this Agreement without liability to the other Party by giving to the other ninety (90) Days' notice in writing of its intention to terminate. In such event, neither Party shall have any further obligation or liability under this Agreement or at law except with respect to Coal delivered prior to said termination date or as otherwise provided.

8.2 Changes in Environmental Related Requirements

The term "environmental related requirements," as used in this Agreement, means (i) any prohibition, restriction, or limitation related to the quality of Coal which Buyer may burn, including any constituent specification, at the Stations , or to the type or amount of emissions from the Stations ; (ii) any rule or requirements affecting the permissible means for complying with any such prohibition, restriction or limitation; and, (iii) any imposition of a cost, fee, tax or other economic burden on Buyer relating to any constituent specification of Coal purchased by it, or to the type or amount of emissions from its Stations . A "change in environmental related requirements" shall be deemed to have occurred if there is any increase or decrease in an environmental related requirement or imposition of a new environmental related requirement on Buyer applicable to the Stations as a result of any federal or state statute, local ordinance, administrative regulation or ruling, court order, or any revision in any interpretation or implementation thereof. It is recognized that a change in environmental related requirements upon Buyer may occur even though stated as a restriction or limitation on, or requirement of, Buyer and its affiliates or with some other group of utilities. It is further recognized that any change in environmental related requirements may affect Buyer in a general way and may not be directed at specific plants, fuels, fuel supplies or other operating conditions. In this event, Buyer shall, in its sole discretion, determine the strategy for compliance, and whether Buyer's use of the Coal to be supplied hereunder has been adversely impacted.

The Price, specifications, quantity and Destination of Coal purchased hereunder is predicated on environmental related requirements in effect as of January 1, 2022. In the event, and whenever after January 1, 2022, there is a change in environmental related requirements, Buyer shall reasonably determine whether such change has had or will have an adverse impact on Buyer's use of the Coal purchased hereunder. It is agreed that any change in environmental related requirements which imposes a fee, tax or other economic burden on Buyer relating to the constituent specifications of Coal purchased by it or on the type or amount of emissions from Buyer's Stations , or prevents Buyer from utilizing the Coal purchased hereunder in its Stations , or requires Buyer to install equipment (such as flue gas desulfurization equipment or particulate removal equipment) at the Stations in order to comply with such

change, or requires or permits Buyer to utilize Coal of a quality (including sulfur content) different from that specified in Appendix C, shall be deemed to have an adverse impact on Buyer's use of the Coal purchased hereunder, even though the statute, regulation, ruling or ordinance may allow Buyer a choice of options for complying with such changed environmental related requirements (which choice may include the payment of a fee or tax in lieu of the installation of equipment or utilization of Coal of different constituent specifications).

If Buyer determines that a change in environmental related requirements has had or will have an adverse impact on Buyer's use of the Coal purchased hereunder, Buyer shall so notify Seller, and Parties shall meet and confer in good faith in an effort , to identify any steps available to them to mitigate the environmental related requirement , within ninety (90) Days of Buyer's notification to Seller, with respect to the mining and processing, and utilization of the Coal, or in the supply of substitute coal, or in the reduction in the Price of the Coal., In the event the Parties are unable to agree upon steps to mitigate the environmental related requirement, then Buyer may terminate this Agreement upon ninety (90) Days' written notice given at any time after Buyer has notified Seller of the change in environmental related requirements. Buyer shall have no further obligation or liability under this Agreement or at law except with respect to Coal delivered prior to said termination date or as otherwise provided. Buyer shall have the right to give such notice either before or after the effect of a change in environmental related requirements.

8.3 System wide Reduction

Notwithstanding anything herein to the contrary, in the event of a system-wide reduction of more than 15% in the use of Coal resulting from diminution of demand for power by Buyer's customers, Buyer shall be relieved of its obligation to purchase Coal hereunder to the extent made necessary by such system-wide reduction; provided, however, that Buyer shall not make reductions in this Agreement until its Coal purchased under spot orders has been eliminated, and this Agreement in that event shall be reduced not more than the proportionate percentage of reduction of other existing agreements held by Buyer for the purchase of coal.

ARTICLE 9 - REMEDIES AND WAIVER

9.1 Specific Remedies - Unexcused Non-Performance By Seller or Buyer

(a) Except as excused by force majeure or due to the fault of Buyer or Buyer's rail carrier, in the event that Seller fails to deliver at least 75% of the total quantity of Coal designated by Buyer pursuant to Section 2.1 for any period of three (3) consecutive Months, or in the event that Seller fails to deliver at least 90% of the total quantity designated by Buyer in any Calendar Year, or in the event that Seller fails

to comply with the quality specifications in Appendix C (as provided in Section 3), Buyer shall have the right to exercise any of the following options, including any combination thereof: (i) require Seller to ship make-up tonnage at a subsequent date and subject to availability; or (ii) reduce the tonnage to be sold and purchased under this Agreement by an amount up to the quantity not delivered by Seller. If Buyer requests that the Seller ship make-up tonnage, the Price of this Coal shall be the Price of the Coal in effect at the time that Seller failed to deliver.

In additional, Buyer shall have the right to immediately terminate this Agreement. Buyer shall have no further obligations or liability under this Agreement or at law except with respect to obligations accrued of the termination date including Coal delivered prior to said termination date. In the event that Buyer terminates this Agreement due to Seller's failure to comply with the delivery requirements as provided in this Section 9.1, Buyer shall have the right to purchase replacement Coal equal to the quantity not delivered by Seller which shall comprise of tonnage due but not delivered and the balance of the tonnage remaining on the Agreement. Buyer shall have the right to charge the Seller for the amount that the delivered cost of the replacement Coal exceeds the Delivered Cost of the Coal that would have been delivered under this Agreement. In calculating the excess cost of this replacement Coal, Buyer shall have the right to include all costs associated with the replacement cost, including, but not limited to, transportation and quality differences.

(b) Except as excused by force majeure, or due to the fault of Seller in the event that Buyer fails to accept delivery of at least 75% of the total quantity of Coal scheduled for delivery to Buyer pursuant to Section 2.1 for any period of three (3) consecutive Months, or in the event that Buyer fails to accept the delivery of at least 90% of the total quantity scheduled for delivery to Buyer in any Calendar Year, Seller shall have the right to exercise any of the following options, including a combination thereof: (i) require Buyer to accept the delivery of make-up tonnage at a subsequent date and subject to availability; or (ii) reduce the tonnage to be sold and purchased under this Agreement by an amount up to the quantity not delivered to Buyer. If Seller requires Buyer to accept the delivery of make-up tonnage, the Price of this Coal shall be the Price of the Coal in effect at the time that such Coal was initially scheduled for delivery to Buyer.

In addition, Seller shall have the right to immediately terminate this Agreement. Seller shall have no further obligations or liability under this Agreement or at law except with respect to obligations accrued as of the termination date including Coal delivered prior to said termination date. In the event that Seller terminates this Agreement due to Buyer's failure to comply with the delivery requirements as provided in this Section 9.1, Seller shall have the right to sell the quantity of Coal that was not delivered to Buyer which shall include of tonnage due but not delivered and the balance of the tonnage remaining on the Agreement. Seller shall have the right to charge Buyer for the amount equal to the positive

difference between the Delivered Cost of the Coal that would have been delivered under this Agreement, minus the delivered cost of the Coal resold by Seller. In calculating this cost difference, Seller shall have the right to include all direct costs associated with the resale cost, including, but not limited to, transportation and quality differences.

9.2 Specific Remedies - Bankruptcy

In the event that Seller or Buyer shall file for bankruptcy, including Chapter 11 and Chapter 7 of the U.S. Bankruptcy Code, the non-filing Party shall have the right to immediately terminate this Agreement, with no further obligation, other than to pay for Coal already shipped prior to termination. The Parties agree that this Agreement is a forward contract and that they are forward contract merchants within the meaning of the United States Bankruptcy Code.

9.3 Remedies

In the event either Party fails to perform its obligations hereunder in accordance with the terms and conditions of this Agreement, the other Party may exercise all remedies available to it at law or in equity, provided such remedies are consistent with the terms of this Agreement.

9.4 Waiver

Waiver by either Party of any breach, or failure to require strict performance of the terms and conditions of this Agreement at any time, shall in no way affect, limit, or waive such Party's right thereafter to enforce and compel strict compliance with this Agreement and shall in no way be construed as a consent to any continuing or subsequent breach or failure to perform in strict compliance with this Agreement.

ARTICLE 10 – FREEZE CONDITIONING

If requested by Buyer, Seller shall, in accordance with acceptable industry practice, freeze condition the Coal delivered under this Agreement with a product mutually acceptable to Buyer and Seller. Prior to freeze conditioning, Seller shall consult with Buyer regarding the desired freeze conditioning product, the anticipated cost of the freeze conditioning product to Seller, the application fee and the application rate (pints/Ton) of the product. Buyer shall pay to Seller the application fee plus the cost of the freeze conditioning product applied to the Coal delivered to Buyer.

ARTICLE 11 - GOVERNMENTAL AUTHORITY

11.1 Compliance with Laws and Regulations

In the performance of this Agreement, Buyer and Seller shall comply with all applicable laws, rules, regulations, and ordinances of any governmental body or authority having jurisdiction.

11.2 Equal Employment Opportunity

During the performance of this Agreement, the Seller agrees as follows:

(1) The Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Seller agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The Seller will, in all solicitations or advertisements for employees placed by or on behalf of the Seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(3) The Seller will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the Seller's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Seller will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Seller will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and order of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Seller's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Seller may be declared ineligible for further Government contracts

in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Seller will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Seller will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance; provided, however, that in the event the Seller becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Seller may request the United States to enter into such litigation to protect the interests of the United States.

11.3 Permits and Licenses

Seller and Buyer each warrants to the other that it has or will timely seek to obtain any licenses and permits which, under the laws, rules, regulations, or ordinances of any federal, state, or local government, it may be required to hold in order to perform its obligations hereunder. Seller and Buyer shall hold and maintain such licenses and permits for so long as this Agreement shall remain in effect.

ARTICLE 12 - MISCELLANEOUS

12.1 Assignment and Subcontractors

Neither this Agreement nor any of the obligations created herein or by law may be subcontracted, assigned, or otherwise transferred by Seller or Buyer without the prior written consent of the other Party, except that Buyer, without Seller's consent, may assign this Agreement to an unaffiliated entity ("Assignee") that processes the Coal supplied under this Agreement for subsequent delivery to Buyer. In such event, the Assignee shall have the right to assign this Agreement back to South Carolina Public Service Authority without Seller's consent. Nothing in this Agreement shall limit Buyer's rights to divert Shipments to any alternate Destination for redelivery to the Stations.

12.2 Independent Contractor

Seller shall at all times act as and be deemed to be an independent contractor for all purposes of this Agreement and shall not act as nor be deemed to be an employee or agent of Buyer.

12.3 Succession

This Agreement and the obligations created herein shall inure to the benefit of and be binding in all respects on the successors and assigns of each of the Parties.

12.4 Survival of Obligations

All remedial, indemnification, and confidentiality rights and obligations provided in this Agreement shall survive the termination, cancellation, or expiration of this Agreement.

12.5 Governing Law

This Agreement shall be governed by and construed and enforced in accordance with, and its validity shall be determined under the laws of the State of South Carolina, including the Uniform Commercial Code as adopted in South Carolina. It is agreed that this Agreement shall be deemed executed in the State of South Carolina regardless of the actual place of signature or actual place of performance.

12.6 Severability

In the event any of the terms or conditions of this Agreement are held to be unenforceable because they conflict with any laws, rules, regulations, or ordinances, the obligations of the Parties hereto shall be reduced only to the extent of such conflict.

12.7 Confidentiality

Seller and Buyer agree to retain in confidence, to the extent permitted by law, this Agreement and any information obtained as a result of negotiation and performance of this Agreement which either Party identifies to the other as being proprietary in nature. It is agreed, however, that such information may be disclosed when requested by a court or government agency, and that certain cost and physical property information related to fuel purchases are routinely reported to state regulatory agencies and the Federal Energy Regulatory Commission and may be used by Buyer's consultants to make economic forecasts.

12.8 Headings

Article and Section headings set forth in this Agreement are inserted only for convenience and shall have no effect whatsoever on the interpretation or construction of this Agreement.

12.9 Material Safety Data Sheet (MSDS)

Vendor will furnish required MSDS forms, for any material shipped to Santee Cooper.

12.10 Drug Free Workplace Certification

The State of South Carolina has amended Title 44, Code of Laws of South Carolina, 1976, relating to health, by adding Chapter 107, so as to enact the Drug-Free Workplace Act. The Act became effective

January 1, 1991, and requires a Certification from Seller before an award of a contract of \$50,000 or more can be final. Seller will be required to provide such certification by signing and returning the attached "Certification Regarding Drug-Free Workplace Requirements" form (Attachment 1).

12.11 Safety

Seller shall take all necessary or advisable precautions for the safety of all persons and property at, on, or near its operations. Seller shall comply with all applicable safety standards established and promulgated under the Federal Coal Mine Safety and Health Act (MSHA) and with all additional applicable regulations, rules, and orders of Federal, State, County, and Municipal government bodies and agencies which may have jurisdiction over its operations. Seller certifies that all work and products used by it to accomplish performance under this Agreement comply with said laws, regulations, rules and orders. Seller further agrees to indemnify and hold Buyer harmless for any loss, damage, fine, penalty or any expense whatsoever as a result of Seller's failure to comply with the aforementioned.

12.12 Consequential Damages Waiver

IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE TO THE OTHER PARTY FOR INCIDENTAL, INDIRECT SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY DEFAULT IN THE PERFORMANCE OF ANY OF ITS COVENANTS OR OBLIGATIONS HEREUNDER.

12.13 Disclaimer of Warranties

EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER EXPRESSLY DISCLAIMS, AND BUYER HEREBY WAIVES, ANY AND ALL WARRANTIES WITH RESPECT TO THE COAL SUPPLIED TO BUYER, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 13 – NOTICES

Any notice or communication required to be in writing hereunder shall be given by registered, certified, or first class mail, or telecopy, addressed to the respective Parties at the addresses listed in Appendix E. Except as expressly provided herein, any notice required hereunder shall be deemed given when sent. Any notice given by first class mail shall be considered sent at the time of posting. Communications by telecopy shall be confirmed by depositing a copy of the same in the post office for transmission by registered, certified, or first class mail in an envelope properly addressed as shown in Appendix E. In addition, Seller shall send a duplicate copy of every such notice and communication to Buyer's contract administrator as designed by Buyer from time to time. Either Party may, by written notice to the other, change the representative or the address to which such notices and communications are to

be sent. An email is not considered an acceptable legal notice under this Agreement, but the Parties may provide or employ email copies as a courtesy or convenience.

ARTICLE 14 - NON-COLLUSION

Seller hereby affirms that neither it nor any person or entity acting or purporting to act on its behalf has entered into any combination, conspiracy, agreement, or other form of collusive arrangement with any person, corporation, partnership, or other entity, which directly or indirectly has to any extent lessened competition between Seller and any other person or entity for the supply of Coal being made pursuant to this Agreement.

ARTICLE 15 – AMENDMENTS

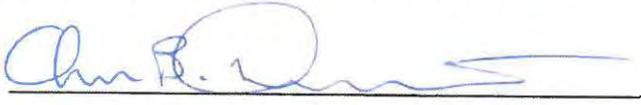
This Agreement may be modified or amended at any time by mutual agreement of the Parties, provided that such modification or amendment shall be in writing and executed by the duly authorized representatives of the Parties.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, and Appendices A through J and Attachment 1 attached hereto, which are hereby incorporated by reference, embody the entire Agreement and understanding between the Parties with respect to the subject matter contained herein, supersede any prior or contemporaneous agreements or understandings between the Parties, and may not be amended or changed except as provided herein.

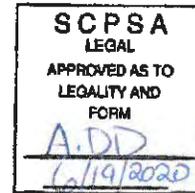
IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement.

Buyer: **SOUTH CAROLINA PUBLIC SERVICE AUTHORITY**

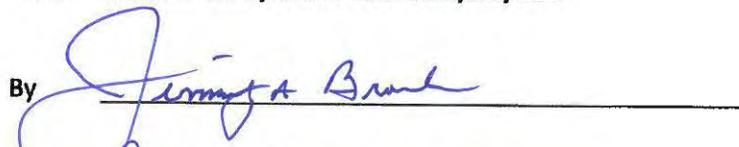
By 

Title Deputy CEO/Chief Planning and Innovation Officer

Date 6/23/2020



Seller: **Consol Pennsylvania Coal Company LLC**

By 

Title CHIEF EXECUTIVE OFFICER

Date JUNE 24, 2020

APPENDIX A

CONTRACT TERM AND TONNAGE

1. The expiration date of this Agreement is December 31, 2024 unless extended or terminated as provided in Article 1.2 Term.

2. The Base Annual Tonnage Obligation shall be:

2022 = [REDACTED] shipped approximately pro-rata throughout the year and consisting of approximately [REDACTED]

2023 = [REDACTED] shipped approximately pro-rata throughout the year and consisting of approximately [REDACTED]

2024 = [REDACTED] shipped approximately pro-rata throughout the year and consisting of approximately [REDACTED]

2025 - Any applicable Rollover Tons as noted in Section 2.1(c) that were not made up when Buyer elected to take a percentage less than the Contract Quantity as noted in section 2.1(c).

3. As Needed – As Available Tonnage or “Extra Tonnage”: In the event that the Buyer requires tonnage over and above the Base Annual Tonnage as set forth above in any year of the Agreement, and desires to procure such Extra Tonnage from Seller on short notice; and, Seller has available such Extra Tonnage, then all the conditions of this Agreement will apply with respect to the shipment and administration of such Extra Tonnage. Notwithstanding the foregoing, nothing in this clause shall obligate the Buyer to procure such Extra Tonnage from the Seller and nothing shall obligate Seller to supply such Extra Tonnage.

APPENDIX B

COAL ORIGIN

1. The Coal sold and purchased hereunder shall be shipped from Seller's or Seller's affiliate's loading facility listed below, or any other loading facility owned or controlled by Seller or Seller's affiliate in the MGA rate district:

<u>Shipping Point(s)</u>	<u>CSXT Station Number</u>
Bailey, Enlow Fork, Harvey	#QON15 ..

Freight allowed under the Coal Origin shall be from the MGA district and is based on 4 hours (maximum) and 110 (minimum) car load out capabilities. The Price for Shipments from other allowed Shipping Points or Substitute Sources with higher freight rates will be reduced by such increase in freight.

Seller's or Seller's affiliate's Coal reserves at the Shipping Point(s) are generally described as the Consol Mining properties, and include all of Seller's or Seller's affiliate's Coal reserves in Washington and Greene Counties, Pennsylvania, and Marshall County, West Virginia, that are associated with the Bailey, Enlow Fork, and Harvey mines.

APPENDIX C

FUEL QUALITY SPECIFICATIONS

<u>As Received Basis</u>	<u>Guaranteed</u>	<u>Suspension¹</u>	<u>Rejection</u>
Minimum Btu/pound	12,900	12,750 ²	12,700
Maximum Ash (%)	8.00%	8.25 ²	8.50
Maximum Moisture (%)	6.30%	+2.0 ¹	8.00
Maximum Sulfur (%)	2.40%	2.70 ²	2.80
Minimum Sulfur (%)	1.80	1.50 ²	1.00
Minimum grindability (HGI)	54	51 ²	
Minimum volatiles (%)	37.35	30.0 ²	
Minimum fixed carbon (%)	48.98	45.0 ²	
Maximum nitrogen (%)	1.4	1.7 ²	
Minimum ash fusion temp. (initial deformation, °F reducing)	2,020	1,920 ²	
Maximum size (inches)	2" x 0 ³	2.50 ^{2,3}	
Maximum % fines (1/4"x0")	61.0	67.0 ²	
Maximum Arsenic	12.39 ppm	16.00 ppm ²	
Maximum Mercury	0.128 ppm	0.160 ppm ²	
Maximum Chlorine	0.08%	0.15% ²	

-
- 1 These Suspension specifications are equal to the guaranteed specifications adjusted by the amount listed in the Suspension column, but in no event exceeding the Rejection specifications.
 - 2 These suspension specifications are stated as absolute values, not adjustment factors as in note 1 above.
 - 3 This maximum sizing is 2" topsize nominal and will contain no more than 15% by weight of material that is plus 2 inches but not more than 3 inches.

APPENDIX D

CONTRACT PRICE

Base Prices and Adjustments

D.1 Base Price.

2022 CY = [REDACTED] fixed for the year unless adjusted pursuant to Section 6.3

2023 CY = [REDACTED] fixed for the year unless adjusted pursuant to Section 6.3

2024 CY = [REDACTED] fixed for the year unless adjusted pursuant to Section 6.3

2025 CY = Flex Tons, if applicable, [REDACTED] fixed for the Year unless adjusted pursuant to Section 6.3

APPENDIX E

NOTICES

In the case of the Seller:

Company: Consol Pennsylvania Coal Company LLC

Address: 1000 Consol Energy Drive
Canonsburg, PA 15317

Phone: (724) 416-8269

Email: robertbraithwaite@consolenergy.com

PAYMENT ADDRESS OR WIRE TRANSFER INFORMATION:

Payments are to be made by electronic transfer to Consol Pennsylvania Coal Company LLC at PNC Bank, Pittsburgh, PA, Account No. 1029023948, ABA No. 043000096.

In the case of the Buyer:

South Carolina Public Service Authority
Post Office Box 2946101
Moncks Corner, SC 29461-2901
Attention: Supply & Trading
Email: SCFuels@santecooper.com

APPENDIX F

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**APPENDIX H
RAILROAD PROVISIONS**

Pursuant to Sections 2.3, 2.4, and 2.6 of this Agreement, Seller shall ship Coal in Unit Train shipments to the Destination designated by Buyer. Any detention charges assessed by carrier at Seller's Mine or Shipping Point are the responsibility of Seller and shall be paid by Seller directly to carrier.

Seller shall coordinate placement of cars at the Shipping Point with carrier. Each Unit Train shipment tendered to carrier hereunder shall be loaded to a minimum and maximum weight per type of equipment as follows (and hereinafter referred to as the "Minimum and Maximum Trainload Weight"):

<u>Car type</u>	<u>110-car Min/tns</u>
SCPSA Alum.	12,750

Four (4) hours free time shall be allowed at the mine for loading of 110-car train. Time is to be computed from the time of actual or constructive placement of the first car of the Unit Train in position for loading to the release of the loaded cars to carrier for further disposition. Each car shall be loaded to its approximate full visible capacity, but no car shall contain more than the marked capacity of the car. Cars which contain more than the marked capacity may interfere with unloading equipment at the Destination designated by Buyer. Buyer may reject any cars which are loaded in a manner that interferes with unloading equipment and Seller shall be responsible for all costs related to such rejection. Each car in a shipment transported hereunder shall not exceed the weight requirements defined by Freight Tariff ICC-8200 Series or SCPSA Rail Transportation Agreement. Seller shall be responsible for charges, if any, assessed by carrier on cars carrier finds to be loaded in excess of the load limit or carrier's track limitation or for failure to meet Minimum Trainload Weight. Seller shall be governed by carrier instructions regarding the height and distribution of the load weight of Coal in the car and other instructions which carrier may deem necessary for safe transportation.

Shipping Notice required by Section 2.4 shall be given immediately by e-mail and within five (5) business hours of shipment to Buyer's Transportation Coordinator SCFUELS@santeecooper.com. Shipping Notice will be confirmed by e-mail within 24 hours to include: (1) the purchase order number, (2) car initials and numbers, (3) Tons shipped, (4) carrier designated shipping point, (5) name of Seller's mine as specified on the face of the order, (6) Unit Train number, (7) trainload number, (8) shipping date, and loading times at the Mine. For purpose of notification Seller shall use the e-mail address: SCFUELS@santeecooper.com.

If Seller is unable to load cars of Coal to meet the Minimum Trainload Weight due to carrier-caused shortage of cars, and carrier determines to operate the train, Seller shall indicate the following on the bill of lading or mine card on the shipments tendered: "Under the provisions of Article III, Paragraph 5 of the Coal Transportation Agreement, this unit train shipment is to be billed on actual tonnage." In addition to the preceding notice, Seller shall certify in writing to Buyer, within twenty four hours from the date of shipment, that such notice has been given to carrier and describe the particular circumstances causing the loading of less than the minimum trainload shipment due to a shortage of cars. Notice shall be emailed to: SCFuels@santeecooper.com

Schedules for loading Unit Trains shall be established no later than the fifteenth day of the Month preceding each Month in which Buyer intends to receive Unit Train tenders of Coal hereunder. Buyer shall then notify the Seller one week prior to a scheduled loading date if shipment is to be made in private, lease or railroad cars.

Carrier shall coordinate placement of empty cars at origin with the Seller and at Destination with the Buyer and shall make a reasonable effort to provide five (5) hours advance notice of arrival for loading and unloading. Regardless of such notification, Seller shall be prepared to receive cars and commence loading in accordance with Buyer's prior notification that rail cars are scheduled for a particular date. All facilities must load Unit trains on arrival 7 Days a week/24 hours a Day.

Buyer may refuse to accept any deliveries of Coal which are not made in accordance with the schedule established pursuant to the Agreement and if the Seller fails to make deliveries in accordance with such schedule (giving credit for any deficiency in deliveries found to be due to a cause listed in Section 8.1), Buyer may by written notice terminate the Seller's right to make further deliveries under the Agreement. Buyer may at its option and at any time thereafter purchase in the open market or by contract or otherwise procure Coal to replace all or any part of that which the Seller has failed to deliver on schedule and all or any part of that with respect to which Seller's right to make delivery has been terminated as hereinabove provided: and, except as provided in Section 8.1 the Seller shall be liable to Buyer for and Buyer may deduct from any amount otherwise due the Seller the excess cost occasioned by such purchase or for any other loss or damage caused by the Seller's breach of Agreement, including but without limitation to, liability incurred by Buyer under any contract for the transportation or other handling of the Coal.

If through the fault or negligence of Seller, damage to cars occurs while in the possession of Seller on Mine tracks/sidings which the Seller owns, leases or otherwise controls, Seller shall be responsible for reimbursing Buyer for the actual amount of repair costs to correct such damage.

Except as set forth above and elsewhere in the Agreement, Shipments of Coal pursuant to our Agreement shall be in accordance with published tariff(s) applicable to movements by carrier for Seller. In the event of a conflict between published tariff(s) and the applicable provisions specified herein and elsewhere in the Agreement, the provisions specified herein and elsewhere in the Agreement shall control.

APPENDIX I
FORCE MAJEURE OF SAMPLING EQUIPMENT

If both the Lab and Buyer are unable to meet the sampling requirement of Section 3.2 of this Agreement due to inoperable sampling equipment and Seller and Buyer agree to continue Shipments or a Shipment from Seller is already en route, the Price adjustments pursuant to Section 3.3 and for suspension, termination, and rejection of Shipments pursuant to Article 3 of this Agreement shall be calculated as follows: the weighted average of the last five (5) Unit Train analyses of Coal received for the most recent Months prior to the Month in which the Lab and Buyer are unable to accomplish sampling will be used for the Coal not represented by analyses during the Month(s) in which both the Lab and Buyer's Coal sampling equipment are inoperable.

**APPENDIX J
SAMPLING AND ANALYSIS**

Seller, at its expense, shall have the Lab to sample and analyze, or cause to be analyzed, Coal shipped hereunder in accordance with the applicable standards of the American Society of Testing Materials (ASTM) or its successor organization. If Buyer takes samples and does an analysis at its laboratory, then it will do so at its own expense. These tests by the Lab or Buyer shall include, but not be limited to, the following:

<u>Test</u>	<u>Test Number</u>
Sampling	D-2234
Preparation	D-2013
Total Moisture	D-2961
Residual Moisture	C-5142 or D-3173
Total Ash*	D-5142 or D-3174 & D-3173
Gross Calorific Value*	D-5865, D3173
Total Sulfur*	D-4239 & D-3173
Volatile Matter*	D-3175 & D-3173 or D-5142
Fusibility of Coal Ash	D-1857
Hardgrove Grindability	D-409

* As determined values will be corrected to As-Received (ar); dry and dry-ash-free (daf) by test method D-3180.

ATTACHMENT 1

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
(SELLER OTHER THAN INDIVIDUALS)

This certification is required by the Drug-Free Workplace Act, Act No. 593 of 1990. The regulations require certification by Seller prior to award, that they will maintain a drug-free workplace. The certification set out below is a material representation of fact upon which reliance will be placed when determining the award of a contract/grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of contracts/grants, or government-wide suspension or debarment.

The Seller certifies that it will provide a drug-free workplace by:

- (1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Seller's workplace and specifying the actions that will be taken against employees for violation of the prohibition;
- (2) Establishing a drug-free awareness program to inform employees about:
 - (a) The dangers of drug abuse in the workplace;
 - (b) The Seller's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug violations;
- (3) Making it a requirement that each employee to be engaged in the performance of the contract/grant be given a copy of the statement required by paragraph (1);
- (4) Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the contract/grant, the employee will:
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five Days after the conviction;
- (5) Notifying the Buyer within ten Days after receiving notice under subparagraph (4) (b), from an employee or otherwise receiving actual notice of the conviction;
- (6) Taking one of the following actions after receiving notice under subparagraph (4) (b) with respect to any employee who is convicted :
 - (a) Taking appropriate personnel action against the employee, up to and including termination; or
 - (b) Requiring the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (1), (2), (3), (4), (5) and (6).

Consol Pennsylvania Coal Company LLC.

Contract/Grant Number

Printed Name Robert Braithwaite

Signature 

Date

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 4
Request: 1.4

Date of action

June 30, 2020

Description of Santee Cooper action

Amendment of our coal transportation contract with CSX Transportation, Inc.

Purpose of Santee Cooper action

The current contract term expires at the end of 2021 and therefore we have exposure on any coal transportation needed for 2022 and beyond. The pursued amendment would extend our contract term through June 30, 2025. Additional benefits of this contract amendment include 30-4-40(a)(1)
The contract was half executed in the requested time period, but was awaiting final signature from the counterparty at the end of June.

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Term of the agreement (Note: if length of term exceeds five years, provide documentation of approval by the Santee Cooper Oversight Committee)

July 1, 2020 – June 30, 2025

Savings realized as a result of the renegotiated or new agreement

\$22.6 million based on Reform Plan projections

Any changes from prior Review Period

Provided by:

Name	Marty Watson
Title	Director, Supply & Trading
Phone	(843) 761-8000 ext. 7072

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 4
Request: 1.4

Email	marty.watson@santeecooper.com
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Reference Documents

1.4 jwatson coal transportation contract amendment CONFIDENTIAL 1.4 jwatson coal transportation contract amendment REDACTED
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AMENDMENT 8 to CONTRACT CSXT-C-C85104

PURSUANT TO 49 U.S.C §10709

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY ("Santee Cooper" or "Receiver") and CSX TRANSPORTATION, INC. ("CSXT" or "Carrier") agree to amend the aforementioned Contract CSXT-C-85104, which has been in effect since January 1, 2011 (as amended, supplement or otherwise modified prior to the date hereof, the "Contract"), as set forth herein (this "Amendment").

1. Capitalized terms used in this Amendment, but not defined in this Amendment, shall have the meanings accorded to them in the Contract, unless otherwise provided herein.
2. This Amendment shall be effective as of [REDACTED] (the "Effective Date") and shall extend the term of the Contract until [REDACTED] (the "Expiration Date"). The Contract Term is subdivided into separate, equal periods of one calendar year each starting on the Effective Date, from [REDACTED] through [REDACTED] ("Contract Year").
3. Section 6 of the Contract shall be amended and restated in its entirety as follows:

6. **MINIMUM AND MAXIMUM ANNUAL VOLUME**

6.1 **MINIMUM ANNUAL VOLUME: PERCENTAGE VOLUME COMMITMENT:**

During each Contract Year Santee Cooper agrees to Tender to CSXT pursuant to this Contract no less than [REDACTED] % of all Solid Fuel received at each Destination by any transportation mode (the "Percentage Volume Commitment"). Santee Cooper further agrees that, for each Contract Year, it will Tender to CSXT under this Contract not less than the following [REDACTED] Tons (the "Minimum Annual Volume") during each Contract Year, starting [REDACTED].

6.1.2 **TOTAL MINIMUM VOLUME:**

Santee Cooper further agrees that, for the Contract Term, it will Tender to CSXT under this Contract not less than the following tons: [REDACTED] Tons (the "Minimum Total Volume:"). The difference between the Minimum Total Volume and the total number of Tons tendered from [REDACTED] through [REDACTED] shall constitute Shortfall Tons. Santee Cooper further agrees that it shall pay Dead Freight Charges in [REDACTED] (using the current Dead Freight Rate) for any Shortfall Tons under this Section 6.1.2. for which it has not paid Dead Freight Charges for shortfalls under Section 6.1.

- 6.2 **MAXIMUM ANNUAL VOLUME:** During each Contract Year, Santee Cooper agrees to Tender to CSXT pursuant to this contract no more than [REDACTED] of the Minimum Annual Volume. Santee Cooper may Tender Tons to CSXT in excess of the Maximum Annual Volume for a given Contract Year only if mutually agreed in writing by the Parties.

4. Section 8 of the Contract shall be amended by setting the Dead Freight Rate equal to [REDACTED] as of [REDACTED]. The Dead Freight Rate remains subject to escalation pursuant to Section 9.2, and will adjust on each [REDACTED], starting [REDACTED].
5. Section 9 of the Contract shall be amended and restated in its entirety as set forth below:

9. **RATES AND ANNUAL FIXED INCREASE:**

9.1 **Rates:** The Base Rates for transportation of Solid Fuel under this Contract are set forth in Appendix A and hereby incorporated by this reference.

9.2 **Annual Fixed Increase:** The transportation rates and Dead Freight Rates established by this Contract shall be increased on each [REDACTED], starting [REDACTED], by an amount determined by the volumes transported during the prior Contract Year. The amount of the increase shall be determined by the following table.

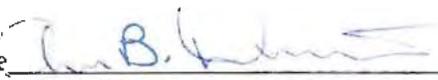
Tons Shipped in Previous Contract Year	Increase
[REDACTED]	[REDACTED]

6. The Contract is further amended by amending and restating Appendix A in its entirety as set forth in Exhibit A to this Amendment.
7. The following sentence is hereby added to the end of Section 22: CSXT hereby acknowledges that Santee Cooper is subject to monthly reviews by the Office of Regulatory Staff (“ORS”) pursuant to Act 135 Section 11, and agrees that the Confidential Information contained herein may be subject to disclosure if requested by the ORS under the provisions of the foregoing Act.
8. Both parties agree that if either party believes commodity futures price levels and market dynamics could support a commodity-linked rate structure backed by financial hedges, and that such a structure would facilitate improved coal economics, reduce risk, and/or raise the minimum quantity of guaranteed coal burn for a given period, the parties may initiate good faith negotiations for an amendment to this Agreement to create such an arrangement. Such a structure should include predetermined contingent price levels in futures markets in order to hedge a given time period, along with associated hedge volumes and customer volume commitments for each price level. This amendment is not intended to replace the rate structure in this Agreement. Rather, the amendment will only alter the rate structure for the small amount of volume that is hedged for a given period. Thus the existing rate Agreement will remain in place for any volume not directly covered by the amendment, and any volume moved under a hedge commitment from the amendment will apply towards the minimum volume commitment in this Agreement.

9. The Rates for transportation to Pennyroyal in Exhibit A shall be reduced by ~~30-4-2019~~ per Ton for any shipments unloaded with qualified Santee Cooper personnel operating the locomotives during unloading.
10. All other provisions of the Contract are ratified and reaffirmed.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to the Contract to be duly executed by their respective duly authorized representatives as of the Effective Date.

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Signature  Title Deputy CEO + Chief Planning + Innovation officer
Printed Name Charlie Duckworth Date 6/30/2020

CSX TRANSPORTATION, INC.

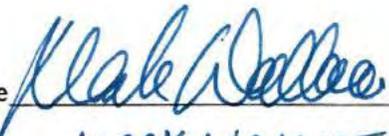
Signature  Title EVP SALES & MARKETING
Printed Name MARK WALLACE Date JULY 15, 2020



EXHIBIT A TO AMENDMENT 8

**Appendix A
Contract CSXT-C-85104**

Effective Date:

[REDACTED]

Expiration Date:

[REDACTED]

Commodities (STCCs):

Solid Fuel, including but not limited to Imported Coal, Coal (1121290) and Petroleum Coke (29913)

Route:

CSXT Direct

Destinations:

Cross, SC and Pennyroyal, SC

Equipment:

Private Cars (Santee Cooper Owned or Leased)
System Cars (Carrier provided on a non-guaranteed basis)

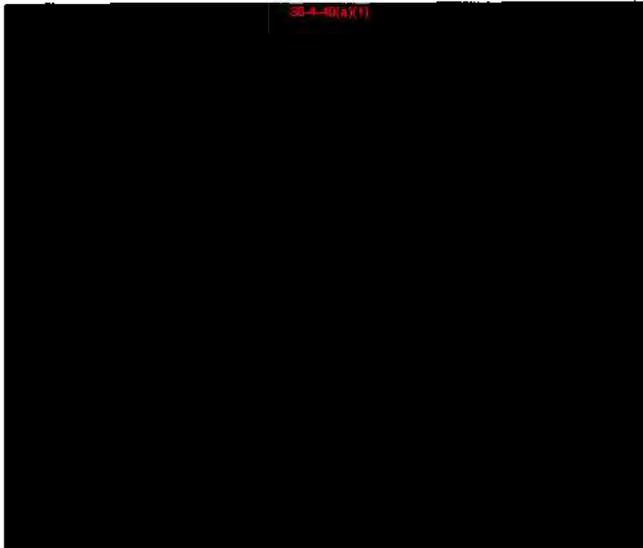
Origins / Base Rates (NT)*:

Cross, SC – Plant Cross

[REDACTED]

EXHIBIT A TO AMENDMENT 8, CONTINUED

Pennyroyal, SC – Plant Winyah



Rate Conditions*:

1. Rates apply to 285,000 pound maximum Gross Weight on Rail (GWR) equipment.
2. **System Care Rate Differential:** CSXT will temporarily furnish cars upon request subject to its availability and distribution considerations. The rates assessed above will be increased by the amount of **30-4-008 (a)(1)** per net ton for CSXT furnished cars. This charge shall be subject to the Annual Fixed Increase.

Minimum Weight Per Car: 114 Tons for private cars and 100 Tons for System Cars.

Minimum Billing: Subject to Section 4, Trainload Shipments will be billed to reflect the higher of (i) the Minimum Weight Per Car multiplied by the Minimum Train Length at the time of Tender and (ii) the Minimum Weight Per Car multiplied by the number of Cars comprising the Trainload Shipment.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 4
Request: 1.4

Date of action

June 23, 2020

Description of Santee Cooper action

Entered into a new coal supply agreement with Blackhawk Coal Sales, LLC. Annual contract volume is 30-4-40(a)(1) tons with the right to nominate +/- 30-4-40(a)(1) in a given quarter.

Purpose of Santee Cooper action

Coal is projected to be a large percentage of our fuel mix through 2024. This agreement secures a portion of our projected coal needs at a price below the Reform Plan assumption, offers volume flexibility, and will be one of four coal supply agreements contributing toward our diverse coal supply portfolio.

Status of action:

<input type="checkbox"/>	On going
<input checked="" type="checkbox"/>	Completed

Term of the agreement (Note: if length of term exceeds five years, provide documentation of approval by the Santee Cooper Oversight Committee)

January 1, 2022 – December 31, 2024

Savings realized as a result of the renegotiated or new agreement

\$9.0 million based on Reform Plan projections

Any changes from prior Review Period

Provided by:

Name	Marty Watson
Title	Director, Supply & Trading
Phone	(843) 761-8000 ext. 7072
Email	marty.watson@santeecooper.com

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 4
Request: 1.4

Reference Documents

1.4 jwatson blackhawk coal supply contract CONFIDENTIAL 1.4 jwatson Blackhawk coal supply contract REDACTED
--

Solid Fuel Contract

**South Carolina Public Service Authority
(Santee Cooper)
1 Riverwood Drive
P.O. Box 2946101
Moncks Corner, SC 29461**

and

**Blackhawk Coal Sales, LLC
3228 Summit Square Place, Suite 180
Lexington, KY 40509**

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COAL SUPPLY AGREEMENT

THIS AGREEMENT ("Agreement"), effective as of January 1, 2022, and dated as of June²³, 2020, is by and between the SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, a body corporate and politic owned by and operating under the laws of the State of South Carolina and a generation, transmission and distribution public electric utility (hereinafter referred to as "Buyer"), and Blackhawk Coal Sales, LLC with its principal office located in Lexington, Kentucky (hereinafter referred to as "Seller"). Both Buyer and Seller are herein individually referred to as "Party" and collectively referred to as "Parties."

RECITALS

WHEREAS, Buyer owns and operates the Cross and Winyah Generating Stations ("Station" or "Stations"), which are located in South Carolina; and

WHEREAS, Buyer desires to contract for a supply of coal for Shipment to the Stations; and

WHEREAS, the Coal to be burned at the Station must meet certain specifications in order to satisfy the technical requirements of the Station's boilers and coal-handling equipment and to allow full power generation at the Station in compliance with air quality and other environmental requirements; and

WHEREAS, Seller owns, leases or otherwise controls sufficient reserves of Coal from which Seller can produce Coal in the quantity and of the quality required by Buyer;

NOW THEREFORE, in consideration of the covenants and premises herein set forth, Seller agrees to sell and deliver and Buyer agrees to purchase, accept and pay for coal in the quantity, of the quality, during the period, at the price and upon the other terms and conditions set forth herein.

ARTICLE 1 - DEFINITIONS AND TERM

1.1 Definitions

In addition to any defined terms as set forth in the text or preamble of this Agreement, wherever the following additional defined terms appear in this Agreement, they shall have the meaning stated below:

- (a) Adjusted Base Price - Base Price adjusted in accordance with Article 6 hereof.
- (b) Ash Fusion Temperature - Temperature of initial deformation of ash fusion samples, measured in a reducing atmosphere.
- (c) As-Received Basis - Analysis data calculated to the moisture condition of the sample as it arrived at the Lab and before any sample processing or conditioning.
- (d) Btu - British thermal unit of Heating Value.
- (e) Base Price - The Price established in accordance with Section 6.1 hereof.

- (f) Business Day - Monday through Friday excluding legal holidays and holidays recognized by Buyer or Seller.
- (g) Calendar Day or Day - The 24 hour period beginning at 12:00 midnight Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) and ending at 11:59 pm Eastern Standard Time (or Eastern Daylight Savings Time, as applicable). The terms Day and Calendar Day may be used interchangeably and shall have the same definition.
- (h) Calendar Month or Month - A Calendar Month shall begin at 12:00 midnight Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) on the first Day of the current month and shall end at 11:59 pm Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) on the last Day of the current month. The terms Month and Calendar Month may be used interchangeably and shall have the same definition.
- (i) Calendar Year or Year - A Calendar Year shall be the 12 Month period beginning at 12:00 midnight Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) on January 1 and ending at 11:59 pm Eastern Standard Time (or Eastern Daylight Savings Time, as applicable) on December 31. The terms Year and Calendar Year may be used interchangeably and shall have the same definition.
- (j) Coal - This term shall mean only Coal, not Coal-based synthetic fuel ("synfuel"). Seller may not ship synfuel under the terms of this Agreement.
- (k) Delivered Cost - The sum of the Price plus the normal cost of transporting the Coal supplied hereunder from the Shipping Point (as defined in Section 2.2) to the Station exclusive of extra costs related to transportation incurred by either party due to circumstances such as demurrage, substitution of sources, or diversion of Shipments.
- (l) Destination - The railcar unloading facilities of the Station or the railcar unloading facilities of such other destination points as may be designated, from time to time, by Buyer.
- (m) Dry Basis - Analysis data calculated to a theoretical base of no moisture associated with the sample.
- (n) Grindability Test - Determination of the relative ease of pulverization of Coal samples, using the Hardgrove index, pursuant to ASTM test number D-409.
- (o) Heating Value - The gross or high heating value of Coal expressed in Btu per pound.
- (p) Lab - An independent, ASTM certified, third party, testing laboratory that is mutually agreed upon by the Parties.
- (q) Mine - The mining operation, identified by name in Section 2.2, from which Coal is supplied hereunder.

- (r) Price - The Price to be paid by Buyer for Coal received hereunder, calculated in accordance with Article 6 of this Agreement.
- (s) Proximate Analysis - Determination of moisture, volatile matter, ash, and fixed carbon. In addition, for purposes of this Agreement the Proximate Analysis shall include determination of total sulfur and Heating Value.
- (t) Receipt - Receipt of Coal supplied under this Agreement shall occur when the delivering rail carrier is released by Seller at the loading origin and Shipment conforms to the requirements of this Agreement.
- (u) Shipment - A Shipment of Coal supplied under this Agreement shall be a trainload or Unit Train of Coal loaded by Seller and received by Buyer. All cars included in a bill of lading or individual mine cards/tags for delivery to the same destination shall be considered part of the same Shipment.
- (v) Shipping Point - The loading point, identified by name in Section 2.2, from which the Seller ships the Coal supplied hereunder.
- (w) Ton - A short Ton of two thousand (2,000) pounds (avoirdupois).
- (x) Unit Train - A trainload of at least 12,750 net tons (approximately 110 cars) in private equipment billed on one day, from Seller to Buyer for one delivery at one destination and necessary locomotive used in transporting Buyer's Coal from origin to destination pursuant to this Agreement.

1.2 Term

(a) Primary Term

The term of this Agreement shall be for a period commencing with the effective date and ending on the date shown in Appendix A, paragraph 1, unless extended as provided in Section 1.2(b). If the term of this Agreement is extended as provided in Section 1.2(b), the word "Term" shall thereafter be deemed to mean the original term so extended. Shipments under this Agreement shall begin in January 2022.

(b) Extension of Term

Any extension of the primary term shall be negotiated by the Parties and subject to the following conditions:

If a Party wishes to extend the Term of this Agreement, such Party shall give the other Party written notice of a request to extend the Term ("Extension Request"), which shall be sent no later than June 1, 2024. Thereafter, the Parties shall negotiate in good faith any such Term extension with such negotiations to be completed by August 30, 2024. If the Parties are unable to agree

upon the terms and conditions for any extended Term, then neither Party shall have any obligation to the other Party beyond the Term of this Agreement except for the completion or fulfillment of any obligations relating to the quantity of Coal to be provided under this Agreement through December 31, 2024.

ARTICLE 2 - SALE, PURCHASE AND TRANSPORTATION OF COAL

2.1 Quantity

(a) Base Annual Tonnage

The quantity of Coal to be sold and purchased hereunder during each Calendar Year shall be the Base Annual Tonnage Obligation as shown in Appendix A, paragraph 2 and shall be delivered approximately *pro rata* throughout the year. For the avoidance of doubt, the foregoing shall mean that the Buyer shall receive one-twelfth of the adjusted base annual tonnage obligation each Calendar Month.

(b) Excess Quantity

Buyer shall not be required to accept any quantity of Coal shipped during a Calendar Month in excess of the total monthly amount ordered by Buyer, but if Buyer accepts any excess quantity of Coal, Buyer may, upon notice to Seller, require that such excess amount be deducted from the total monthly quantity to be shipped during any of the three (3) Calendar Months immediately following the Month in which the Coal is shipped.

(c) Volume Flexibility

Buyer shall have the right to nominate tonnages in a given quarter at 30-4-40(a)(1) of the total ratable volume to be delivered for the quarter. Buyer shall notify Seller 30-4-40(a)(1) prior to the start of the next quarter of any decreases or increases in tonnages for the next quarter. Buyer shall have the right to satisfy / make up the decreased tonnages in those quarters where the Buyer increases tonnages. In the event that at the end of the term of this contract, Buyer has not satisfied / made up all of the decreased tonnages via those months where tonnages were increased, Buyer shall ship those tons within a 6 month period following the expiration of the normal terms of this contract. If Seller wishes to forgo Buyer making up those tons in an extended period, Seller shall give Buyer 60 days notice and tonnage does not have to be made up.

(d) Buyer's Requirements

This Agreement is not and shall not be construed as a contract for all of Buyer's Coal requirements for the Station.

2.2 Source and Substitute Coal

The Coal sold and purchased hereunder shall be produced from Seller's or Seller's affiliate's existing and future mines on the reserves described in Appendix B, paragraph 1 (hereinafter known as the "Mine"), and loaded at Seller's or Seller's affiliate's Shipping Point(s) also described in Appendix B, paragraph 1. Seller shall not produce Coal for Shipment to Buyer from any source other than the Mine nor load Coal for Shipment to Buyer at any location other than the Shipping Point(s) unless Buyer shall have given its prior written consent, which shall not be unreasonably withheld. Seller's approved substitute source is described in Appendix B, paragraph 2. If Seller proposes to supply Coal hereafter from a substitute source other than the Mine, Shipping Point, and/or approved substitute source, such proposal shall be given to Buyer in writing and signed by all parties who are named as Seller in this Agreement. Buyer shall not unreasonably withhold approval of Coal from a substitute source not named in Appendix B, provided that it conforms to all the provisions of quality as set forth in Article 3 and Appendix C and Buyer approves it prior to Shipment. If Seller ships Coal from a Substitute Source, including approved Substitute Sources, the Price shall be reduced by any additional transportation costs incurred by Buyer.

2.3 Transportation

Except as otherwise expressly provided herein, Seller shall load and ship Coal sold and purchased hereunder in accordance with this Section 2.3 and Sections 2.4, 2.5, and 2.6 below, and such applicable tariff(s) and/or agreement(s) between Buyer and the delivering carrier(s) as Buyer may specify from time to time (the "railroad provisions"). Applicable railroad provisions as of the effective date of this Agreement are specified in Appendix H, attached hereto. In the event of a conflict between published tariff(s) and the railroad provisions, the railroad provisions shall control. Buyer shall pay normal freight costs directly to the delivering carrier.

Seller shall load Coal, at its expense, in accordance with the loading and tonnage requirements of the railroad provisions. Seller warrants that it is able to comply with the railroad provisions specified in Appendix H attached hereto. In addition, Seller warrants that its loading facilities at the Shipping Point include track capacity for 110 empty railcars, and a loading capability of 110 railcars (minimum 100 Ton/car) in 4 hours. Seller warrants that it will maintain facilities with the capabilities described above for so long as this Agreement shall remain in effect. Buyer shall have the right, at its sole discretion, to specify that Coal be loaded in private rail cars owned or leased by Buyer provided that Seller's loading capabilities permit loading of such cars.

Parties shall make timely arrangements with carrier for ordering and placement of suitable, fit, and clean railcars preferably with a minimum nominal capacity of 100 net Tons per railcar. Seller shall

inspect all empty railcars to see that they are suitable and fit for loading to Buyer's Destinations. Such inspection shall consist of, but not be limited to, examination of railcars to see that pocket doors are fully operable and door locking mechanisms are in proper working condition; that the railcar is free of snow, ice, debris, foreign objects, or other materials. Failure of Seller to make such an inspection and refuse inappropriate equipment or to comply with any of the provisions of Appendix H attached hereto may result in Buyer's rejection of the railcar(s) at Destination. Seller shall reimburse Buyer for any demurrage, diversion, or related or similar charges assessed against Buyer as a result of Seller's failure to load and ship Coal in accordance with Sections 2.3, 2.4, and Appendix H attached hereto.

2.4 Time of Shipments

Unless another Shipment schedule is mutually agreed upon or unless a change in railroad provisions requires a change in the Shipment schedule, Coal sold and purchased hereunder shall be shipped by Seller throughout the Month in accordance with a monthly schedule based on quantities specified pursuant to Section 2.1.

Buyer, at its sole option and upon reasonable notice, may delay previously scheduled Shipments to initiate preventative maintenance outages for Coal handling equipment in order to insure efficient operation of such equipment. Such Shipments will be made up on a mutually agreed upon schedule. Shipments of Coal hereunder shall commence no earlier than the first week of January 2022, unless mutually agreed by Buyer and Seller. Each Day Coal is shipped Seller shall notify Buyer ("Shipping Notice") as soon as possible, but no later than 5 business hours after trainload departs from Shipping Point. The Shipping Notice shall conform to the terms and conditions as specified in Appendix H attached hereto.

2.5 Title and Risk of Loss

Seller warrants that title to all Coal received by Buyer hereunder shall be good, and its transfer rightful, and that such Coal shall be free of any lien, claim, demand, security interest, or other encumbrance. Seller shall indemnify and hold Buyer harmless from any and all expenses (including reasonable attorneys' fees), losses, damages, and liabilities of every kind resulting from or arising out of any breach of this warranty. Title and risk of loss to the Coal shall pass from Seller to Buyer upon Receipt of Coal by Buyer at the loading origin and upon release to CSXT for shipment to Buyer.

2.6 Diversion of Shipments

Buyer shall have the right, from time to time and at its sole discretion, to divert any Shipment or portion of a Shipment of Coal, hereunder, or a trainload of Coal in transit, to a Destination other than the Station. When any Shipment or portion of a Shipment or a trainload of Coal in transit is so diverted, all adjustments for variations in quality shall be determined in accordance with Section 3.3 using the freight

rate in effect on the last Day of the Month in which the Coal is shipped at each Destination receiving Coal under this Agreement, and all terms and conditions of this Agreement shall apply to any Shipment or a trainload of Coal in transit so diverted. Buyer shall be responsible for any demurrage or similar charges or costs incurred due to the diversion of any Shipment or portion of a Shipment, or a trainload of Coal in transit other than such charges caused by Seller's failure to ship as provided in Sections 2.3, 2.4, and Appendix H attached hereto.

2.7 Reserves

Seller warrants that Seller or Seller's affiliates now own, lease, or control, and has dedicated to the Mine a sufficient number of Tons of recoverable Coal contiguous and accessible to the Mine (the "Reserves") to enable Seller to supply Coal in the total quantity and of the quality called for by this Agreement (including the period of the extension term). A description of such Reserves is set forth in Appendix B, and a map depicting such Reserves is attached thereto. Seller warrants that these Reserves can and will be mined economically by use of modern Coal-mining and processing techniques and that the Coal from these Reserves will meet the terms and conditions of this Agreement.

Seller covenants that it will not sell, lease, contract to sell, or otherwise transfer or agree to transfer to others, Coal, or any interest therein, from such Reserves in such quantity as to jeopardize Seller's ability to supply the total quantity and quality of Coal called for by this Agreement or as to interrupt monthly Shipment schedules. Nothing in this Section 2.7 shall be construed as preventing Seller from: (1) mining and selling Coal from such Reserves to others, provided Seller's ability to meet the requirements of Section 2.1 has not been impaired and the foregoing covenants and warranties with respect to such Reserves are complied with, or (2) selling an interest in such Reserves provided Seller retains sufficient Reserves to enable Seller to supply Coal in the total quantity and of the quality called for by this Agreement (including the period of the extension option). If Seller enters into a new contract, after the effective date of this Agreement for the sale of Coal from the Reserves for a term longer than 12 Months, Seller shall notify Buyer of such sale and provide evidence that such sale has not impaired Seller's ability to supply the Coal called for by this Agreement.

ARTICLE 3 - QUALITY

3.1 Coal Specifications

The Coal sold by Seller and purchased by Buyer hereunder shall be as uniformly blended as possible and such blend shall be reasonably consistent from railcar to railcar, shall be reasonably free of bone, shale, rock, dirt, and clay, and free of extraneous material which term shall include, but not be limited to plastic, rubber, iron, steel, wood and other waste materials, and shall conform to the

guaranteed specifications in Appendix C on an As Received Basis, measured for each Shipment delivered to Buyer:

Seller shall inspect and remove any extraneous material from each railcar prior to loading. Seller shall reimburse Buyer for all damage caused to Buyer's equipment by any extraneous material that is proven to be loaded with the Coal by Seller.

3.2 Analysis

Coal received hereunder shall be sampled and analyzed as follows:

- (a) Coal supplied hereunder shall be sampled at Seller's expense at the Shipping Point. Seller shall cause a representative sample to be taken by a Lab on an "as-loaded" train-lot basis. Said sample shall be collected in accordance with then current ASTM standards by a mechanical sampling system. Said system shall be in good working condition and shall have been bias tested by an independent third party within twelve (12) months prior to Coal being sampled. The Lab collecting the sample shall divide it into three parts: one part of such representative sample shall be sent to Buyer to perform a Proximate Analysis and Grindability test, the results of which shall govern hereunder. One part of such representative sample shall be sent to Seller to perform "as-loaded" analysis. One part shall be held in reserve by the Lab as a referee sample. All Proximate Analyses and Grindability Tests performed by the Lab or Buyer shall be made in accordance with the synopsis of the procedures as set forth in Appendix J hereto, or other mutually acceptable procedures as agreed to in writing. In the event that a sample is not able to be obtained at loading with bias tested equipment in proper working condition, the Parties shall confer for purposes of reaching agreement as to an alternative means of sampling.
- (b) Seller shall furnish Buyer complete results of "as-loaded" analysis performed by Lab of each shipment within 48 hours of loading. Buyer shall furnish Seller, in a timely manner, a complete report of the results of each governing Proximate Analysis and Grindability Test performed for each Shipment. The Lab and Buyer shall maintain portions of the samples analyzed as follows: for Proximate Analysis, they are to be maintained for a period of 60 days from the date of Shipment and the portions of such samples shall be maintained on a 60 mesh size consist. For Grindability Test, they are to be maintained for a period of 60 days from the date of the test on the composite of all Monthly samples and the portions of such samples shall be maintained on a 4 mesh size consist.
- (c) If Seller disagrees with the results of any Proximate Analysis or Grindability Test provided by Buyer, Seller shall notify Buyer within ten (10) Calendar Days of Seller's receipt of

Buyer's report of the results of such Proximate Analysis and Grindability Test and shall request that a portion of Buyer's sample and/or the Referee sample be submitted to an independent test laboratory to be selected by mutual agreement of the parties. The analysis conducted by the independent test laboratory shall be on a Dry Basis and converted to an As-Received Basis using Buyer's as-received analysis for total moisture content of the Coal from which the samples were taken. The results of the independent laboratory's analysis shall be accepted as final and binding upon Buyer and Seller if the results of such analysis and Buyer's analysis are not within ASTM tolerances for variations in analyses between laboratories. If the results of the independent analysis and Buyer's analysis are within ASTM tolerances for variations in analyses between laboratories, the Buyer's analysis shall be final and binding upon the parties. The costs of the independent analysis shall be borne as follows: (1) by Seller if the results of the independent analysis and Buyer's analysis are within ASTM tolerances for variation in analysis between laboratories, or (2) by Buyer if the results are not within such tolerances.

- (d) Notwithstanding 3.2 (c) above, if Seller gives notice to Buyer that it disagrees with Buyer's analysis three (3) or more times within a ninety (90) day period, then Seller and Buyer shall confer for the purpose of auditing Buyer's lab and Seller's independent lab procedures.

3.3 Adjustments for Quality Variation

The parties recognize that the failure of Seller to meet the specifications set forth in Appendix C may cause Buyer to be unable to operate the Station without violating certain federal, state, or local environmental laws, rules, regulations, or ordinances, or may increase Buyer's costs of operating the Station. Seller shall therefore use all reasonable means to ensure that all Coal shipped hereunder meet the guaranteed specifications set forth in Appendix C. The Price of Coal as determined under Article 6 shall be adjusted as follows for variation in Heating Value, ash, grind, and/or sulfur content. Such adjustments shall be cumulative and will be applied as noted under each adjustment.

(a) **Heating Value Adjustment** The Price shall be adjusted in the manner set forth below to compensate for any difference between the As Received trainload weighted average Heating Value and the guaranteed Btu per pound. The adjustment in Price is in addition to any remedies provided by the Agreement or in law or equity. Sample calculations for Btu adjustments are provided in Appendix F.

- (1) For Coal received which contains, on a trainload weighted average basis, a Heating Value of greater than the guaranteed Btu per pound, the Price will be adjusted as follows:

The Price then in effect will be multiplied by a fraction, the numerator of which shall be the As Received trainload average Heating Value and the denominator of which is the guaranteed Heating Value. The difference between the product thus determined and the Price then in effect shall be the premium applicable to the Price of such Coal.

(2) For Coal received which contains, on a trainload weighted average basis, a Heating Value less than or equal to the guaranteed Btu per pound, the Price will be adjusted as follows:

The Delivered Cost then in effect will be multiplied by a fraction, the numerator of which shall be the As Received trainload average Heating Value and the denominator of which is the guaranteed Heating Value. The difference between the product thus determined and the Delivered Cost then in effect shall be a reduction applicable to the Price of such Coal. For the purposes of this adjustment, the Delivered Cost shall be the sum of the Price and the rail rate to the Station in effect at the time the Coal is shipped, using carrier cars, regardless of whether the Coal was actually shipped in private cars.

(b) **Ash Adjustment** In addition to other adjustments, the Price per Ton to be paid by Buyer for Coal shall be adjusted downward in proportion to the ash content in excess of the guaranteed level to the amount that the ash is more than one percentage point more than the guaranteed level. This adjustment shall be subtracted from the Price adjusted for Heating Value as calculated under Paragraph 3.3(a) of Coal delivered and unloaded and shall be based upon the "As Received" trainload average ash content of Coal unloaded. The amount per Ton of this Ash Adjustment shall be calculated as follows:

The downward Price adjustment shall be \$0.30 per Ton multiplied by the percentage difference by which the "As Received" trainload average ash content for Coal unloaded exceeds the guaranteed level. The adjustment in Price is in addition to any remedies provided by the Agreement or in law or equity. The Ash Adjustment Formula is:

$$\text{\$ Downward Adjustment/Ton}^* = \$0.30 (\% \text{ Ash minus } \% \text{ Guaranteed Ash})$$

* Only applies if the trainload average As Received ash content is greater than the guaranteed ash content

(c) **Sulfur Adjustment** For Coal received which contains, on a trainload average basis, greater than the guaranteed sulfur content, the Price shall be adjusted as set forth below. This adjustment shall be subtracted from the Price adjusted for Heating Value as calculated under Paragraph 3.3(a) of Coal delivered and unloaded and shall be based upon the monthly average "As Received" sulfur content for Coal unloaded. The adjustment in Price is in addition to any remedies provided by the Agreement or in law or equity.

For monthly Shipments which exceed the guaranteed sulfur level, the downward adjustment shall be \$1.80 per Ton multiplied by the difference by which the trainload average 'As Received' sulfur content for Coal unloaded exceeds the guaranteed maximum sulfur level, measured in percent sulfur. The exceedance shall be calculated to each one-tenth of one percent, at a rate of \$0.18 per Ton per one-tenth of one percent. The Sulfur Adjustment Formula is:

$\$ \text{ Downward Adjustment/Ton} = \$1.80 (\% \text{ Sulfur minus } \% \text{ Guaranteed Maximum Sulfur})$

(d) **Deficient Grindability Adjustment** In addition to other adjustments, the Seller shall pay Buyer a deficient grindability adjustment based on a trainload average composite. This adjustment shall be subtracted from the Price adjusted for Heating Value as calculated under Paragraph 3.3(a) of Coal delivered and unloaded and shall be based upon the average grindability content of Coal unloaded for the month. The amount per Ton of this grindability adjustment shall be calculated as follows:

The adjustment shall be \$0.25 per Ton multiplied by the number of Hardgrove index points by which the trainload average grindability content of Coal unloaded is more than three (3) Hardgrove index points below the guaranteed level. No credits shall be given if the grindability content is greater than the guaranteed level.

The adjustment is in addition to any remedies provided by the Agreement or in law or equity. The Grindability Adjustment Formula is:

$\$ \text{ Downward Adjustment/Ton}^* = \$0.25 (\text{Guaranteed HGI minus } 3 \text{ minus Actual HGI})$

* Only applies if the As Received grindability content is more than three Hardgrove index points below the guaranteed level

(e) The adjustments provided for in Paragraphs 3.3 (a), (b), (c) and (d) are intended to be adjustments to reflect the increase or decrease in the value of Coal supplied to Buyer according to the Heating Value, ash, grind, and sulfur content of that Coal. They are not intended to be, nor shall they be construed to be, either liquidated damages or penalties. Application of these adjustments shall not be construed to allow a range of specifications different from those specified in Appendix C and shall not prevent Buyer from exercising any other rights or remedies it may have if Seller delivers Coal that does not meet the Heating Value, ash, grind, or sulfur specifications set forth in Appendix C.

3.4 Suspension of Shipments for Coal Quality Deficiencies

Should the Coal quality of two (2) Shipments within a sixty day period or four (4) Shipments within a six (6) Month period fail to comply with any of the suspension specifications stated in Appendix C of this Agreement, Buyer shall have the right, in addition to any other remedies available at law or in equity, to reject such shipment and suspend immediately all Shipments by giving notice of the suspension to Seller. After receipt of such notice, Seller shall immediately commence appropriate action and use its best efforts

to correct the deficiency. Seller shall furnish Buyer with such documentation as Buyer may reasonably require to assure Buyer of Seller's ability to perform. If Buyer is reasonably assured that Seller can deliver Coal which complies with the guaranteed specifications of Appendix C, then a test Shipment shall be scheduled. If analysis by Buyer shows the test Shipment to be in compliance with the guaranteed specifications of Appendix C, deliveries shall be permitted to resume. Buyer shall have the sole right to determine if Seller shall be allowed to make up any tonnage not delivered during the suspension. If Buyer does not receive adequate assurance of Seller's ability to deliver Coal which complies with the guaranteed specifications, within thirty (30) days of suspension notice, or if the test delivery fails to comply with the guaranteed specifications, Buyer shall so notify Seller of such failure, and this Agreement may be immediately terminated, at Buyer's option.

3.5 Termination of Agreement for Coal Quality Deficiencies

In addition to and not as a limitation upon other rights of Buyer, if during a sixty (60) consecutive Day period following notice to Seller of failure to comply with Appendix C, fifty (50%) percent of the Coal shipped fails to comply with any of the guaranteed specifications set forth in Appendix C, Seller shall be in material breach of this entire Agreement and Buyer shall have the right to immediately terminate this Agreement.

In the event Buyer terminates this Agreement under this Section 3.5, or suspends or terminates delivery pursuant to the provisions of Section 3.4, and in addition to other remedies provided by this Agreement or by law, Seller shall be liable to Buyer for breach of the Agreement and shall be responsible and shall pay Buyer for any and all costs incurred by Buyer under this Agreement and other contracts with transportation companies which result from such termination or suspension of Shipments hereunder and Buyer shall not be liable for any costs incurred by the Seller. Buyer shall provide Seller with documentation of such costs.

3.6 Rejection of Coal for Coal Quality Deficiencies

In addition to and not a limitation upon its suspension or termination rights, Buyer shall have the right to reject any trainload should the quality of Coal of that trainload show, by analysis, failure to comply with the rejection limits as set forth in Appendix C. Buyer shall also have the right to reject any trainload based on visual inspection if the Coal is not substantially free from impurities, such as bone, slate, scrapped iron, steel, earth, rock, pyrite, wood, or blasting wire. Buyer shall give prompt notice to Seller of any rejection of trainloads hereunder. After notification by Buyer of a rejected trainload, Seller shall not resume Shipments until Coal quality has been corrected to Buyer's satisfaction. In the event that Buyer rejects any Coal, Seller shall immediately remove said Coal from Buyer's facilities or from transportation equipment at Seller's expense and shall reimburse Buyer all its costs and expenses,

including transportation cost, incurred in connection with the Coal, all of which costs Buyer may deduct from any sum owed by Buyer to Seller. Buyer shall provide Seller with documentation of such costs.

If Buyer's unloading and sampling systems are in proper working condition and Coal fines (1/4" x 0" as defined in Appendix C) prevent unloading of a Shipment due to fugitive dust emissions and train unloading is delayed until weather conditions permit unloading, Seller will pay demurrage or extra cost to return locomotives. Seller will only be responsible for these costs if the Coal fines fail to meet the suspension specification in Appendix C. In the event that Buyer, at its sole discretion, accepts Coal in which the "As Received" trainload analysis fails to comply with any rejection limit as set forth in Appendix C, the following additional Price adjustments shall apply:

Moisture Adjustment	-	\$3.00 per Ton for each one (1) percent or any fraction thereof above the rejection limit
Ash Adjustment-		\$3.00 per Ton for each one (1) percent or any fraction thereof above the rejection limit
Btu Adjustment-		\$2.00 per Ton for each 100 Btu's or fraction thereof below the rejection limit
Sulfur Adjustment	-	\$2.00 per Ton for each one-tenth of each one (1) percent above or below the rejection limits
Fines Adjustment	-	\$1.00 per Ton for each one (1) percent or fraction thereof above the rejection limit

Buyer's election to accept Coal that fails to comply with the rejection limits and receive an adjustment will not affect any other remedy under the Agreement, including Buyer's right to reject Coal shipped thereafter which fails to comply with the rejection limits as set forth in Appendix C. The quality adjustments in this paragraph are in addition to the quality adjustments set forth in Section 3.3.

3.7 Suspension and Termination of Agreement for Operational Considerations

Buyer shall have the right to suspend deliveries hereunder if it determines, in its sole judgment, that utilization of the Coal results in a degradation of Buyer's generating plant(s) operational performance. Should such determination be made by Buyer, Buyer shall give Seller written notice of such determination and suspension along with documentation of said performance degradation. Seller may, upon a suspension, propose means to overcome the problem giving rise to such adverse effect. If within ninety (90) Days after suspension of deliveries under this Section, Seller has been unable to propose an acceptable means to overcome the problem, subject to Buyer's approval which is not to be unreasonably withheld, Buyer shall have the exclusive right to immediately terminate this Agreement. Buyer shall have

no further obligation or liability under this Agreement or at law except with respect to Coal delivered prior to said termination date or as otherwise provided.

ARTICLE 4 - MEASUREMENT OF COAL RECEIVED

Coal shall be weighed at Origin using approved and certified weighing devices. Seller shall maintain and certify these weighing devices in accordance with the NIST Handbook 44, Specifications Tolerances and other Technical Requirements for Weighing and Measuring Devices. Buyer may, at its own expense, have a representative present to observe such certifications.

If Seller's weighing devices become inoperable, then Buyer's weighing devices at the Destination shall be used. Seller and/or the appropriate rail carrier may, at their own expense, inspect Buyer's weighing devices and verify or be present for Buyer's weighing device(s) certification. If Seller's and Buyer's weighing devices become inoperable, then the appropriate rail carrier's weighing devices shall be used at Seller's expense.

In the event that weighing devices owned by Buyer, Seller, or the appropriate rail carrier are found to be in error, an equitable adjustment in Price or settlement shall be promptly made by Buyer or Seller, as appropriate, and, in the absence of definite information as to when such error began, the adjustment shall be made on the basis of such error having existed for one-half (1/2) the time between the discovery of the error and the most recent test indicating that the weighing devices were accurate. If, for any reason, a Shipment of Coal is not weighed using weighing devices owned by Buyer, Seller, or the applicable rail carrier, then the average net weight per car for each same type or size of car received for the previous five (5) trainloads shall be used for that Shipment in lieu of weighing devices. Weights determined in accordance with this Article 4 shall be used for payment and for all purposes under this Agreement.

ARTICLE 5 - PAYMENT AND RECORDS

5.1 Payment

(a) Within ten (10) Business Days of the Receipt of each Coal Shipment hereunder, Buyer shall forward Seller a copy of the Station's Receiving Report and Coal sample data sheet ("Data Sheet"). Seller upon receipt of Data Sheet shall prepare and issue an invoice to Fuel Accounting for Coal received in such Shipment. Payment for such Coal shall be paid net fifteen (15) Days from Shipment of Coal and with Seller's properly completed invoices in duplicate received at Fuel Accounting Office. Payment shall be effectuated by wire transfer on the due date by the Buyer. Each invoice shall be numbered and include all appropriate information called for by Buyer such as shipping date, Mine at which the Coal was produced, purchase order number, number of cars shipped, tons, F.O.B. Mine Price, Unit Train number, and total invoice amount. Payment shall be based on the Price as determined in accordance with Article

6, using the weights determined in accordance with Article 4 and assuming no adjustments for variation in quality pursuant to Section 3.3.

(b) Price adjustment calculations for variations in quality shall be calculated in accordance with Section 3.3 and forwarded to Seller by written notice. Buyer shall forward said written notice to Seller within fifteen (15) Calendar Days following the Month in which Coal was shipped. Where payment is due Seller as a result of such adjustment, Seller shall prepare and issue an invoice to Buyer. Where Buyer is due a refund as a result of any such adjustment, Buyer shall have the option to take credit on Seller's outstanding invoice covering payment for Coal or to require cash payment from Seller within fifteen (15) Business Days of Seller's receipt of Buyer's written notice.

(c) Payment shall be made by wire transfer as shown in Appendix E, which may be changed by written notice.

5.2 Records

Each party shall keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement. All such records shall be maintained for at least three years after the expiration, termination, or cancellation of this Agreement and for any additional length of time required by regulatory agencies with jurisdiction over the parties.

Either party or its designated representatives shall have the right from time to time, upon written notice to the other, to examine the records and data of the other relating to this Agreement, including without limitation the weights and analyses of the Coal supplied hereunder, and records supporting base price components, quantity and quality of reserves, independent audits, and reports to federal and state entities, anytime during the period the records are required to be maintained. When an economic or similar situation occurs, Buyer may, upon signing a confidentiality agreement statement, request that Seller supply Buyer with copies of Seller's audited annual reports and Seller shall supply such copies of its audited annual reports to Buyer.

ARTICLE 6 - PRICE

6.1 Base Price

The Base Price of Coal supplied hereunder, loaded in railcars at Shipping Point, shall be as set forth in Appendix D (in U.S. dollars per Ton), effective January 1, 2022. The Base Price shall be subject to adjustment only as specifically provided herein.

6.2 Adjustment for Changes in Government Imposition

The term "Government Imposition," as used in this Agreement, means any tax or fee or any requirement or duty imposed by any government or governmental agency or any statute, administrative

regulation or ruling, state or local ordinance, or the like affecting the cost of the following: permitting, production, severance, preparation, loading, transporting, or sale of Coal and reclamation of the Coal property designated in Appendix B hereunder. The term does not include impositions on Seller, such as federal or state income taxes or excise taxes, which are not levied upon the production, preparation, loading, transportation or sale of Coal or reclamation of the Coal property designated in Appendix B hereunder or any employer's social security, worker's compensation, or unemployment taxes. A Government Imposition shall only include impositions affecting the general Coal industry, not impositions affecting only the Seller.

The Base Price stated in Section 6.1 includes all costs of compliance by Seller with all Government Impositions effective as of January 1, 2022 regardless of whether or not Seller is actually in compliance with all such Government Impositions as of that date. It is recognized that effective January 1, 2022, the Base Price includes the Black Lung Excise Tax, the Reclamation Fee, and the Severance Tax.

Price adjustments shall be made for changes in costs due to Seller's or Seller's affiliate's compliance with Changes In Government Impositions which shall be (1) amendments after January 1, 2022 to Government Imposition; (2) requirements of entirely new Government Impositions which are enacted or promulgated after January 1, 2022; or (3) final judgments, orders or decrees issued after January 1, 2022 by any court of law or equity, which reflect new and different interpretations of Government Impositions where such changes in cost directly affect and are binding upon Seller's or Seller's affiliate's operation hereunder. Such changes in cost shall hereinafter be called "Changes in Costs". Changes in Costs shall not include, and no Price adjustments shall be made for, costs due to compliance with (1) any Government Imposition effective as of January 1, 2022, regardless of whether the Base Price reflects the full costs of compliance with such Government Imposition; or (2) any civil or criminal fine or penalty imposed as the result of failure to comply with any statute, administrative regulation or ruling, state or local ordinance, or judgment, order or decree of any court.

In the event and whenever after January 1, 2022 there is a change in Government Imposition, Seller shall give Buyer written notice thereof within sixty (60) Days of the effective date of the new or changed Government Imposition.

If the change in Government Imposition is a tax or fee which is expressly imposed on a per Ton basis, Seller shall submit a claim within sixty (60) Days of the effective date of the new or changed Government Imposition.

If the change in Government Imposition results in a change in Costs not expressly imposed on a per Ton basis, Seller shall submit a claim which describes the change in Costs and which contains sufficient documentation and data to permit Buyer to verify Seller's computation of the change in Costs. The documentation and data shall be based on an adequate period of experience in compliance with such

change in Government Imposition, but in no case, shall such adequate period exceed twelve (12) Months. In the case of a determination of a change in Costs which is an increase, an adjustment to the Price shall be made for the period no more than twelve (12) Months prior to the receipt by Buyer of Seller's claim, and during which such change in Government Imposition was in effect. In the case of a Change in Costs which is a decrease, an adjustment to the Price shall be made from the date such change in Government Imposition was in effect. Buyer shall have the right to require Seller to evaluate and submit such a claim if Seller fails to do so after a change in Government Imposition is effective.

If the cumulative effect of adjustments resulting from changes in Costs which would be required to meet Government Impositions would be such as to make the Price of the Coal to be sold to Buyer hereunder more than 10% higher than its then Price, excluding all adjustments under this Section, and more than 10% higher than the Delivered Cost of comparable Coal reasonably available to Buyer on similar terms, then Buyer shall have the right to terminate this Agreement upon six (6) Months' notice to Seller, such termination being Buyer's sole remedy under this Agreement with no further obligation on the part of the Seller. Seller shall have the right to limit or abate the cumulative effect of adjustments resulting in Changes in Costs which would be required to meet Government Imposition in order to preempt Buyer's right to terminate this agreement.

ARTICLE 7 - RIGHT TO VISIT

Each party grants to the other (including its agents) the right to visit its facilities at reasonable times, from time to time, upon reasonable notice and subject to the applicable rules and regulations of the facilities, in order to witness, review and audit operations related to this Agreement, including, but not limited to the sampling and analysis of Coal and adequacy of reserves.

ARTICLE 8 - FORCE MAJEURE, ENVIRONMENTAL REQUIREMENTS, TERMINATION, AND SYSTEMWIDE REDUCTION

8.1 Force Majeure

"Seller's Force Majeure" as used herein shall mean a cause reasonably beyond the control of Seller which wholly or in substantial part prevents the permitting, mining, preparing, loading, shipping or delivery of Coal. "Buyer's Force Majeure" as used herein shall mean a cause reasonably beyond the control of Buyer which wholly or in substantial part prevents the unloading, storing or burning of Coal by Buyer at its Destination. Examples (without limitations) of force majeure for either party are the following: acts of God; acts of any public enemy; insurrections; riots; strikes; labor disputes; work stoppages; fires; explosions; floods; electric power failures; breakdowns of or damage to generating plants, mining

equipment or preparation plant; interruptions to or contingencies of transportation; embargoes; and orders or acts of civil authority (including, without limitation, a city or county ordinance or order by a regulatory agency, an act of a state legislature, an act of the United States Congress, a court decision or ruling) or military authority; provided, however, for the purposes of this Agreement, force majeure shall not include, and neither party shall be excused from performance because of the development or existence of economic conditions which may adversely affect the anticipated profitability of the mining activities of Seller hereunder or which may adversely affect the use of Coal by Buyer. Scheduled outages shall not be considered force majeure. Acts or omissions of either party which constitute mismanagement shall not be considered force majeure hereunder. Force majeure shall also not include (i) the Buyer's ability to purchase replacement coal at a price lower than the price set forth in this Agreement; or (ii) the loss of Seller's supply or Seller's ability to sell the Coal at a more advantageous price.

If because of Buyer's Force Majeure, Buyer is unable to carry out its obligations under this Agreement, and if Buyer gives Seller prompt written notice of such force majeure, the obligations and liabilities of Buyer and the corresponding obligations of Seller shall be suspended to the extent made necessary by and during the continuance of such Buyer's Force Majeure; provided, however, that the disabling effects of such force majeure shall be eliminated as soon as and to the extent possible (except that either party may settle any of its own labor disputes, strikes, or terminate any of its own lockouts in its sole discretion).

Upon elimination of a Buyer's Force Majeure condition, Seller may, at its sole option, elect to ship tonnage not received during the force majeure period at a shipping rate to be determined by mutual agreement between Buyer and Seller. Such tonnage makeup shall be subject to Buyer's ability to receive Coal and the Parties' agreement to provide a reasonable extension of the Agreement, if necessary, to accommodate the tonnage makeup period. In the alternative, Seller may, at its sole option, elect to have any tonnage not received during the force majeure period reduce the total tonnage to be shipped, as provided for in this Agreement and Seller shall have no further claim for such Buyer's Force Majeure .

If because of Seller's Force Majeure Seller is unable to carry out its obligations under this Agreement, and if Seller gives Buyer prompt written notice of such force majeure, the obligations and liabilities of Seller and the corresponding obligations of Buyer shall be suspended to the extent made necessary by and during the continuance of such Seller's Force Majeure; provided, however, that the disabling effects of such force majeure shall be eliminated as soon as and to the extent possible (except that either party may settle any of its own labor disputes, strikes, or terminate any of its own lockouts in its own sole discretion).

Upon elimination of a Seller's Force Majeure condition, Buyer may, at its sole option, elect to receive tonnage not shipped during the force majeure period at a shipping rate to be determined by

mutual agreement between Buyer and Seller. Such tonnage makeup shall be subject to Seller's ability to perform and the Parties agree to provide a reasonable extension of the Agreement, if necessary, to accommodate the tonnage makeup period. In the alternative, Buyer may, at its sole option, elect to have any tonnage not delivered during the force majeure period reduce the total tonnage to be shipped, as provided for in this Agreement and Buyer shall have no further claim for such Seller's Force Majeure.

It is agreed that in the event that any valid act, law, ordinance, order, rule or regulation of a municipality, regulatory agency, county, state or the United States government, or final judicial decision, judgment or order, is adopted or passed after the date of this Agreement, which (a) directly prohibits, significantly burdens or restricts the mining contemplated hereunder, or (b) imposes significant burdens or restrictions upon the burning or use of such Coal by Buyer (except for Environmental Related Requirements as pursuant to Section 8.2) to the extent that Buyer is unable or would not be allowed to utilize such Coal or would be allowed to utilize such Coal only after the installation or substantial renovation of plant equipment that would make Seller's Coal less economical than other available sources, then the existence and implementation of such act, law, ordinance, rule, regulation, judgment or order shall constitute an instance of permanent force majeure whereupon this Agreement may be terminated by the party so affected. If Buyer is required to replace Coal, Seller shall have the option to replace Coal at the same Delivered Cost, in cents per million Btu, as other available sources. In the event Buyer, in its sole judgment, determines that Seller cannot achieve this result, then Buyer may terminate this Agreement.

Notwithstanding the provisions of this Section 8.1, if (a) a condition of force majeure occurs which causes the mutual obligations to be suspended as provided above with respect to the total quantity of Coal to be supplied, and (b) such condition (alone or extended by other conditions of force majeure) continues so that the mutual obligations remain suspended for a period of six (6) Months, and (c) at the end of said six (6) Months or at any time thereafter, the party not claiming force majeure, in the exercise of reasonable judgment, concludes that there is little likelihood of ending the condition(s) in the immediate future, then the party not claiming force majeure may terminate this Agreement without liability to the other party by giving to the other ninety (90) Days' notice in writing of its intention to terminate. In such event, neither party shall have any further obligation or liability under this Agreement or at law except with respect to Coal delivered prior to said termination date or as otherwise provided.

8.2 Changes in Environmental Related Requirements

The term "environmental related requirements," as used in this Agreement, means (i) any prohibition, restriction, or limitation related to the quality of Coal which Buyer may burn, including any constituent specification, at any or all of its electric generating plants, or to the type or amount of

emissions from any or all such plants; (ii) any rule or requirements affecting the permissible means for complying with any such prohibition, restriction or limitation; and, (iii) any imposition of a cost, fee, tax or other economic burden on Buyer relating to any constituent specification of Coal purchased by it, or to the type or amount of emissions from its electric generating plants. A "change in environmental related requirements" shall be deemed to have occurred if there is any increase or decrease in an environmental related requirement or imposition of a new environmental related requirement on Buyer as a result of any federal or state statute, local ordinance, administrative regulation or ruling, court order, or any revision in any interpretation or implementation thereof. It is recognized that a change in environmental related requirements upon Buyer may occur even though stated as a restriction or limitation on, or requirement of, Buyer and its affiliates or with some other group of utilities. It is further recognized that any change in environmental related requirements may affect Buyer in a general way and may not be directed at specific plants, fuels, fuel supplies or other operating conditions. In this event, Buyer shall, in its sole discretion, determine the strategy for compliance, and whether Buyer's use of the Coal to be supplied hereunder has been adversely impacted.

The price, specifications, quantity and destination of Coal purchased hereunder is predicated on environmental related requirements in effect as of January 1, 2022. In the event, and whenever after January 1, 2022, there is a change in environmental related requirements, Buyer shall determine whether such change has had or may have an adverse impact on Buyer's use of the Coal purchased hereunder. It is agreed that any change in environmental related requirements which imposes a fee, tax or other economic burden on Buyer relating to the constituent specifications of Coal purchased by it or on the type or amount of emissions from Buyer's electric generating plants, or prevents Buyer from utilizing the Coal purchased hereunder in its electric generating plants, or requires Buyer to install equipment (such as flue gas desulfurization equipment or particulate removal equipment) at one or more of its electric generating plants in order to comply with such change, or requires or permits Buyer to utilize Coal of a quality (including sulfur content) different from that specified in Appendix C, shall be deemed to have an adverse impact on Buyer's use of the Coal purchased hereunder, even though the statute, regulation, ruling or ordinance may allow Buyer a choice of options for complying with such changed environmental related requirements (which choice may include the payment of a fee or tax in lieu of the installation of equipment or utilization of Coal of different constituent specifications).

If Buyer determines that a change in environmental related requirements has had or may have an adverse impact on Buyer's use of the Coal purchased hereunder, Buyer shall so notify Seller, and Seller shall have the right, at its option, to propose any steps available to it, within ninety (90) Days of Buyer's notification to Seller, in its mining and processing of the Coal, or in the supply of substitute coal, or in the reduction in the price of the Coal, or other measure which would result in a lower Delivered Cost, in cents

per million Btu, of coal at Buyer's electric generating plant(s) as Buyer could achieve by purchasing reasonably available substitute coal at the same plant(s). In the event Buyer, in its sole discretion, determines that Seller cannot achieve this result, then Buyer may terminate this Agreement upon ninety (90) Days' written notice given at any time after Buyer has notified Seller of the change in environmental related requirements. Buyer shall have no further obligation or liability under this Agreement or at law except with respect to Coal delivered prior to said termination date or as otherwise provided. Buyer shall have the right to give such notice either before or after the effect of a change in environmental related requirements.

8.3 Systemwide Reduction

Notwithstanding anything herein to the contrary, in the event of a system-wide reduction of more than 15% in the use of Coal resulting from diminution of demand for power by Buyer's customers, Buyer shall be relieved of its obligation to purchase Coal hereunder to the extent made necessary by such system-wide reduction; provided, however, that Buyer shall not make reductions in this Agreement until its Coal purchased under spot orders has been eliminated, and this Agreement in that event shall be reduced not more than the proportionate percentage of reduction of other existing agreements held by Buyer for the purchase of Coal.

ARTICLE 9 - REMEDIES AND WAIVER

9.1 Specific Remedies - Unexcused Non-Performance By Seller

(a) Except as excused by force majeure, in the event that Seller fails to deliver at least 75% of the total quantity of Coal designated by Buyer pursuant to Section 2.1 for any period of three (3) consecutive Months, or in the event that Seller fails to deliver at least 90% of the total quantity designated by Buyer in any Calendar Year, or in the event that Seller fails to comply with the quality specifications in Appendix C (as provided in Section 3), Buyer shall have the right to immediately terminate this Agreement. Buyer shall have no further obligations or liability under this Agreement or at law except with respect to Coal delivered prior to said termination date or as otherwise provided. In the event that Buyer terminates this Agreement due to Seller's failure to comply with the delivery requirements as provided in this Section 9.1, Buyer shall have the right to purchase replacement Coal equal to the quantity not delivered by Seller which shall comprise of tonnage due but not delivered and the balance of the tonnage remaining on the Agreement. Buyer shall have the right to charge the Seller for the amount that the delivered cost of the replacement Coal exceeds the Delivered Cost of the Coal that would have been delivered under this Agreement. In calculating the excess cost of this replacement Coal, Buyer shall have the right to include

all costs associated with the replacement cost, including, but not limited to, transportation and quality differences.

(b) Except as excused by force majeure, in the event that Seller fails to deliver at least 85% of the total quantity of Coal required pursuant to Section 2.1 for any period of three (3) consecutive Months, or fails to deliver within 95% of the annual quantity required pursuant to Section 2.1 in any Calendar Year, or in the event that Buyer suspends this Agreement due to Seller's failure to comply with the quality specifications in Appendix C (as provided in Section 3), Buyer shall have the right to exercise any of the following options, including any combination thereof: (i) Require Seller to ship make-up tonnage at a subsequent date and subject to availability; or (ii) reduce the tonnage to be sold and purchased under this Agreement by an amount up to the quantity not delivered by Seller. If Buyer requests that the Seller ship make-up tonnage, the Price of this Coal shall be the Price of the Coal in effect at the time that Seller failed to deliver.

(c) Except as excused by Force Majeure or due to Seller's failure to perform, in the event that Buyer fails to accept at least 85% of the total quantity of Coal required pursuant to Section 2.1 for any period of three (3) consecutive Months, or fails to accept within 95% of the annual quantity required pursuant to Section 2.1 in any Calendar Year, Seller shall have the right to exercise any of the following options, including any combination thereof: (i) Require Buyer to accept make-up tonnage, at a subsequent date, subject to availability; or (ii) reduce the tonnage to be sold and purchased under this Agreement by an amount up to the quantity not accepted by Buyer. If Seller requests the Buyer to accept make-up tonnage, the Price of this Coal shall be the Price of the Coal in effect at the time of shipment.

9.2 Specific Remedies - Seller's Bankruptcy

In the event that Seller or Buyer shall file for bankruptcy, including Chapter 11 and Chapter 7 of the U.S. Bankruptcy Code, the non-filing Party shall have the right to immediately terminate this Agreement, with no further obligation, other than to pay for Coal already shipped prior to termination. The parties agree that this Agreement is a forward contract and that they are forward contract merchants within the meaning of the United States Bankruptcy Code.

9.3 Remedies

In the event either party fails to perform its obligations hereunder in accordance with the terms and conditions of this Agreement, the other party may exercise all remedies available to it at law or in equity, in addition to any other remedies provided herein.

9.4 Waiver

Waiver by either party of any breach, or failure to require strict performance of the terms and conditions of this Agreement at any time, shall in no way affect, limit, or waive such party's right thereafter to enforce and compel strict compliance with this Agreement and shall in no way be construed as a consent to any continuing or subsequent breach or failure to perform in strict compliance with this Agreement.

ARTICLE 10 – FREEZE CONDITIONING

If requested by Buyer, Seller shall, in accordance with acceptable industry practice, freeze condition the Coal delivered under this Agreement with a product mutually acceptable to Buyer and Seller. Prior to freeze conditioning, Seller shall consult with Buyer regarding the desired freeze conditioning product, the anticipated cost of the freeze conditioning product to Seller, the application fee and the application rate (pints/Ton) of the product. Buyer shall pay to Seller the application fee plus the cost of the freeze conditioning product applied to the Coal delivered to Buyer.

ARTICLE 11 - GOVERNMENTAL AUTHORITY

11.1 Compliance with Laws and Regulations

In the performance of this Agreement, Buyer and Seller shall comply with all applicable laws, rules, regulations, and ordinances of any governmental body or authority having jurisdiction.

11.2 Equal Employment Opportunity

During the performance of this Agreement, the Seller agrees as follows:

(1) The Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Seller agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The Seller will, in all solicitations or advertisements for employees placed by or on behalf of the Seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(3) The Seller will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the Seller's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Seller will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Seller will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and order of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Seller's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Seller may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Seller will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Seller will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance; provided, however, that in the event the Seller becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Seller may request the United States to enter into such litigation to protect the interests of the United States.

11.3 Permits and Licenses

Seller and Buyer each warrants to the other that it has or will obtain any licenses and permits which, under the laws, rules, regulations, or ordinances of any federal, state, or local government, it may be required to hold in order to perform its obligations hereunder. Seller and Buyer shall hold and maintain such licenses and permits for so long as this Agreement shall remain in effect.

ARTICLE 12 - MISCELLANEOUS

12.1 Assignment and Subcontractors

Neither this Agreement nor any of the obligations created herein or by law may be subcontracted, assigned, or otherwise transferred by Seller or Buyer without the prior written consent of the other party, except that Buyer, without Seller's consent, may assign this Agreement to an unaffiliated entity ("Assignee") that processes the Coal supplied under this Agreement for subsequent delivery to Buyer. In such event, the Assignee shall have the right to assign this Agreement back to South Carolina Public Service Authority without Seller's consent. Nothing in this Agreement shall limit Buyer's rights to resell Coal purchased under this Agreement or to divert Shipments to any alternate Destination.

12.2 Independent Contractor

Seller shall at all times act as and be deemed to be an independent contractor for all purposes of this Agreement and shall not act as nor be deemed to be an employee or agent of Buyer.

12.3 Succession

This Agreement and the obligations created herein shall inure to the benefit of and be binding in all respects on the successors and assigns of each of the parties.

12.4 Survival of Obligations

All remedial, indemnification, and confidentiality rights and obligations provided in this Agreement shall survive the termination, cancellation, or expiration of this Agreement.

12.5 Governing Law

This Agreement shall be governed by and construed and enforced in accordance with, and its validity shall be determined under the laws of the State of South Carolina, including the Uniform Commercial Code as adopted in South Carolina. It is agreed that this Agreement shall be deemed executed in the State of South Carolina regardless of the actual place of signature or actual place of performance.

12.6 Severability

In the event any of the terms or conditions of this Agreement are held to be unenforceable because they conflict with any laws, rules, regulations, or ordinances, the obligations of the parties hereto shall be reduced only to the extent of such conflict.

12.7 Confidentiality

Seller and Buyer agree to retain in confidence, to the extent permitted by law, this Agreement and any information obtained as a result of negotiation and performance of this Agreement which either

party identifies to the other as being proprietary in nature. It is agreed, however, that such information may be disclosed when requested by a court or government agency, and that certain cost and physical property information related to fuel purchases are routinely reported to state regulatory agencies and the Federal Energy Regulatory Commission and may be used by Buyer's consultants to make economic forecasts.

12.8 Headings

Article and section headings set forth in this Agreement are inserted only for convenience and shall have no effect whatsoever on the interpretation or construction of this Agreement.

12.9 Material Safety Data Sheet (MSDS)

Vendor will furnish required MSDS forms, for any material shipped to Santee Cooper.

12.10 Drug Free Workplace Certification

The State of South Carolina has amended Title 44, Code of Laws of South Carolina, 1976, relating to health, by adding Chapter 107, so as to enact the Drug-Free Workplace Act. The Act became effective January 1, 1991, and requires a Certification from the Seller before an award of a contract of \$50,000 or more can be final. The Seller will be required to provide such certification by signing and returning the attached "Certification Regarding Drug-Free Workplace Requirements" form (Attachment 1).

12.11 Safety

Seller shall take all necessary or advisable precautions for the safety of all persons and property at, on, or near its operations. Seller shall comply with all applicable safety standards established and promulgated under the Federal Coal Mine Safety and Health Act (MSHA) and with all additional applicable regulations, rules, and orders of Federal, State, County, and Municipal government bodies and agencies which may have jurisdiction over its operations. Seller certifies that all work and products used by it to accomplish performance under this Agreement comply with said laws, regulations, rules and orders. Seller further agrees to indemnify and hold Buyer harmless for any loss, damage, fine, penalty or any expense whatsoever as a result of Seller's failure to comply with the aforementioned.

12.12 Consequential Damages Waiver

IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE TO THE OTHER PARTY FOR INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY DEFAULT IN THE PERFORMANCE OF ANY OF ITS COVENANTS OR OBLIGATIONS HEREUNDER.

12.13 Disclaimer of Warranties

EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER EXPRESSLY DISCLAIMS, AND BUYER HEREBY

WAIVES, ANY AND ALL WARRANTIES WITH RESPECT TO THE COAL SUPPLIED TO BUYER, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 13 – NOTICES

Any notice or communication required to be in writing hereunder shall be given by registered, certified, or first class mail, or telecopy, addressed to the respective parties at the addresses listed in Appendix E. Except as expressly provided herein, any notice required hereunder shall be deemed given when sent. Any notice given by first class mail shall be considered sent at the time of posting. Communications by telecopy shall be confirmed by depositing a copy of the same in the post office for transmission by registered, certified, or first class mail in an envelope properly addressed as shown in Appendix E. In addition, Seller shall send a duplicate copy of every such notice and communication to Buyer's contract administrator as designed by Buyer from time to time. Either party may, by written notice to the other, change the representative or the address to which such notices and communications are to be sent. An email is not considered an acceptable legal notice under this Agreement, but the Parties may provide or employ email copies as a courtesy or convenience.

ARTICLE 14 - NON-COLLUSION

Seller hereby affirms that neither it nor any person or entity acting or purporting to act on its behalf has entered into any combination, conspiracy, agreement, or other form of collusive arrangement with any person, corporation, partnership, or other entity, which directly or indirectly has to any extent lessened competition between Seller and any other person or entity for the supply of Coal being made pursuant to this Agreement.

ARTICLE 15 – AMENDMENTS

This Agreement may be modified or amended at any time by mutual agreement of the parties, provided that such modification or amendment shall be in writing and executed by the duly authorized representatives of the parties.

ARTICLE 16 - ENTIRE AGREEMENT

This Agreement, and Appendices A through J and Attachment 1 attached hereto, which are hereby incorporated by reference, embody the entire Agreement and understanding between the parties with respect to the subject matter contained herein, supersede any prior or contemporaneous agreements or understandings between the parties, and may not be amended or changed except as provided herein.

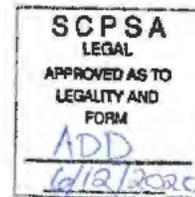
IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement.

Buyer: **SOUTH CAROLINA PUBLIC SERVICE AUTHORITY**

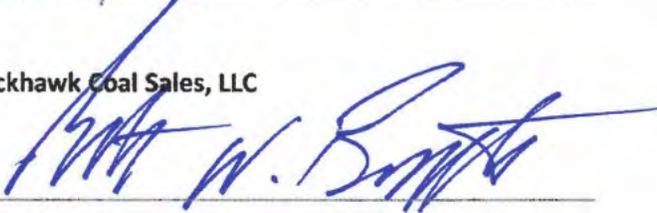
By 

Title Deputy CEO/Chief Planning and Innovation Officer

Date 6/23/2020



Seller: **Blackhawk Coal Sales, LLC**

By 

Title PRESIDENT

Date JUNE 24, 2020

APPENDIX A

CONTRACT TERM AND TONNAGE

1. The expiration date of this Agreement is December 31, 2024 unless extended or terminated as provided in Article 1.2 Term.
2. The Base Annual Tonnage Obligation shall be:
2022 = [REDACTED] shipped approximately pro-rata throughout the year and consisting of approximately [REDACTED]
2023 = [REDACTED] shipped approximately pro-rata throughout the year and consisting of approximately [REDACTED]
2024 = [REDACTED] shipped approximately pro-rata throughout the year and consisting of approximately [REDACTED]
3. As Needed – As Available Tonnage or “Extra Tonnage”: In the event that the Buyer requires tonnage over and above the Base Annual Tonnage as set forth above in any year of the Agreement, and desires to procure such Extra Tonnage from Seller on short notice; and, Seller has available such Extra Tonnage, then all the conditions of this Agreement will apply with respect to the shipment and administration of such Extra Tonnage. Notwithstanding the foregoing, nothing in this clause shall obligate the Buyer to procure such Extra Tonnage from the Seller and nothing shall obligate Seller to supply such Extra Tonnage.

APPENDIX B

COAL ORIGIN

1. The coal sold and purchased hereunder shall be shipped from Seller's or Seller's affiliate's loading facility listed below, or any other loading facility owned or controlled by Seller or Seller's affiliate in the Hazard/Elkhorn rate district:

Shipping Point(s)
Typo, Kentucky

CSXT Station Number
42621

Freight allowed under the Coal Origin shall be from the Hazard/Elkhorn districts and is based on 4 hours (maximum) and 110 (minimum) car load out capabilities. The Price for Shipments from other allowed Shipping Points or Substitute Sources with higher freight rates will be reduced by such increase in freight.

Seller's or Seller's affiliate's Coal reserves at the Shipping Point(s) are generally described as the Pine Branch Complex and include all of Seller's or Seller's affiliate's coal reserves in Perry, Knott, Breathitt and Leslie Counties, Kentucky.

2. Seller's or Seller's affiliate's Substitute Sources shall be as approved in the future pursuant to this Agreement:

Shipping Point (s)
-----, KY

CSXT Station Number
#-----

Seller's or Seller's affiliate's coal reserves at the Substitute Source are generally described as the ----- properties, and include all of Seller's or Seller's affiliate's coal reserves in ----- Counties, Kentucky. All of Seller's or Seller's affiliate's existing and future mines on these reserves are dedicated sources of coal under this Agreement.

Seller warrants that the Substitute Sources shall conform with all the quality provisions of Article 3 and Appendix C hereof

APPENDIX C

FUEL QUALITY SPECIFICATIONS

<u>As Received Basis</u>	<u>Guaranteed</u>	<u>Suspension¹</u>	<u>Rejection</u>
Minimum Btu/pound	11,850	-200 ¹	11,500
Maximum Ash (%)	14.0%	+0.50 ¹	15.0
Maximum Moisture (%)	8%	+2.0 ¹	12.0
Maximum Sulfur (%)	1.50%	+0.40 ¹	2.0
Minimum Sulfur (%)	1.20	1.10 ²	1.0
Minimum grindability (HGI)	45	-3.0 ¹	
Minimum volatiles (%)	32	less than 30.0 ²	
Minimum fixed carbon (%)	47	55.0 ²	
Maximum nitrogen (%)	1.7	1.9 ²	
Minimum ash fusion temp. (initial deformation, °F reducing)	2,500+	2,300 ²	
Maximum size (inches)	2" x 0 ³	2.0 ^{2,3}	
Maximum % fines (1/4"x0")	45	50.0 ²	55.0
Maximum Arsenic	12 ppm	20	
Maximum Mercury	.14 ppm	.20	

-
- 1 These Suspension specifications are equal to the guaranteed specifications adjusted by the amount listed in the Suspension column, but in no event exceeding the Rejection specifications.
 - 2 These suspension specifications are stated as absolute values, not adjustment factors as in note 1 above.
 - 3 This maximum sizing is 2" topsize nominal and will contain no more than 15% by weight of material that is plus 2 inches but not more than 3 inches.

APPENDIX D

CONTRACT PRICE

Base Prices and Adjustments

D.1 Base Price.

2022 CY = 30-4-40(a)
(1) fixed for the year unless adjusted pursuant to Section 6.3

2023 CY = 30-4-40(a)
(1) fixed for the year unless adjusted pursuant to Section 6.3

2024 CY = 30-4-40(a)
(1) fixed for the year unless adjusted pursuant to Section 6.3

APPENDIX E

NOTICES

In the case of the Seller:

Company: Blackhawk Coal Sales, LLC
Address: 3228 Summit Square Place, Suite 180
Lexington, KY 40509

Phone: 859-543-0515

Email: npreston@blackhawkmining.com

PAYMENT ADDRESS OR WIRE TRANSFER INFORMATION:

(as presently on file with and in use by the Buyer)

In the case of the Buyer:

South Carolina Public Service Authority
Post Office Box 2946101
Moncks Corner, SC 29461-2901
Attention: Supply & Trading
Email: SCFuels@santecooper.com

APPENDIX F

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APPENDIX H
RAILROAD PROVISIONS

Pursuant to Sections 2.3, 2.4, and 2.6 of this Agreement, Seller shall ship Coal in Unit Train shipments to the Destination designated by Buyer. Any detention charges assessed by carrier at Seller's Mine or Shipping Point are the responsibility of Seller and shall be paid by Seller directly to carrier.

Seller shall coordinate placement of cars at the Shipping Point with carrier. Each Unit Train shipment tendered to carrier hereunder shall be loaded to a minimum and maximum weight per type of equipment as follows (and hereinafter referred to as the "Minimum and Maximum Trainload Weight"):

<u>Car type</u>	<u>110-car</u>
	<u>Min/tns</u>
SCPSA Alum.	12,750

Four (4) hours free time shall be allowed at the mine for loading of 110-car train. Time is to be computed from the time of actual or constructive placement of the first car of the Unit Train in position for loading to the release of the loaded cars to carrier for further disposition. Each car shall be loaded to its approximate full visible capacity, but no car shall contain more than the marked capacity of the car. Cars which contain more than the marked capacity may interfere with unloading equipment at the destination designated by Buyer. Buyer may reject any cars which are loaded in a manner that interferes with unloading equipment and Seller shall be responsible for all costs related to such rejection. Each car in a shipment transported hereunder shall not exceed the weight requirements defined by Freight Tariff ICC-8200 Series or SCPSA Rail Transportation Agreement. Seller shall be responsible for charges, if any, assessed by carrier on cars carrier finds to be loaded in excess of the load limit or carrier's track limitation or for failure to meet Minimum Trainload Weight. Seller shall be governed by carrier instructions regarding the height and distribution of the load weight of Coal in the car and other instructions which carrier may deem necessary for safe transportation.

Shipping Notice required by Section 2.4 shall be given immediately by e-mail and within five (5) business hours of shipment to Buyer's Transportation Coordinator SCFUELS@santeecooper.com. Shipping Notice will be confirmed by e-mail within 24 hours to include: (1) the purchase order number, (2) car initials and numbers, (3) tons shipped, (4) carrier designated shipping point, (5) name of Seller's mine as specified on the face of the order, (6) Unit Train number, (7) trainload number, (8) shipping date, and loading times at the Mine. For purpose of notification Seller shall use the e-mail address: SCFUELS@santeecooper.com.

If Seller is unable to load cars of Coal to meet the Minimum Trainload Weight due to carrier-caused shortage of cars, and carrier determines to operate the train, Seller shall indicate the following on the bill of lading or mine card on the shipments tendered: "Under the provisions of Article III, Paragraph 5 of the Coal Transportation Agreement, this unit train shipment is to be billed on actual tonnage." In addition to the preceding notice, Seller shall certify in writing to Buyer, within twenty four hours from the date of shipment, that such notice has been given to carrier and describe the particular circumstances causing the loading of less than the minimum trainload shipment due to a shortage of cars. Notice shall be emailed to: SCFuels@santeecooper.com

Schedules for loading Unit Trains shall be established no later than the fifteenth day of the month preceding each month in which Buyer intends to receive Unit Train tenders of Coal hereunder. Buyer shall then notify the Seller one week prior to a scheduled loading date if shipment is to be made in private, lease or railroad cars.

Carrier shall coordinate placement of empty cars at origin with the Seller and at destination with the Buyer and shall make a reasonable effort to provide five (5) hours advance notice of arrival for loading and unloading. Regardless of such notification, Seller shall be prepared to receive cars and commence loading in accordance with Buyer's prior notification that rail cars are scheduled for a particular date. All facilities must load unit trains on arrival 7 days a week/24 hours a day.

Buyer may refuse to accept any deliveries of Coal which are not made in accordance with the schedule established pursuant to the Agreement and if the Seller fails to make deliveries in accordance with such schedule (giving credit for any deficiency in deliveries found to be due to a cause listed in Section 8.1), Buyer may by written notice terminate the Seller's right to make further deliveries under the Agreement. Buyer may at its option and at any time thereafter purchase in the open market or by contract or otherwise procure Coal to replace all or any part of that which the Seller has failed to deliver on schedule and all or any part of that with respect to which Seller's right to make delivery has been terminated as hereinabove provided: and, except as provided in Section 8.1 the Seller shall be liable to Buyer for and Buyer may deduct from any amount otherwise due the Seller the excess cost occasioned by such purchase or for any other loss or damage caused by the Seller's breach of Agreement, including but without limitation to, liability incurred by Buyer under any contract for the transportation or other handling of the Coal.

If through the fault or negligence of Seller, damage to cars occurs while in the possession of Seller on Mine tracks/sidings which the Seller owns, leases or otherwise controls, Seller shall be responsible for reimbursing Buyer for the actual amount of repair costs to correct such damage.

Except as set forth above and elsewhere in the Agreement, Shipments of Coal pursuant to our Agreement shall be in accordance with published tariff(s) applicable to movements by carrier for Seller. In the event of a conflict between published tariff(s) and the applicable provisions specified herein and elsewhere in the Agreement, the provisions specified herein and elsewhere in the Agreement shall control.

APPENDIX I
FORCE MAJEURE OF SAMPLING EQUIPMENT

If both the Lab and Buyer are unable to meet the sampling requirement of Section 3.2 of this Agreement due to inoperable sampling equipment and Seller and Buyer agree to continue Shipments or a Shipment from Seller is already enroute, the Price adjustments pursuant to Section 3.3 and for suspension, termination, and rejection of Shipments pursuant to Article 3 of this Agreement shall be calculated as follows: the weighted average of the last five (5) Unit Train analyses of Coal received for the most recent Months prior to the Month in which the Lab and Buyer are unable to accomplish sampling will be used for the Coal not represented by analyses during the Month(s) in which both the Lab and Buyer's Coal sampling equipment are inoperable.

APPENDIX J
SAMPLING AND ANALYSIS

Seller, at its expense, shall have the Lab to sample and analyze, or cause to be analyzed, Coal shipped hereunder in accordance with the applicable standards of the American Society of Testing Materials (ASTM) or its successor organization. If Buyer takes samples and does an analysis at its laboratory, then it will do so at its own expense. These tests by the Lab or Buyer shall include, but not be limited to, the following:

<u>Test</u>	<u>Test Number</u>
Sampling	D-2234
Preparation	D-2013
Total Moisture	D-3302
Residual Moisture	C-5142 or D-3173
Total Ash*	D-5142 or D-3174 & D-3173
Gross Calorific Value*	D-5865, D3173
Total Sulfur*	D-4239 & D-3173
Volatile Matter*	D-3175 & D-3173 or D-5142
Fusibility of Coal Ash	D-1857
Hardgrove Grindability	D-409

* As determined values will be corrected to As-Received (ar); dry and dry-ash-free (daf) by test method D-3180.

ATTACHMENT 1

**SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
(SELLER OTHER THAN INDIVIDUALS)**

This certification is required by the Drug-Free Workplace Act, Act No. 593 of 1990. The regulations require certification by Seller prior to award, that they will maintain a drug-free workplace. The certification set out below is a material representation of fact upon which reliance will be placed when determining the award of a contract/grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of contracts/grants, or government-wide suspension or debarment.

The Seller certifies that it will provide a drug-free workplace by:

- (1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Seller's workplace and specifying the actions that will be taken against employees for violation of the prohibition;
- (2) Establishing a drug-free awareness program to inform employees about:
 - (a) The dangers of drug abuse in the workplace;
 - (b) The Seller's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug violations;
- (3) Making it a requirement that each employee to be engaged in the performance of the contract/grant be given a copy of the statement required by paragraph (1);
- (4) Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the contract/grant, the employee will:
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after the conviction;
- (5) Notifying the Buyer within ten days after receiving notice under subparagraph (4) (b), from an employee or otherwise receiving actual notice of the conviction;
- (6) Taking one of the following actions after receiving notice under subparagraph (4) (b) with respect to any employee who is convicted y
 - (a) Taking appropriate personnel action against the employee, up to and including termination; or
 - (b) Requiring the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (1), (2), (3), (4), (5) and (6).

Blackhawk Coal Sales, LLC

Contract/Grant Number

Printed Name R.W. BENNETT

Signature

R.W. Bennett

Date

JUNE 26, 2020

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 4
Request: 1.4

ATTESTATION: For the Review Period I, Charles B. Duckworth, attest that the answers provided above are full and accurate and that any and all coal supply, transportation and related agreements that Santee Cooper has renegotiated or into which Santee Cooper has entered produce savings and do not exceed five years or such longer period of time, as approved by the Santee Cooper Oversight Committee.

Signature of Officer: Charles B. Duckworth Digitally signed by Charles B. Duckworth
Date: 2020.07.30 13:12:23 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 5
Request: 1.5

Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to entering into natural gas hedging arrangements for terms not to exceed five years, or such longer period of time as may be approved by the Santee Cooper Oversight Committee.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Term of the arrangement(s)
- f. Copy of the arrangement(s)
- g. Please indicate what savings were realized as a result of the arrangement. Please provide the calculations to support the savings.
- h. If the length exceeds five years, please provide documentation of approval by the Santee Cooper Oversight Committee.
- i. If applicable, identify and describe any and all changes from the prior Review Period
- j. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 5
Request: 1.5

Date

June 12, 2020

Description of Santee Cooper action

Secured the basis price for 40k MMBtu/day of our 80k MMBtu/day pipeline capacity at a price below what was budgeted.

Purpose of Santee Cooper action

Santee Cooper has 80,000 MMBtu/day of firm natural gas transportation on the TRANSCO pipeline for the purposes of serving the Rainey Combined Cycle, which is typically considered a baseload unit. Therefore, this hedge secures the basis price for 50% of that baseload volume.

Status of action:

<input type="checkbox"/>	On going
<input checked="" type="checkbox"/>	Completed

Term of the agreement (Note: if length of term exceeds five years, provide documentation of approval by the Santee Cooper Oversight Committee)

July 2020 – October 2020

Savings realized as a result of the renegotiated or new agreement

\$195,760

Any changes from prior Review Period

Provided by:

Name	Marty Watson
Title	Director, Supply & Trading
Phone	(843) 761-8000 ext. 7072
Email	marty.watson@santeecooper.com

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 5
Request: 1.5

Reference Documents

1.5 jwatson natural gas basis savings CONFIDENTIAL
The Natural Gas Basis Savings provided is exempt from FOIA in its entirety pursuant to S. C. Code Ann. §30-4-40(a)(1). Therefore a redacted version has not been provided.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 5
Request: 1.5

Date

June 24, 2020

Description of Santee Cooper action

Sold 20 contracts (200,000 MMBtu) for February 2022

Purpose of Santee Cooper action

Per Section 3.03 of our Fuels Risk Management Procedure, actions must be taken if two consecutive official fuel dispatch projections indicate we are over 100% hedged for natural gas in a month. The 2020 July Update dispatch projected the month of February 2022 to be over 100% hedged which was the second consecutive official fuel dispatch. Therefore, we sold enough contracts to lower our hedge volume below 100% for that month.

Status of action:

<input type="checkbox"/>	On going
<input checked="" type="checkbox"/>	Completed

Term of the agreement (Note: if length of term exceeds five years, provide documentation of approval by the Santee Cooper Oversight Committee)

February 2022

Savings realized as a result of the renegotiated or new agreement

The 20 contracts were sold at a price greater than what was assumed in the Reform Plan for February 2022 and therefore a projected gain of \$8,800 when compared to the Reform Plan

Any changes from prior Review Period

Provided by:

Name	Marty Watson
Title	Director, Supply & Trading
Phone	(843) 761-8000 ext. 7072
Email	marty.watson@santeecooper.com

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 5
Request: 1.5

Reference Documents

1.5 jwatson new natural gas commodity positions CONFIDENTIAL 1.5 jwatson new natural gas commodity positions_Redacted
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Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 5
Request: 1.5

ATTESTATION: For the Review Period I, Charles B. Duckworth, attest that the answers provided above are full and accurate and that Santee Cooper has not entered into any natural gas hedging arrangements for a term in excess of five years, unless otherwise approved by the Santee Cooper Oversight Committee.

Signature of Officer: Charles B. Duckworth Digitally signed by Charles B. Duckworth
Date: 2020.07.30 12:18:01 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 6
Request: 1.6

Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to conducting the planning, permitting, engineering and feasibility studies to develop natural gas transportation and power transmission to ensure a reliable power supply.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Copy of the studies
- f. If applicable, identify and describe any and all changes from the prior Review Period
- g. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1 - 30, 2020
PARAGRAPH 6
Request: 1.6

Date	Description of Action	Purpose of Action	Status	Provided By
Various	Routine transmission planning activities associated with NERC TPL assessments, which use the reform plan resource assumptions, took place during the reporting period. These assessment activities span the majority of the year. There were no actions taken or assessments completed during the time period.	Transmission System Planning	In-progress	Chris Wagner

Provided by:

Name	Chris Wagner
Title	Director Transmission Planning
Phone	843-761-8000 x4947
Email	cmwagner@santecooper.com

Reference Documents

None

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 6
Request: 1.6

ATTESTATION: For the Review Period I, Charles B. Duckworth, attest that the answers provided above are full and accurate.

Signature of Officer: Charles B. Duckworth Digitally signed by Charles B. Duckworth
Date: 2020.07.29 17:02:36 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 7
Request: 1.7

Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to entering into purchase power arrangements needed for, but not in excess of, anticipated load for a term not to exceed the rate freeze period of the Cook Settlement, and supportive thereof;

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Term of the power purchase agreement(s)
- f. Copy any purchase power arrangement(s) entered into during the Review Period
- g. If applicable, identify and describe any and all changes from the prior Review Period
- h. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 7
Request: 1.7

Date of action

6/1/2020 through 6/30/20

Description of Santee Cooper action

Solicited counterparties for pricing of purchase power supply during rate freeze in up to 150 MW blocks. No action has been taken towards entering agreements with the solicited counterparties.

Purpose of Santee Cooper action

To determine opportunities to hedge against purchase power assumptions, volume and rate, from Reform Plan

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Term of the power purchase agreement

2022-2024

Any changes from prior Review Period

Prices were refreshed in June; however, there was still no action taken towards entering agreements with the solicited counterparties.

Provided by:

Name	Marty Watson
Title	Director, Supply and Trading
Phone	843-761-8000
Email	marty.watson@santecooper.com

Reference Documents

1.7 jmwatson June Purchase Power Summary CONFIDENTIAL.docx

Act 135, Section 11(E)

Office of Regulatory Staff – Monthly Review of Santee Cooper

Time Period: June 1-30, 2020

PARAGRAPH 7

Request: 1.7

- The June Purchase Power Summary is exempt from FOIA in its entirety pursuant to S.C. Code Ann. § 30-4-40(a)(1). Therefore, a redacted version has not been provided.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 7
Request: 1.7

ATTESTATION: For the Review Period I, Charles B. Duckworth, attest that the answers provided above are full and accurate and that Santee Cooper took no action prohibited by Act 135, which permits Santee Cooper to enter into purchase power arrangements needed for, and not in excess of, anticipated load for a term not to exceed the rate freeze period of the Cook Settlement and supportive thereof.

Signature of Officer: Charles B. Duckworth Digitally signed by Charles B. Duckworth
Date: 2020.07.29 16:41:48 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 8
Request: 1.8

Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to defeasing debt, issuing or refunding debt under existing bond resolutions and agreements, and entering into financing arrangements consistent with existing bank facilities, all as necessary to manage day to day operations and financing needs, including converting variable rate debt to fixed rate debt.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Were the actions detailed above all taken as necessary to manage day-to-day operations and financing needs? Please explain.
- f. Did Santee Cooper refund existing debt? If yes, did the refund achieve present value savings or mitigate risk while also not extending the average life of the debt? Please explain.
- g. If existing debt is refunded, please provide the calculations and rationale that demonstrate the refund achieves present value savings or mitigates risk as required by Act 135.
- h. If existing debt is refunded, does it extend the average life of the debt? If yes, please identify how long is the extension and provide the calculation.
- i. If applicable, identify and describe any and all changes from the prior Review Period
- j. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 8
Request: 1.8

Date of action

June 1-30

Description of Santee Cooper action

On June 3, Santee Cooper coordinated a disclosure call with all banks regarding the bank credit facility renewal. On this call, Santee Cooper provided a presentation with updates on management, state legislature, litigation, Reform Plan and recent financials. See file named shritter_disclosure presentation 060320.pdf.

On June 10, Shawan Gillians officially requested bank facility pricing from bankers through email. See file named shritter_bank facility pricing request 061020.pdf

In June, Santee Cooper received a proposal from Barclay's and Bank of America Merrill Lynch. Santee Cooper also answered follow-up questions from JP Morgan. Santee Cooper has not received a proposal from JP Morgan but expects to receive early July. We do not anticipate receiving a proposal from TD Bank since their agreement does not expire until June 2021. See files named shritter_Barclays LOC for CP.pdf, shritter_Barclays LOC for CP_redacted.pdf, shritter_Barclays RCA renewal.pdf, shritter_RCA renewal_redacted.pdf, shritter_BofA Term Sheet.pdf and shritter_BofA Term Sheet_redacted.pdf.

Once all proposals are received, Santee Cooper plans to discuss with our financial advisor, Public Financial Management (PFM), and negotiate proposals if necessary. These agreements will not be finalized and executed until late July once the final order approving the settlement of the Cook litigation has been received.

On June 22, a brief presentation was given to the Board providing an update on the timeline of the bank facility renewal. See file named shritter_board presentation 062220.pdf.

Purpose of Santee Cooper action

The purpose of this action is to renew bank facility agreements because 3 of the 4 agreements are expiring this year.

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 8
Request: 1.8

Were the actions detailed all taken as necessary to manage day-to-day operations and financing needs? Please explain.

Yes, Santee Cooper relies on this bank facility capacity for day to day operations related to financing needs.

Did Santee Cooper refund existing debt? If yes, did the refund achieve present value savings or mitigate risk while also not extending the average life of the debt? Please explain and provide calculations and rationale that demonstrates this.

No

If existing debt is refunded and extends the average life of the debt, identify how long the extension is and provide the calculation.

Provided by:

Name	Suzanne Ritter
Title	Treasurer
Phone	843-761-8000 ext 4071
Email	shritter@santeecooper.com

Reference Documents

shritter_disclosure presentation 060320.pdf
shritter_bank facility pricing request 061020.pdf
shritter_Barclays LOC for CP CONFIDENTIAL.pdf
shritter_Barclays LOC for CP_redacted.pdf
shritter_Barclays RCA renewal CONFIDENTIAL.pdf
shritter_Barclays RCA renewal_redacted.pdf
shritter_BofA Term Sheet CONFIDENTIAL.pdf
shritter_BofA Term Sheet_redacted.pdf.
shritter_board presentation 062220.pdf

From: Gillians, Shawan <shawan.gillians@santeecooper.com>
Sent: Wednesday, June 10, 2020 1:55 PM
To: Talbott, Heather X <heather.x.talbott@jpmorgan.com>; Plunkett, Kevin <kevin.plunkett@Jpmorgan.com>; Langlais, Kevin <kevin.langlais@bofa.com>; Hurley, Mason <mason.hurley@bofa.com>; john.daniel@barclays.com; 'james.saakvitne@barclays.com' <james.saakvitne@barclays.com>; Prasad, Vijay <Vijay.Prasad2@td.com>; Yoon, Paul <Paul.Yoon@td.com>; Martz, Gary <Gary.Martz@td.com>
Cc: Ritter, Suzanne <suzanne.ritter@santeecooper.com>; Williams, Faith <faith.williams@santeecooper.com>; Cline, Nan <nan.cline@santeecooper.com>; Columbo, Elizabeth (EColumbo@nixonpeabody.com) <EColumbo@nixonpeabody.com>; 'vwong@nixonpeabody.com' <vwong@nixonpeabody.com>; Michael Mace <MACEM@pfm.com>
Subject: Santee Cooper Update

Lady and Gentlemen,

Good afternoon, I hope each of you is doing well. Thank you again for joining us on our due diligence call last Wednesday; we hope you find it useful as we go through the renewal process. I don't have any corporate updates as is usually the case when I reach out to you, I just want to close the loop on a few quick items.

First, it is Santee Cooper's position that the terms of Act 135 (specifically Section 11 as we've taken to calling it) permit us to enter into bank facility agreements, though I imagine we'd be expected to stick close to the terms included in current arrangements.

Second, I believe I've had this conversation with all of you- but to reiterate- our timeline, which has us executing documents in late July, is designed to get us past the final order approving the Cook settlement so that risk will be off the table at the time we execute.

Third and finally, with a late July execution date in mind it would be immensely helpful to us if we could receive initial pricing from you no later than Friday, June 26th. If this is problematic in any way please reach out to me and Suzanne as soon as possible.

Regards,
Shawan

This e-mail may contain privileged or confidential information. Please err on the side of caution and ***do not forward or share.***

B. Shawan Gillians | Director, Legal Services and Interim Corporate Secretary

Santee Cooper | shawan.gillians@santeecooper.com
Physical: One Riverwood Drive, Moncks Corner, SC 29461
Mailing: PO Box 2946101, Moncks Corner, SC 29461-6101
☎p: (843) 761-7004 | 📠f: (843) 761-7058

South Carolina Public Services Corporation
Direct Pay Letter of Credit and Reimbursement Agreement
For Commercial Paper
Indicative Terms and Conditions as of June 16, 2020

By accepting this term sheet the South Carolina Public Services Corporation (the “Issuer”) agrees (i) it shall use the information contained herein solely for the purpose of evaluating a possible transaction between the Issuer and Barclays Bank PLC (the “Bank”) and for no other purpose, and (ii) the Issuer and its representatives will keep confidential and not disclose any of said information to any third parties other than its financial advisor and legal counsel. This proposal is not a commitment to provide the facility. The terms and conditions contained in this proposal are not intended to be exhaustive or all-inclusive, and the final legal documentation may include additional terms and conditions not included herein.

This proposal is subject to the Bank’s receipt of internal credit approval, and negotiation of documentation acceptable to the Issuer and the Bank.

Issuer:	South Carolina Public Services Corporation
Bank:	Barclays Bank PLC
Bank Ratings:	<i>Long term: A/A1/A+ (S&P/Moody’s /Fitch)</i> <i>Short term: A-1/P-1/F1 (S&P/Moody’s /Fitch)</i> <i>Outlook: Negative/Stable/Ratings Watch Negative (S&P/Moody’s /Fitch)</i>
Facility:	Direct Pay Letter of Credit (“LOC”) and Reimbursement Agreement (“Agreement”).
LOC Amount:	Up to \$300,000,000 of principal plus applicable interest component (less any amount provided by the Bank in the form of a revolver). <i>The Issuer can reduce its LOC cost by securing interest coverage for less than 270 days and limiting its CP maturity accordingly.</i>
Term:	Two or three years
Security:	Obligations under the Reimbursement Agreement are payable from and secured by a pledge of revenues of the Issuer (on parity with the pledge securing the outstanding obligations) and proceeds of the sale of other commercial paper notes and bonds to pay principal.
Purpose:	To provide liquidity in the event of a failed CP rollover and credit enhancement on the Issuer’s commercial paper program (the “CP”).
Existing Agreement	The Revolving Credit Agreement between the Issuer and the Bank dated September 22, 2015
Letter of Credit Fee:	30-4-40(a)(1)

Fees are payable in accordance with the Existing Agreement.

If the long-term unenhanced ratings of the Issuer's bonds fall below A3 by Moody's or A- by S&P or Fitch, the Letter of Credit Fee shall increase by [REDACTED] per annum for each notch downgrade, based on the lowest rating.

Fees are payable quarterly in arrears, based on the average available facility amount during the relevant period and actual days elapsed divided by 360.

In addition to the increase set forth above, upon the occurrence of a Default, and for so long as said Default has not been waived by the Bank or cured to the Bank's satisfaction, the fee shall increase by [REDACTED] per annum.

Advance Terms:

Assuming no Default all representations and warranties remain true and in effect as of the date the Advance has been made. Advances pertaining to principal payments on the CP, whether due to failed rollover or to the expiration of this facility, will be subject to mandatory quarterly amortization over five years with the first amortization payment due on the six-month anniversary of the earliest unreimbursed draw then outstanding.

Upon any Event of Default, the Bank may require all Advances to be immediately due and payable.

By closing the Issuer will secure a CUSIP number and ratings from Moody's or Fitch on the Bank Note.

Draw Fee:

[REDACTED] 30-4-40(a)(1)

Advance Rate:

- Base Rate for the first 60 days
- Base Rate plus 1.00% for days 61-180 (component 'iv' of the Base Rate shall not be subject to the 1.00% increase)
- Base Rate plus 2.00% for days 181 and following (component 'iv' of the Base Rate shall not be subject to the 2.00% increase)

No interest fee is charged for draws which are reimbursed prior to 4:00 on the same day of draw.

Base Rate:

The highest of i) [REDACTED] ii) Prime Rate plus 2.50%; iii) Fed Funds plus 2.50%; and iv) 150% of the yield on the 30-year US Treasury bond.

Default Rate:

Base Rate plus [REDACTED]%

Events of Default & Remedies:

The Bank will have the right to require the Paying Agent to draw upon the LOC for the amount of CP outstanding and issue a no-issuance statement, and to cause all amounts due to the Bank to be immediately due and payable, upon the occurrence of any of the Events of Default in the Existing Agreement, as may be modified and updated by the Bank or Bank Counsel.

Termination Fee:	If the LOC is reduced or terminated by the Issuer prior to the first anniversary of the closing date, or in the case of a three-year extension, the second anniversary of the closing date(or any extension date), the Issuer will pay a termination fee equal to the remaining unpaid LOC Fee to such anniversary date, payable on the termination. The Bank will waive this fee if any two of the Bank's short term ratings fall below P-1, A-1 or F1.
Issuing & Paying Agent Requirements:	<p>Issuing & Paying Agent must be rated at least A3/A- and have minimum capital of \$500,000,000.</p> <p>The Issuer shall not replace the Issuing & Paying Agent without the consent of the Bank. Any replacement Issuing & Paying Agent shall be subject to the consent of the Bank.</p> <p>The Authority shall covenant to provide, or cause the Issuing & Paying Agent to provide, a monthly statement to the Bank showing all CP outstanding enhanced by the Letter of Credit and the maturity of such CP.</p>
CP Dealer Requirements:	<p>The CP Dealer must be rated at least A3/A- and have minimum capital of \$500,000,000 (in the event of a best-efforts CP dealer agreement, then one dealer may be exempt from this requirement).</p> <p>The Issuer shall not replace the CP Dealer without the consent of the Bank. Any replacement CP Dealer shall be subject to the consent of the Bank.</p>
Maximum CP Rate:	Not less than 12.00%.
Bank Counsel:	<p>Bank Counsel will be responsible for drafting all bank documentation.</p> <p>McDermott Will & Emery LLP 340 Madison Avenue New York, NY 10017 212 547 5444(fax)</p> <p>Isaac Marcus 212 547 5504 imarcus@mwe.com</p>
Bank Counsel Fee:	Estimated at 30-4-40(a)(1) assuming one facility that is closed within three months of acceptance of these terms. Bank Counsel fees and Foreign Legal Opinion Fees are for the account of the Issuer.
Foreign Legal Opinions Fee:	30-4-40(a)(1)
Governing Law and Jurisdiction:	Consistent with the Existing Agreement
Renewal:	The LOC may be extended upon the mutual consent of the Issuer and the Bank. Request for extension from Issuer should be delivered to the Bank no earlier than 180 days prior to the expiration date. Renewal is subject to

internal credit approval and other required approvals within the Bank. No response to a renewal request within 30 days of making such a request is deemed to be a non-extension of the LOC. At the time of any extension, the Bank may, in its sole and absolute discretion, renegotiate terms and conditions of the LOC, including without limitation, all fees and rates.

Reporting Requirements: Consistent with the Existing Agreement.

Covenants & Conditions: This proposal is subject to the Bank's satisfactory completion of due diligence and internal receipt of credit approval, as well as the completion of documentation satisfactory to the Bank and Bank Counsel.

This term sheet is not meant to be final; additional covenants and conditions may be required in connection with securing credit approval.

Documentation will be based where possible on the Existing Agreement and will contain such conditions precedent, representations, warranties, covenants, events of default, setoff, additional cost language, remedies, increased cost language, waiver of sovereign immunity, waiver of jury trial to the extent permitted by law, bail-in language, indemnification provisions, and other terms and conditions as the Bank may reasonably require for transactions of this nature.

Credit Approval and Offer Expiration: **This term sheet is an indication of interest only and is not a commitment to lend. Any offer by the Bank to establish the LOC will be subject to the Bank's satisfactory completion of its due diligence review of Issuer and final credit approval by the Bank.** Barclays anticipates, but cannot guaranty, being able to provide its credit decision within two weeks of being given the mandate to provide this facility. Assuming this term sheet is signed by July 31, 2020, the terms described herein will remain valid until September 15, 2020.

Absence of Fiduciary Relationship: The Issuer acknowledges that the transactions described in this document are arm's-length commercial transactions and that the Bank is acting as principal and in its best interests and is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act of 1934. The Issuer is relying on its own experts and advisors to determine whether the transactions described in this document are in its best interests. The Issuer agrees that the Bank will act under this document as an independent contractor and that nothing in this document, the nature of the Bank's services or in any prior relationship will be deemed to create an advisory, fiduciary or agency relationship between the Bank, on the one hand, and the Issuer, on the other hand. In addition, the Bank may employ the services of its affiliates in providing certain services in connection with the transactions described in this document and may exchange with such affiliates information concerning the Issuer that may be the subject of the transactions described in this term sheet.

Please note that the Bank and its affiliates do not provide tax, accounting or legal advice.



Anti-tying Disclosure:

The extension of commercial loans or other products or services to the Issuer by the Bank or any of its subsidiaries will not be conditioned on the Issuer's taking other products or services offered by the Bank or any of its subsidiaries or affiliates. The Bank will not vary the price or other terms of any product or service offered by the Bank or its subsidiaries on the condition that the Issuer purchase another product or service from the Bank or any affiliate. The Bank will not require the Issuer to provide property or services to the Bank or any affiliate as a condition to the extension of a commercial loan to the Issuer by the Bank or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan. The Bank will not require the Issuer to refrain from doing business with a competitor of the Bank or any of its affiliates as a condition to receiving a commercial loan from the Bank or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the loan.

Bank Contact:

Jay Saakvitne
Managing Director
Barclays Capital
745 Seventh Avenue, 19th Floor
New York, NY 10019
212-528-1053
James.Saakvitne@barclays.com

Cassandra Bolz
Director
Barclays
745 Seventh Avenue, 19th Floor
New York, NY 10019
212-526-3974
cassandra.bolz@barclays.com

Acknowledged and
Consented:

By: _____
Authorized Officer
South Carolina Public Services Corporation

This document has been prepared by Barclays Bank PLC ("Barclays"), for information purposes only. This document is an indicative summary of the terms and conditions of the transaction described herein and may be amended, superseded or replaced by subsequent summaries. The final terms and conditions of the transaction will be set out in full in the applicable binding transaction document(s).

This document shall not constitute a commitment to participate in the transaction described herein, which shall be subject to Barclays' internal approvals. No transaction or services related thereto is contemplated without Barclays' subsequent formal agreement. Barclays is acting solely as principal and not as advisor, municipal advisor or fiduciary. Accordingly you must independently determine, with your own advisors, the appropriateness for you of the transaction before investing or transacting. Barclays accepts no liability whatsoever for any direct, indirect or consequential losses (in contract, tort or otherwise) arising from the use of this document or reliance on the information contained herein.

Barclays does not guarantee the accuracy or completeness of information which is contained in this document and which is stated to have been obtained from or is based upon trade and statistical services or other third party sources. Any data on past performance, modeling or back-testing contained herein is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling or back-testing. All opinions and estimates are given as of the date hereof and are subject to change. The information in this document is not intended to predict actual results and no assurances are given with respect thereto.

Barclays, its affiliates and the individuals associated therewith may (in various capacities) participate in transactions identical or similar to those described herein.

IRS Circular 230 Disclosure: Barclays and its affiliates do not provide tax advice. Please note that (i) any discussion of US tax matters contained in this communication (including any attachments) cannot be used by you for the purpose of avoiding tax penalties; (ii) this communication was written to support the promotion or marketing of the matters addressed herein; and (iii) you should seek advice based on your particular circumstances from an independent tax advisor.

THIS DOCUMENT DOES NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO THE TRANSACTION. PRIOR TO TRANSACTING, POTENTIAL PARTICIPANTS SHOULD ENSURE THAT THEY FULLY UNDERSTAND THE TERMS OF THE TRANSACTION AND ANY APPLICABLE RISKS.

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South Carolina Public Services Corporation
Renewal of Revolving Line of Credit Dated September 22, 2015
Indicative Terms and Conditions as of June 16, 2020

By accepting this term sheet South Carolina Public Services Corporation (the “Borrower”) agrees (i) it shall use the information contained herein solely for the purpose of evaluating a possible transaction between the Borrower and Barclays Bank PLC (the “Bank”) and for no other purpose, and (ii) the Borrower and its representatives will keep confidential and not disclose any of said information to any third parties other than its financial advisor and legal counsel. This proposal is not a commitment to extend the facility. The terms and conditions contained in this proposal are not intended to be exhaustive or all-inclusive, and the final legal documentation may include additional terms and conditions not included herein.

This proposal to extend the facility’s maturity date is subject to the Bank’s receipt of internal credit approval, and negotiation of documentation acceptable to the Borrower and the Bank.

Borrower: South Carolina Public Services Corporation

Bank: Barclays Bank PLC

Bank Ratings: *Long term: A/A1/A+ (Moody’s/S&P/Fitch)*
Short term: P-1/A-1/F1 (Moody’s/S&P/Fitch)
Outlook: Negative/Stable/Ratings Watch Negative

Existing Agreement: Revolving Credit Agreement Dated as of September 22, 2015 between the Borrower and the Bank (as amended, the “Agreement”)

Facility Amount: \$200,000,000. The Bank is prepared to offer to increase the Facility amount up to \$300,000,000.

Renewal Term: Two or three years

Revised Commitment Fee: **30-4-40(a)(1)**

The Revised Commitment Fee will take effect as of the closing date of the extension.

Fees are payable in accordance with the Existing Agreement.

If the long-term unenhanced ratings of the Borrower’s bonds fall below A3 by Moody’s or A- by S&P or Fitch, the Commitment Fee shall increase **30-4-40(a)(1)** per annum for each notch downgrade, based on the lowest rating.

Revised Drawn Spread: **30-4-40(a)(1)**

The Revised Drawn Spread will take effect as of the closing date of the extension.

If the long-term unenhanced ratings of the Borrower's bonds fall below A3 by Moody's or A- by S&P or Fitch, the Drawn Spread shall increase [REDACTED] per annum for each notch downgrade, based on the lowest rating.

Termination Fee: If the Facility is reduced or terminated by the Borrower prior to the one-year anniversary of the date of the extension (or two years in the case of a three-year extension), the Borrower will pay a reduction or termination fee equal to the remaining unpaid Revised Commitment Fee to such anniversary as if no amounts were drawn during such period.

Bank Counsel: Bank Counsel will be responsible for drafting all bank documentation.

McDermott Will & Emery LLP
340 Madison Avenue
New York, NY 10017
212 547 5444(fax)

Isaac Marcus
212 547 5504
imarcus@mwe.com

Bank Counsel Fee: Estimated at [REDACTED] 30-4-40(a)(1) plus expenses assuming the facility extension is closed within two months of acceptance of these terms. This fee estimate assumes the extension only requires changes to the maturity date and any required changes to the Fee Agreement. Additional negotiation of terms and conditions required by the Borrower may result in higher legal charges. Borrower accepts responsibility for all legal fees incurred by the Bank associated with the proposed facility regardless of the successful extension of the Facility.

Governing Law and Jurisdiction: Consistent with the Existing Agreement.

UK Bail-in Language: If it is not currently present in the Agreement, the Bank will insert its standard UK bail-in language addressing the possible availability of funds under the Facility during a restructuring of the Bank.

Credit Approval and Offer Expiration **This term sheet is an indication of interest only and is not a commitment to lend. Any offer by the Bank to extend the maturity date of the Facility will be subject to the Bank's receipt of final credit approval.** Barclays anticipates, but cannot guaranty, being able to provide its credit decision within two weeks of being given the mandate to extend the Facility. Assuming the terms herein are accepted by July 31, 2020, the terms described herein will expire on August 30, 2020 unless extended by the Bank.

Absence of Fiduciary Relationship The Borrower acknowledges that the transactions described in this document are arm's-length commercial transactions and that the Bank is acting as principal and in its best interests and is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act

of 1934. Borrower is relying on its own experts and advisors to determine whether the transactions described in this document are in its best interests. The Borrower agrees that the Bank will act under this document as an independent contractor and that nothing in this document, the nature of the Bank's services or in any prior relationship will be deemed to create an advisory, fiduciary or agency relationship between the Bank, on the one hand, and the Borrower, on the other hand. In addition, the Bank may employ the services of its affiliates in providing certain services in connection with the transactions described in this document and may exchange with such affiliates information concerning the Borrower that may be the subject of the transactions described in this term sheet.

Please note that the Bank and its affiliates do not provide tax, accounting or legal advice.

Anti-tying Disclosure

The extension of commercial loans or other products or services to the Borrower by the Bank or any of its subsidiaries will not be conditioned on the Borrower's taking other products or services offered by the Bank or any of its subsidiaries or affiliates. The Bank will not vary the price or other terms of any product or service offered by the Bank or its subsidiaries on the condition that the Borrower purchase another product or service from the Bank or any affiliate. The Bank will not require the Borrower to provide property or services to the Bank or any affiliate as a condition to the extension of a commercial loan to the Borrower by the Bank or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan. The Bank will not require the Borrower to refrain from doing business with a competitor of the Bank or any of its affiliates as a condition to receiving a commercial loan from the Bank or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the loan.

Bank Contact

Jay Saakvitne
Managing Director
Barclays Bank PLC
745 Seventh Avenue, 19th Floor
New York, NY 10019
212-528-1053
917-254-1353 (fax)
James.Saakvitne@barclays.com

**Acknowledged and
Consented**

By: _____
Authorized Officer
South Carolina Public Services Corporation

This document has been prepared by Barclays Bank PLC ("Barclays"), for information purposes only. This document is an indicative summary of the terms and conditions of the transaction described herein and may be amended, superseded or replaced by subsequent summaries. The final terms and conditions of the transaction will be set out in full in the applicable binding transaction document(s).

This document shall not constitute a commitment to participate in the transaction described herein, which shall be subject to Barclays' internal approvals. No transaction or services related thereto is contemplated without Barclays' subsequent formal agreement. Barclays is acting solely as principal and not as advisor, municipal advisor or fiduciary. Accordingly you must independently determine, with your own advisors, the appropriateness for you of the transaction before investing or transacting. Barclays accepts no liability whatsoever for any direct, indirect or consequential losses (in contract, tort or otherwise) arising from the use of this document or reliance on the information contained herein.

Barclays does not guarantee the accuracy or completeness of information which is contained in this document and which is stated to have been obtained from or is based upon trade and statistical services or other third party sources. Any data on past performance, modelling or back-testing contained herein is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling or back-testing. All opinions and estimates are given as of the date hereof and are subject to change. The information in this document is not intended to predict actual results and no assurances are given with respect thereto.

Barclays, its affiliates and the individuals associated therewith may (in various capacities) participate in transactions identical or similar to those described herein.

IRS Circular 230 Disclosure: Barclays and its affiliates do not provide tax advice. Please note that (i) any discussion of US tax matters contained in this communication (including any attachments) cannot be used by you for the purpose of avoiding tax penalties; (ii) this communication was written to support the promotion or marketing of the matters addressed herein; and (iii) you should seek advice based on your particular circumstances from an independent tax advisor.

THIS DOCUMENT DOES NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO THE TRANSACTION. PRIOR TO TRANSACTING, POTENTIAL PARTICIPANTS SHOULD ENSURE THAT THEY FULLY UNDERSTAND THE TERMS OF THE TRANSACTION AND ANY APPLICABLE RISKS.

Barclays Bank PLC is registered in England No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP. Copyright Barclays Bank PLC, 2020 (all rights reserved). This document is confidential, and no part of it may be reproduced, distributed or transmitted without the prior written permission of Barclays.

INTER-OFFICE COMMUNICATION

Date: June 19, 2020
To: Finance Committee
From: Suzanne Ritter, Interim Treasurer
Subject: Bank Facilities Presentation

Attached is the Bank Facilities update to be presented at the Finance Committee meeting scheduled for June 22, 2020.

The update is for informational purposes and no action is required by the Board. If you have any questions or concerns prior to the meeting, please give Mark or me a call.

Attachment

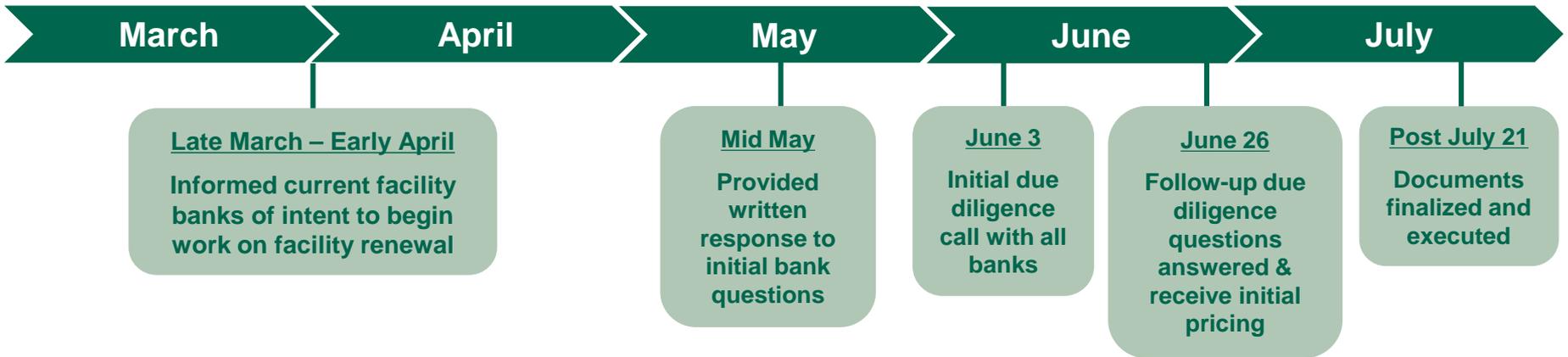
Bank Facilities

Presented to Santee Cooper
Board of Directors
June 22, 2020

Bank Facilities



Santee Cooper is working with all banks to ensure continued liquidity



Bank Facilities (\$ millions)		
Bank	Facility Amount	Expiration
Bank of America	200.0	9/18/2020
LOC Total	200.0	
J.P. Morgan Chase	250.0	8/7/2020
Barclays Bank	200.0	11/26/2020
TD Bank	200.0	6/30/2021
RCA Total	650.0	
Total	\$850.0	

- ### New Bank Facility Plan
- The facility tenor plans to be staggered at 1,2 and 3 year agreements
 - The proposed timing also allows entry of the final order approving settlement of the Cook litigation prior to execution of facility agreements
 - In addition, Bank of America provides a Letter of Credit for the 2019A Variable Rate Obligation Bonds which expires April 14, 2021, unless extended

South Carolina Public Service Authority

Proposal for a Letter of Credit Supporting CP or Revolving Line of Credit

July 8, 2020

Bank of America, N.A.
214 N. Tryon St.
Charlotte, NC 28255

SUMMARY OF TERMS AND CONDITIONS

Submission date: July 8, 2020

Parties to the Transaction

Issuer / Obligor: South Carolina Public Service Authority (the "Issuer" or "Authority").

Facility Provider: Bank of America, N.A. (the "Bank").

Credit Ratings:

Long Term			Short Term		
Moody's	S&P	Fitch	Moody's	S&P	Fitch
Aa2	A+	AA-	P-1	A-1	F1+
Stable	Stable	Stable			

The Facility

Facility: Direct pay letter of credit (the "LOC") providing credit and liquidity support for the Commercial Paper Notes ("Notes") and issued pursuant to a reimbursement agreement (the "Reimbursement Agreement" and together with the LOC, the "Facility").

Or

Revolving Credit Agreement (the "Facility" or "Agreement") that is available in the amount and for the term set forth below. Amounts available under the Facility may be borrowed, repaid and re-borrowed after the date the Facility first becomes effective (the "Closing Date") until the maturity date thereof.

Facility Amount: Total of \$200,000,000 (plus required interest coverage for the LOC).

Extensions: The Issuer may request an extension in writing within a time period no greater than 120 days and no less than 90 days prior to the expiration date of the Facility.

The Bank will respond in writing within 30 days of receipt of a written request. The Bank's determination to accept or reject any such request shall be within the Bank's sole and absolute discretion. The failure of the Bank to respond to a request shall be deemed a denial of a request.

The terms each extension will be determined by mutual agreement after such analysis and due diligence as the Bank may require. Should the Facility not be renewed or should the Issuer fail to request an extension on a timely basis, the Issuer will covenant to refinance or defease the Notes or provide a substitute credit facility or convert the Notes to a fixed rate.

Facility Fees and Pricing

Up-front Fee: N/A

**Facility Fee
Applicable for LOC:**

Term	Facility Fee
1 Year:	0.4-0.60%

Downgrade Pricing: The above pricing is subject to the maintenance of the current ratings assigned to the long term, unenhanced debt of the Issuer. The Facility Fee will fluctuate based on the Issuer's underlying debt rating as follows:

Moody's	S&P	Fitch	Pricing Increase
Aa2	AA	AA	30-4-40(a)(1)
Aa3	AA-	AA-	
A1	A+	A+	
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
BIG	BIG	BIG	

Plus an additional 150 bppa should a rating be withdrawn or suspended for any reason and an additional 150 bppa upon the occurrence of an Event of Default as described in the Agreement.

Drawn Rate
Applicable for Line of Credit:

Each advance under the Facility will bear interest prior to maturity at a rate per annum equal to the sum of: (A) the Applicable Factor multiplied by LIBOR plus (B) the Applicable Margin (as determined in accordance with the Performance Pricing grid set forth below).

Applicable Factor:

The Applicable Factor shall mean 100% in the case of the taxable advances and 80% in the case of tax-exempt advances.

Unused Commitment Fee
Applicable for Line of Credit:

The Issuer will pay a fee (the "Commitment Fee"), determined in accordance with the Performance Pricing grid set forth below, on the actual daily unused amount of the Bank's commitment.

LIBOR Index:

"LIBOR Index" means, for any date, the rate per annum equal to the London Interbank Offered Rate, or a comparable or successor rate which rate is approved by Bank of America, N.A., as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by Bank of America, N.A. from time to time) at or about 11:00 a.m., London time, two (2) London Business Days prior to such date, for United States dollar deposits with a term of one month commencing that day); *provided that* (i) to the extent a comparable or successor rate is approved by Bank of America, N.A. in connection herewith, the approved rate shall be applied in a manner consistent with market practice; *provided, further that* to the extent such market practice is not administratively feasible for Bank of America, N.A., such approved rate shall be applied in a manner as otherwise reasonably determined by Bank of America, N.A. and (ii) if the LIBOR Rate shall be less than, such rate shall be deemed 0.50% for purposes of this Agreement.

Performance Pricing Grid
Applicable to Line of Credit:

The Commitment (Undrawn) Fee and the Applicable Margin shall be, at any time, the rate per annum set forth in the table below opposite the long term, senior, non-credit enhanced debt rating of the Issuer.

Rating	Unused Commitment Fee	Taxable Spread	Tax-Exempt Spread
Aa2/AA/AA	30-4-40(a)(1)	30-4-40(a)(1)	30-4-40(a)(1)
Aa3/AA-/AA-			
A1/A+/A+			
A2/A/A			
A3/A-/A-			
Baa1/BBB+/BBB+			
Baa2/BBB/BBB			
Baa3			
BIG	Default Pricing	Default Pricing	Default Pricing

Clawback: The Agreement will include customary interest rate recapture ("clawback") language allowing the Bank to recover interest in excess of any maximum interest rate imposed by law.

Other Fees and Expenses

Bank Counsel: Estimated legal fees at **30-4-40(a)(1)** for amendment and renewal of existing LOC or **30-4-40(a)(1)** if converted to Revolving Credit Agreement plus disbursements/out-of-pocket expenses.

Administrative Fees: Amendments, transfers, standard waivers or consents: \$2,500 plus attorney's fees and expenses.

Draw Fee: No change in draw fee.

Interest Rates on any draws under the LOC

Base Rate: The greatest of: (i) Bank of America's Prime Rate plus 1.0%,
(ii) the Federal Funds Rate plus 2.0%
(iii) 1 month LIBOR plus 2% and
(iv) 7.00%

Revolving Loan Rate: Days 1 – 90: Base Rate
Day 91+: Term Loan Rate

Provided further that at no time shall the Revolving Loan Rate be less than the rate on any outstanding Notes.

Term Loan Rate: Base Rate plus 1.00%.

Default Rate: Base Rate plus 4.00%.

Description of the Basic Documentary Terms and Conditions

Documentation: Documentation will include an amendment to the existing Reimbursement Agreement and LOC or a substitute Revolving Credit Agreement if the Issuer elects to convert the facility to a Revolving Line of Credit (collectively the "Agreement"). The Agreement will include, but not be limited to, the terms and conditions outlined herein, as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies, and compliance with law including U.S. Resolution Stay Regulation. The Fee Letter will describe the fees and expenses payable by the Issuer to the Bank.

Conditions Precedent to Closing: Substantially similar to those contained in the existing Reimbursement Agreement.

Representations and Warranties: Substantially similar to those contained in the existing Reimbursement Agreement.

Covenants: Substantially similar to those contained in the existing Reimbursement Agreement.

Financial Covenants: Substantially similar to those contained in the existing Reimbursement Agreement.

Reporting Requirements: Substantially similar to those contained in the existing Reimbursement Agreement.

Events of Default: Substantially similar to those contained in the existing Reimbursement Agreement.

Remedies: Substantially similar to those contained in the existing Reimbursement Agreement.

Choice of Law / Jury Trial / Venue

Governing Law: This proposed Summary of Terms and Conditions, Agreement, Fee Letter and any other documents to which the Bank shall become a party shall be governed by, and construed and interpreted in accordance with, the laws of the State of South Carolina; provided that the duties and obligations of the Issuer under any such document shall be governed by, and construed and interpreted in accordance with, the laws of the Issuer's jurisdiction.

Jury Trial: The Issuer agrees, to the extent permitted under applicable law, to waive any right to a trial by jury in any action or proceeding with respect to any dispute or controversy under the Bond Documents.

Contacts

Bank of America, N.A. (The Bank):

Name: Mason Hurley
Title: SVP
Address: 214 N. Tryon St.
Charlotte, NC 28255
Phone: (980) 387-2370
E-mail: Mason.hurley@bofa.com

BofA Securities, Inc. (BofAS):

Name: Kevin Langlais
Title: Managing Director
Address: One Bryant Park
New York, NY, 10036
Phone: (646) 743-1356
E-mail: Kevin.langlais@bofa.com

Bank's Counsel:

Name: Chris Preston
Address: 111 West Monroe St.
Chicago, IL 60603
Phone: (312) 845-3804
E-mail: preston@chapman.com

Proposed Terms and Conditions Subject to Certain Events

This Summary of Terms is intended only as an outline of certain of the material terms of the Facility and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive documentation for the Facility contemplated hereby. This Summary of Terms is not a commitment. It represents a willingness on the part of the Bank to seek approval to provide the commitment indicated herein and consummate a transaction based upon the terms and conditions outlined in this term sheet and is subject to:

Such additional due diligence as the Bank may require, and

Agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).

Future Modifications:

The terms, conditions, pricing levels and fees (including legal fees and expenses) cited herein reference the financing and the Facility Amount as described in this Summary of Terms and Conditions and are subject to revision in the event that (i) the Facility Amount changes, (ii) the security or transaction structure is modified, (iii) the transaction deviates materially from what was initially described, or (iv) the proposed financing does not close within 60 days of the receipt by the Bank of a signed term sheet.

Use of Information

This Summary of Terms and Conditions contains structuring and pricing information. It is the expectation of the Bank that until the business is awarded, this information will not be disclosed in whole or in part to any person, other than to your accountants, attorneys and professional advisors retained by you in connection with the Facility, without our prior written consent. Nothing herein shall restrict disclosure of information relating to tax structure or tax treatment of the proposed transaction or as required by law.

No Advisory or Fiduciary Role

The Issuer acknowledges and agrees that: (i) the transaction contemplated by this Summary of Terms and Conditions is an arm's length, commercial transaction between the Issuer and the Bank in which the Bank is acting solely as a principal and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the Issuer; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Bank has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Summary of Terms and Conditions; and (v) the Bank is not recommending that the Issuer take an action with respect to the transaction contemplated by this Summary of Terms and Conditions, and before taking any action with respect to the contemplated transaction, Issuer should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to Issuer, Issuer is free to engage a municipal advisor to serve in that capacity. This Summary of Terms and Conditions is provided to Issuer pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 *et seq.*

Agreement by the Issuer

The Issuer hereby agrees to engage the Bank pursuant to the terms and conditions stated herein. Please evidence your agreement with the foregoing by signing and returning a copy of this document to the Bank.

AGREED TO:

By: _____ Date: _____

Its: _____

South Carolina Public Service Authority

June 2020





Introduction

- Santee Cooper has made notable progress on many of its operational, legal and financial plans:
 - There have been changes in our senior management, which is now structured to support Santee Cooper's Reform Plan
 - The state legislature continues to consider our status as a governmental agency
 - We have developed a resource plan that is innovative in its flexibility and diversity while supporting a finance plan that aggressively pays down debt
 - We have reached a settlement agreement on class action litigation related to V.C. Summer Units 2 and 3, which has been preliminarily approved by the Court
 - We are managing through the impacts of COVID-19 with changes to daily operations
 - We continue to provide reliable and competitively priced power to our customers while maintaining a strong financial profile



Board of Directors & Senior Management

Board membership unchanged since May 2019

- Currently 10 out of 12 of Santee Cooper's Board positions are filled
- An additional 3 Board seats expired in 2019; these members will serve until a successor has been appointed and found qualified
- Appointments have been made for 3 of these 5 vacant or expired seats and are pending approval by the SC Senate
- Director Dan J. Ray is Acting Chairman until Governor McMaster nominates a new chairperson and he or she is found qualified by the Public Utilities Review Committee
- Santee Cooper's Board is able to take all necessary actions without a permanent chairperson

Current Board Composition			
Director	Role	District	Term Expires May
Vacant	Chairman	At-Large	2025
Dan J. Ray	1 st Vice Chairman	Georgetown County	2022
David F. Singleton	2 nd Vice Chairman	Horry County	2023
Kristofer D. Clark	Director	3 rd Congressional District	2019
William A. Finn	Director	1 st Congressional District	2020
Merrell W. Floyd	Director	7 th Congressional District	2019
J. Calhoun Land, IV	Director	6 th Congressional District	2020
Stephen H. Mudge	Director	At-Large	2019
Peggy H. Pinnell	Director	Berkeley County	2021
Barry D. Wynn	Director	4 th Congressional District	2021
Vacant	Director	2 nd Congressional District	2022
Charles H. Leaird	Director	5 th Congressional District	2023

Board Basics	
➤ Appointed by Governor	➤ 12 members
➤ Confirmed by State Senate	<ul style="list-style-type: none"> ▪ One from each congressional district of state (7) ▪ One from each county: Berkeley, Horry and Georgetown (3) ▪ Two at-large seats, one of whom is chairperson (2)
➤ Minimum term of 7 years	
➤ Can only be removed for cause	

Senior Management



In July 2019, Mark Bonsall was named Santee Cooper's new President & CEO, and Charlie Duckworth was named its new Deputy CEO & Chief of Planning



Mark Bonsall
President & CEO
Over 40 years



Charlie Duckworth
Deputy CEO &
Chief of Planning
Over 40 years



Ken Lott
Chief Financial and
Administration Officer
21 years



Pamela Williams
Chief Public Affairs Officer
and General Counsel
18 years



Tommy Curtis
Chief Generation
Officer
18 years



Mike Poston
Chief Customer Officer
34 years



Monique Washington
General Auditor
20 years

- Santee Cooper's executive staff has been reorganized and includes individuals with many years of experience in the utility industry
- Marc Tye, Executive Vice President and Chief Operating Officer, retired December 31, 2019 and his position has been eliminated
- Tommy Curtis has been named Chief Generation Officer
- Mike Poston has been named Chief Customer Officer
- Ken Lott has been named Chief Financial and Administration Officer
- Pamela Williams has been named Chief Public Affairs Officer and General Counsel
- Shawan Gillians is leaving her current position as Treasurer to become Director of Legal Services and Corporate Secretary* and will report to Pamela Williams
- Suzanne Ritter, who has served as Controller since 2016, returns to her prior position as Treasurer* and continues reporting to Ken Lott

* Subject to approval by the Board of Directors on June 22

Legislative Overview

Legislative Overview



Background on Act 95 of 2019

- Act 95 of 2019 of the SC General Assembly approved a process directing the state's Department of Administration (DOA) to solicit bids from entities interested in either purchasing or managing Santee Cooper and directing Santee Cooper to submit a plan to restructure and reform its own operations and directed DOA to submit a report to the SC General Assembly that includes Santee Cooper's plan, one purchase bid, and one management bid
- The DOA hired outside professional experts to assist in conducting the process
 - Santee Cooper contributed \$15 million toward payment of the Department's experts and Central Electric reimbursed Santee Cooper for a portion of these costs

Proposals

- All proposals were based on 20-year projections for rates/revenue requirements, future generation infrastructure plans and future transmission infrastructure plans

DOA Submission and Review

- Act 95 established a January 15, 2020 deadline for the DOA's submission of its report. DOA exercised a one-time 60 day extension allowed by Act 95
- On February 11, 2020, the DOA submitted its report providing one recommendation for a sale option, one recommendation for a management option, as well as Santee Cooper's Reform Plan to the Governor, Senate Finance Committee and the House Ways and Means Committee

Legislative Response

- The week of March 2, 2020, committees in the S.C. Senate and House of Representatives rejected all three Act 95 proposals. Any further consideration of Santee Cooper has been temporarily suspended due to the COVID-19 disruption of the legislative session
- The legislature concluded its regular two-year session on May 14, 2020, and passed a temporary law that placed operational parameters, up to a year, on Santee Cooper until the legislature could return to consider legislative action related to Santee Cooper. The legislature is scheduled to return for a special two-week session in September, 2020, and will convene for a new two-year session in January, 2021

General Assembly

Operational Parameters – Act 135 of 2020



➤ **Santee Cooper Oversight Committee established**

- Santee Cooper's Oversight Committee will consist of the Governor, the President of the Senate, the Speaker of the House, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee
- The committee will meet only for the following reasons:
 - Consideration and authorization of any contract longer than a year not in the ordinary course or otherwise authorized
 - Clarification of allowed operational functions
 - Consideration and clarification of any matters identified by the Office of Regulatory Staff

➤ **Office of Regulatory Staff will conduct monthly reviews of Santee Cooper**

➤ **Santee Cooper is prohibited from:**

- Entering into any contracts with a duration of longer than one year, except those contracts necessary in the ordinary course of business
- Entering into employment contracts with executive management with a duration longer than six months, or extension of existing executive management contracts for a period longer than six months

General Assembly

Operational Parameters – Act 135 (cont.)



- **Nothing in Act 135 prohibits Santee Cooper from:**
 - Proceeding forward with actions necessary to close and decommission the Winyah Generating Station
 - Executing up to 500 MWs of new solar generation
 - Subject to the consent of Central which is outlined in the Coordination Agreement
 - Entering into operational efficiency and joint dispatch agreements with neighboring utilities for up to one year
 - Renegotiating existing coal and rail contracts for terms not to exceed five years (longer terms can be approved by Santee Cooper Oversight Committee)
 - Entering into natural gas hedging agreements not to exceed five years (longer terms can be approved by Santee Cooper Oversight Committee)
 - Conducting planning, permitting, engineering and feasibility studies on natural gas transportation and power transmission
 - Entering into purchase power agreements for anticipated load for a term that does not exceed the rate freeze period
 - Performing normal financing operations necessary for day to day operations
 - Defeasing debt
 - Issuing or refunding existing debt if it achieves a present value savings or mitigates risk and does not extend average life of debt
 - Entering into financing arrangements consistent with existing bank facilities
 - Resolving outstanding lawsuits and claims
 - Taking whatever steps are prudent to address the impact of COVID-19 pandemic
 - Freezing rates as provided in the Cook settlement

- **Provisions in Act 135 will remain into effect through the earlier of May 31, 2021, or until an act of the General Assembly expressly supersedes this provision**

Reform Philosophy

At a Glance



Santee Cooper's reform philosophy transforms the company into an innovative, customer-centric 21st century utility that will continue to provide affordable, reliable service while driving economic growth

2019 Reform Plan Components

Generation fleet transformation

Debt reduction

Organizational streamlining

Governance & oversight

Amended Central Coordination Agreement

Strategic alliances



Benefits

Lower costs

Power Supply Flexibility

Price stability

Expanded environmental stewardship

Enhanced reliability

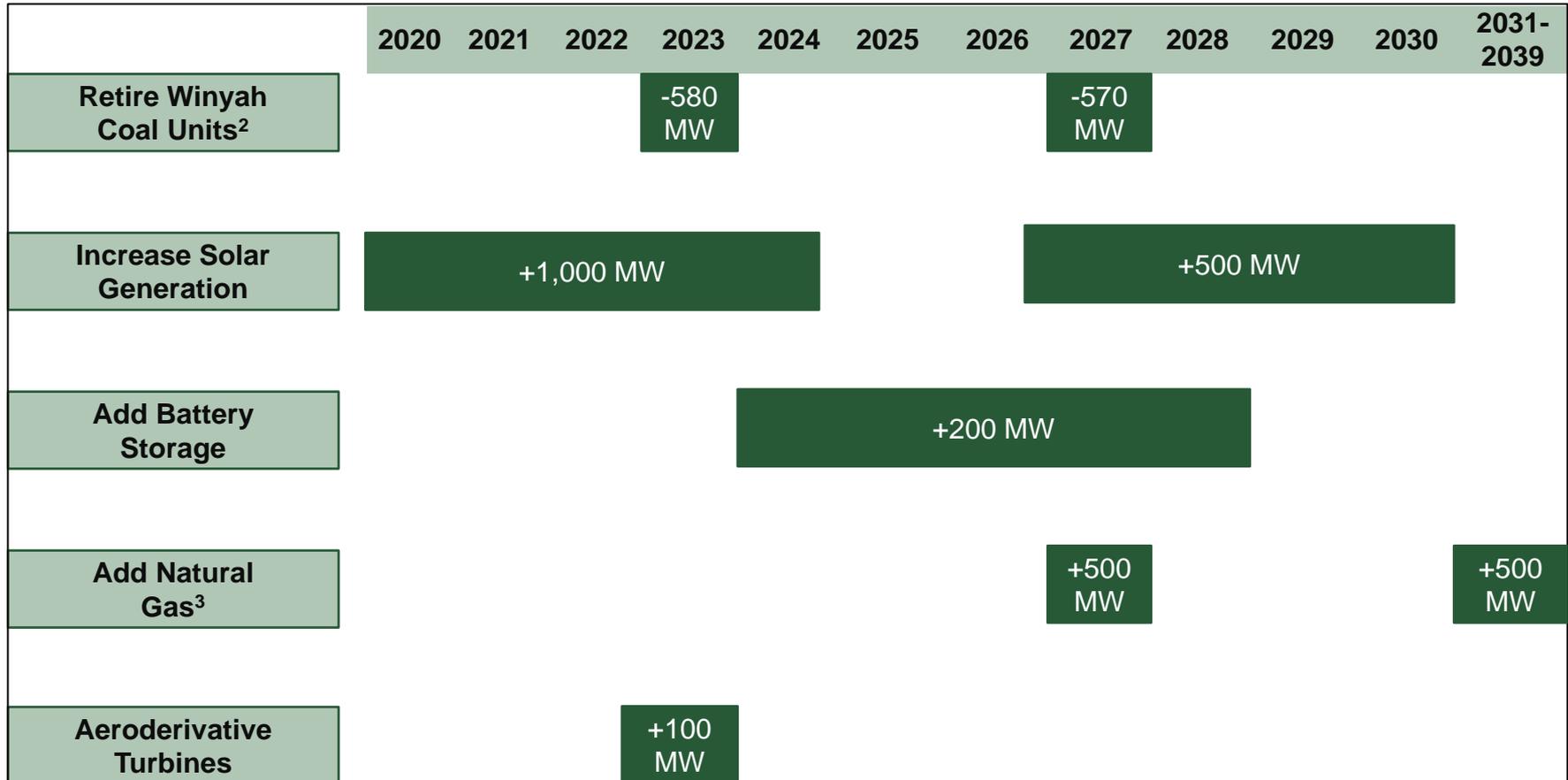
Transparency

The Reform Plan provides our customers with an additional 7 years of price stability

A Green Future Power Supply

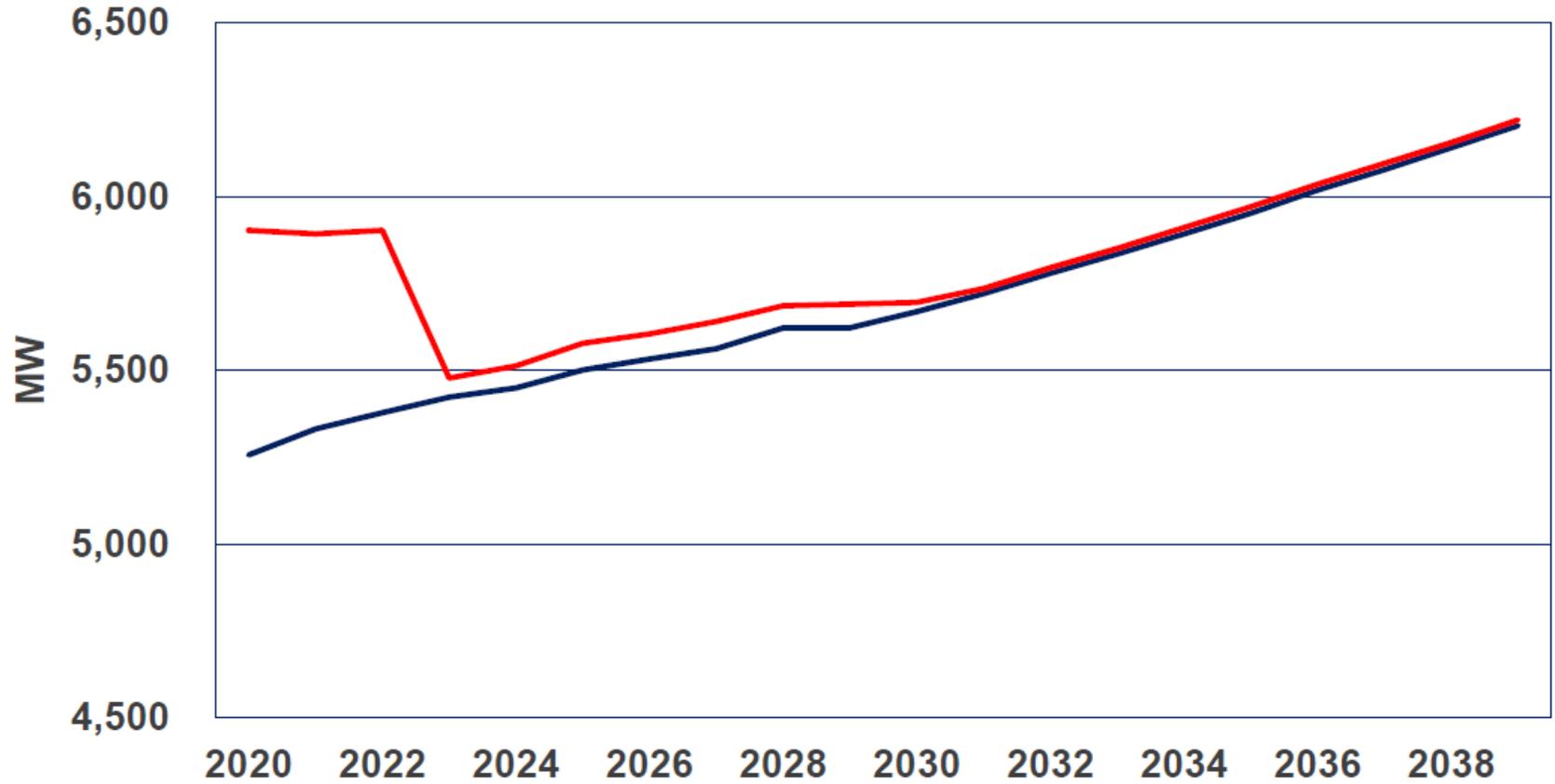


Santee Cooper's approach to power supply adds new generation over time to balance the planned retirement of the Winyah coal units¹



1. Changes to this plan are currently being considered in light of the General Assembly's rejection of the Reform Plan, COVID19 impacts, and Act 135 restrictions; and to support implementation of the Cook settlement
 2. Based on winter capacity
 3. Additional 500 MW's of natural gas resources in 2031-2039 will be supplied through purchased power agreements

A Lean Future Power Supply



— Winter Peak Demand Plus Req. Reserves — Total Capacity

A Diverse Future Power Supply

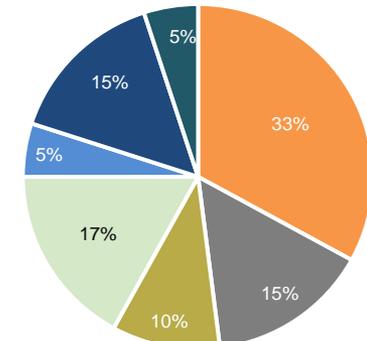
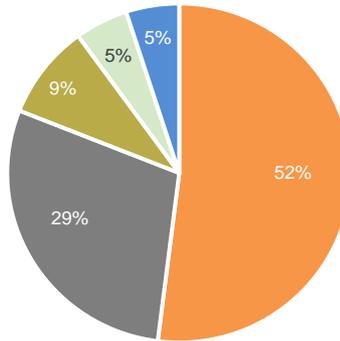
The changes to Santee Cooper's resource plan will result in improved portfolio diversity, more affordable electricity and a 43% reduction in carbon emissions

The New Generation Plan is projected to:

- Reduce Santee Cooper's reliance on coal to 33% from 52% of total energy needed for customers
- Increase energy from sustainable resources increased to 17% from 5%, more than a three-fold increase, advancing our environmental stewardship
- Increase total energy from natural gas (self-generated and purchased energy) to 40% from 34%
- A more diverse and greener resource mix is key to maintaining relatively stable costs and adapting to a wide range of future conditions

New Power Supply Plan (MWh's)

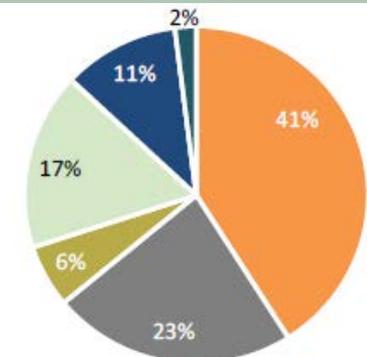
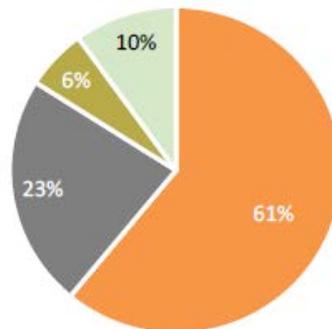
2033 – Existing¹ 2033 – Reform Plan²



Coal Existing Gas Nuclear Sustainable Resources Economy Purchases New Gas New PPA

Capacity Mix (MW's)

2033 – Existing¹ 2033 – Reform Plan²



Coal Existing Gas Nuclear Sustainable Resources Economy Purchases New Gas New PPA

(1) Financial Forecast used in ICF Process

(2) Changes to this plan are currently being considered in light of the General Assembly's rejection of the Reform Plan, COVID19 impacts, and Act 135 restrictions; and to support implementation of the Cook settlement

A Flexible Future Power Supply

Santee Cooper's power supply roadmap is flexible, allowing it to adapt to potential changes in the prevailing business or regulatory environment

Increased Flexibility

- Our power supply roadmap increases our ability to successfully adapt to potential changes in conditions such as:
 - Government policy regarding carbon emissions
 - Growth or reduction in customers' demand for electricity and changes in patterns of customers' use of electricity
 - Market conditions impacting availability of attractively priced capacity and energy from power suppliers connected to adjacent transmission systems
 - Cost of fuel commodities and fuel transportation options

Aggressive Debt Reduction



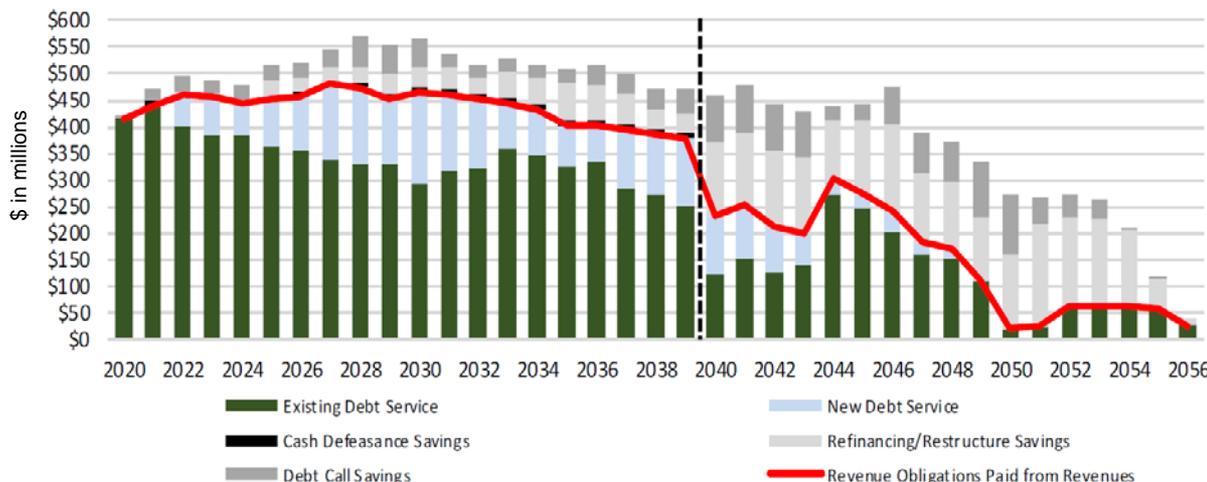
Santee Cooper's reform philosophy contemplates aggressive debt reduction

Debt Reduction

- Avoid issuance of new debt by using Capital Improvement Fund and other internal funds for the majority of our capital needs
- Continue the acceleration of existing debt paydown which began in 2018
- As of January 31, 2020 Santee Cooper had approximately \$6.9 billion of debt outstanding compared to approximately \$7.7 billion as of July 31, 2017
- Total outstanding debt decreases from \$6.9 billion to \$2.0 billion from 2019-2039¹

	Year	Amount Paid Down	Source of Funds
✓	2018	\$430	A portion of Toshiba settlement used for debt reduction
✓	2019	\$370	Available internal funds including remaining Toshiba settlement

Debt Refunding²



- Execute timely and cost effective refunding of callable debt over the next few years
- Over \$4.2 billion of callable bonds through 2026
- Santee Cooper estimates gross savings of \$2.4 billion from refunding the \$4.2 billion debt
- These savings will immediately contribute to the stabilization of rates for the next few years and will provide long-term benefits to customers

(1) Santee Cooper continues to evaluate changes to its debt reduction plans based on the current financial and legislative climate

(2) Based on Santee Cooper's Reform Plan

2020 Reform Plan Forecast



Santee Cooper forecasts the new loads and resources roadmap will reduce prices to customer while preserving solid financial metrics

	2020	2021	2022	2023	2024		2029
Sales							
Load (GWh)	24,220	24,423	24,611	24,770	24,755		25,079
System Rates							
System Rate (¢/kWh)	7.12	7.07	6.96	6.94	6.93		7.46
Debt Service Coverage							
DSC Ratio	1.34x	1.34x	1.32x	1.32x	1.33x		1.38x
Leverage							
Long-Term Debt Outstanding (\$ billions)	\$6.4	\$5.9	\$5.9	\$5.6	\$5.6		\$4.8
CP/DP Outstanding (\$ billions)	<u>\$0.3</u>	<u>\$0.3</u>	<u>\$0.2</u>	<u>\$0.3</u>	<u>\$0.1</u>		<u>\$0.1</u>
Total Debt Outstanding (\$billions)	\$6.7	\$6.2	\$6.1	\$5.9	\$5.7		\$4.9
Debt-to-Capitalization	77%	74%	73%	72%	71%		65%
Liquidity							
Days Cash on Hand	97	95	103	106	107		172
Days Liquidity on Hand ¹	171	176	244	194	256		303

Selected Assumptions

Projected Cost Reductions ²	Customer Rates	Average Load Growth (2020-2029)	Capital Expenditures
<ul style="list-style-type: none"> Anticipated average annual cost reductions of \$110 million through 2024 Anticipated annual cost reductions of over \$200 million 2024-2039 More than \$4 Billion in savings through 2039 	<ul style="list-style-type: none"> Rates are stable or lower for the next seven years Retail base rate increases are not needed until 2027, which represents a decade of no base rate increases Future price increases are targeted to not exceed inflation 	<ul style="list-style-type: none"> Retail-Residential: 1.2% Retail-Commercial: 1.1% Wholesale-Central: ~1% 	<ul style="list-style-type: none"> Average \$290 million per year through 2029 Approximately 45% to be funded using internally generated cash
			Net Borrowing
			<ul style="list-style-type: none"> Approximately \$1.6 billion for future needs issued through 2029

1. Includes CP and Revolving Credit Agreements.

2. Compared to the ICF BAU forecast, which includes 10 years of projections from the 2019 Budget Financial Forecast and ICF's projections thereafter.

Financial Results



Santee Cooper will be leaner and greener, providing customers stable rates over the long term while maintaining strong credit ratings and a robust financial position

- 7 more years of stable customer prices, 4 years of which are included in the terms of the settlement agreement
- Minimal increases to customer base rates with future price increases at or below rate of inflation
- Rates competitive with neighboring Investor-Owned Utilities
- Central Electric prices projected to remain stable or decline resulting in over a decade of stable prices
- Credit metrics that ensure Santee Cooper's financial health and support an 'A category' credit rating
- Accelerated debt reduction

COVID-19

Santee Cooper has a series of initiatives to mitigate the economic effects of COVID-19

- We continue to provide all services in the face of COVID-19, with our generation and control center staffs and line crews working staggered shifts to ensure reduced exposure to the extent possible
- Non-essential employees are successfully working remotely and are prepared to continue to do so
- Santee Cooper's Corporate Incident Management Team is currently working with our executive staff to establish a plan for the gradual return to the office of our employees
- Our Board continues to meet and meetings are being held virtually with limited staff and directors on site and social distancing with those who are physically in attendance
- Santee Cooper is pursuing a series of initiatives to mitigate the economic effects of COVID-19 while meeting our four-year rate freeze commitment and delivering on our Reform Plan
- COVID-19 impact on the economy and its implications on electric load are unclear and could range from a sharp short-term decline to a multi-year recession. Santee Cooper ran two scenarios related to reduced load:
 - **Scenario 1:** Santee Cooper ran a scenario related to a significant load decline of 12% for 5.5 months from April to September. This scenario resulted in a 2020 net revenue loss shortfall of approximately \$24 million; however, Santee Cooper has already initiated a plan to manage the potential shortfall by reducing or delaying O&M and capital expenditures.
 - **Scenario 2:** Santee Cooper also ran a scenario related to a sharp decline in load in 2020 followed by 4-5% load decline due to recession, loss of Century, and slower ramp-up in industrial load (aggregate decline of ~7% vs Reform Plan load projections). This scenario resulted in approximately \$30-34 million in revenue shortfall per year between 2021 and 2023. In this scenario the current plan is to reduce or delay O&M and capital expenditures, which would be supplemented with additional savings from implemented efficiencies, and management of new money debt service.

Litigation Update

Legal Matters Overview



Santee Cooper continues to defend in state and federal courts its statutory obligation to collect rates sufficient to pay expenses, operations, and debt service.

V. C. Summer Units 2 & 3 Class Actions

- Two purported class actions are filed on behalf of individuals served directly or indirectly by Santee Cooper, arising out of decisions to construct and suspend the V.C. Summer Units 2 and 3 Project.
 - *Cook v. Santee Cooper*- Claims asserted in state court in SC include the following against Santee Cooper, its Board, or Lonnie Carter: declaratory judgment, breach of contract, unconstitutional taking, violation of due process, breach of statutory duties, breach of fiduciary duties, negligence, unjust enrichment, and constructive trust.
 - *Glibowski v. Santee Cooper*- Claims asserted in SC federal court for unconstitutional takings, violation of RICO, and RICO conspiracy claims against SCANA, SCE&G, Santee Cooper and certain individuals, including Santee Cooper employees and its former CEO.
 - A settlement of *Cook* and *Glibowski* was reached and the court preliminarily approved the same in March. A hearing on final approval is scheduled for July 20, 2020.
- A third purported class action, *Turka v. Santee Cooper*, was filed in federal court in South Carolina on behalf of persons purchasing Santee Cooper mini-bonds. Causes of action against Santee Cooper include violations Sec. 10(b) of the Exchange Act and Rule 10b-5. As against the former CEO Lonnie Carter, they allege a violation of Sec. 20(a) of the Exchange Act. Santee Cooper's motion to dismiss was denied on February 26, 2020. The parties submitted proposed schedules and a discovery plan to the court on May 22, 2020, and discovery is proceeding.

Westinghouse

- On April 5, 2019, WEC filed an adversary proceeding against Santee Cooper in the United States Bankruptcy Court for the Southern District of New York claiming ownership of certain items of equipment located at the V.C. Summer Site
- The pleading stage of this matter is complete. Santee Cooper filed an Answer and Counterclaims asserting causes of action to Determine or Quiet Title to the Equipment and for a Declaratory Judgment. WEC responded with a subsequent Counterclaim for a Declaratory Judgment.
- The parties are continuing to negotiate settlement terms.
- A status conference has been tentatively scheduled for June 25, 2020.

Pee Dee Class Action

- *George Hearn et al. v. Santee Cooper et al.*, is a ratepayer class action, filed in 2017, pending in state court.
- Plaintiffs' allegations arise out of Santee Cooper's decisions to construct and cancel a coal-fired generation project in Florence County (Pee Dee).
- Discovery is proceeding.

City of Goose Creek and Century Litigation

- On March 31, 2020, City of Goose Creek filed an action against Santee Cooper in the Court of Common Pleas in Berkeley County (state court complaint), seeking a declaration that Goose Creek may provide utility service to Century Aluminium's Mt. Holly Smelter. On April 13, 2020, Goose Creek filed a Petition for Original Jurisdiction in the South Carolina Supreme Court, asking it to hear the case instead of the circuit court.
 - On April 30, 2020, Santee Cooper filed a Motion to Stay Goose Creek's state court complaint pending a decision on the Petition for Original Jurisdiction by the South Carolina Supreme Court. The Motion to Stay is pending.
 - On May 26, 2020, Santee Cooper filed a Return in Opposition to Petition for Original Jurisdiction. Goose Creek's Reply is due on June 1, 2020.
- On April 27, 2020, Century Aluminium of South Carolina filed a separate action related to Santee Cooper's service to the Mt. Holly Smelter. In that action, filed in the Court of Common Pleas in Berkeley County, Century asserts claims for unconstitutional taking under the South Carolina Constitution, art. I, § 13(A), declaratory judgment, violation of the due process clause of the South Carolina Constitution, art. I, § 3, breach of Directors' statutory duties, tortious interference with prospective contract, violation of the Unfair Trade Practices Act, and injunctive relief.
 - Santee Cooper's response to the complaint is due on June 29, 2020.

Cook Settlement Agreement Analysis

Settlement Agreement – Key Commercial Considerations



- **Settlement Amount.** Santee Cooper will contribute \$200 million in three annual installments (\$65MM, \$65MM, \$70MM) payable in third quarter of years 2020, 2021, and 2022
 - Dominion contribution of \$320 million paid within seven days of the final order
 - Santee Cooper's contribution not to be included in its revenue requirements or passed on to customers by way of increased rates or charges, directly or indirectly
- **Rate Freeze.** Santee Cooper will provide a rate freeze for the benefit of Class Members consistent with the rates projected in the Reform Plan upon approval through 2024
 - Santee Cooper agrees not to defer costs or expenses incurred or attributable to any rate freeze year, to future years (exceptions listed in settlement agreement)
 - Noteworthy exceptions:
 - Deviation in Central's actual load if deviation exceeds +/- 4% (exercise of opt-out shall not be deemed to result in a change in load)
 - Increase in costs from those in Reform Plan because Santee Cooper is not permitted to engage in forward hedging of fuel price due to Act 95 restrictions
 - Costs incurred due to changes in law and regulation, outcomes of the Act 95 Process, or events outside of Santee Cooper's control (acts of God, catastrophic equipment failure, named storms, etc.)

Cash Payment Settlement Impact



Settlement Impact Analysis based on Santee Cooper's Reform Plan and prior to COVID-19

Key Statistics												
Reform Plan	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2039
System Rate (Cents/kWh)	7.12	7.07	6.96	6.94	6.93	7.05	7.17	7.21	7.27	7.46	7.80	8.33
Total Outstanding Debt, millions	6,658	6,180	6,081	5,928	5,749	5,640	5,409	5,247	5,078	4,909	3,642	1,987
Total Outstanding CP/DP, millions	349	329	172	333	145	351	126	187	105	149	85	70
Debt Service Coverage ¹	1.34	1.34	1.32	1.32	1.33	1.33	1.35	1.32	1.35	1.38	1.42	1.54
Debt/Equity Ratio ¹	77%	74%	73%	72%	71%	70%	68%	67%	66%	65%	56%	46%
Days of Cash on Hand	97	95	103	106	107	123	139	147	164	172	214	159
Settlement Scenario	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2039
System Rate (Cents/kWh)	7.12	7.07	6.96	6.94	6.93	7.05	7.17	7.21	7.27	7.46	7.80	8.33
Total Outstanding Debt, millions	6,794	6,316	6,269	6,088	5,908	5,784	5,553	5,302	5,078	4,909	3,642	1,987
Total Outstanding CP/DP, millions	349	329	227	403	215	406	181	242	105	149	85	70
Debt Service Coverage ¹	0.90	1.34	1.32	1.32	1.33	1.33	1.35	1.32	1.35	1.38	1.42	1.54
Debt/Equity Ratio ¹	78%	75%	74%	74%	73%	72%	70%	70%	68%	67%	58%	49%
Days of Cash on Hand	124	99	100	91	91	100	115	91	93	103	155	108
Variance	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2039
System Rate (Cents/kWh)	-	-	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt, millions	137	137	188	159	159	144	144	55	(0)	(0)	(0)	(0)
Total Outstanding CP/DP, millions	0	0	55	70	70	55	55	55	0	0	0	0
Debt Service Coverage ¹	(0.44)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt/Equity Ratio ¹	1%	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%	3%
Days of Cash on Hand	27	5	(2)	(15)	(17)	(23)	(24)	(56)	(71)	(68)	(59)	(51)

A No change to system, Central, or Retail pricing

B Incremental debt outstanding increased 2020-2027; debt levels return to Reform plan levels by 2028

C Days cash on hand reduced from levels projected in the Reform plan

1. Assumes \$200M impact to Debt Service Coverage and Reinvested Earnings realized in 2020; Cash payout spread 2020 - 2022

Reform Plan Projections



Ample Flexibility to Handle Unexpected Expenditures

(\$ millions)	2020	2021	2022	2023	2024
Revenue	1,748	1,751	1,739	1,746	1,746
O&M Expense	(1,136)	(1,140)	(1,112)	(1,122)	(1,130)
Funds Available for Debt Service	612	611	627	624	615
Interest Expense	(333)	(311)	(304)	(305)	(295)
Funds Available for Debt Pay-down and General Construction	279	300	323	319	321
Debt Paydown – Existing	(124)	(143)	(121)	(104)	(125)
Debt Paydown – Future	-	-	(49)	(60)	(42)
Funds Available for General Construction or Other Needs	156	158	153	154	155

- (i) After paying expenses incurred and attributable to rate freeze years, ~\$300MM remain for debt (principal) reduction, general construction and other needs**
- (ii) ~\$155MM funds available, annually, after paying all expenses and planned principal**

1. Rate covenant would require us to manage projected Revenue Requirements (including CIF) so projected revenues (based on rate freeze) provide for sufficient revenues.

Recent Financial Results

Financial Statement Summary



Santee Cooper's recent results are in line with expectations and historical trends

Historical Financials						
(\$ millions)	Fiscal Year Ended 12/31					2019
	2014	2015	2016	2017	2018 ¹	
INCOME STATEMENT						
Operating Revenues	\$1,997	\$1,880	\$1,746	\$1,757	\$1,807	\$1,723
Operating Expenses	<u>1,619</u>	<u>1,502</u>	<u>1,375</u>	<u>1,357</u>	<u>1,400</u>	<u>1,320</u>
Operating Income	378	377	371	400	407	403
BALANCE SHEET						
Net Utility Plant	\$4,199	\$4,165	\$3,916	\$4,037	\$4,010	\$4,590
CWIP	2,713	3,337	4,293	763	1,017	503
Nuclear Regulatory Asset ²	-	-	-	4,248	4,128	3,749
Debt	6,959	7,732	8,195	7,878	7,292	6,865
Net Position ³	2,168	1,942	2,030	2,121	2,297	2,065
CASH FLOW STATEMENT						
Capital Expenditures	\$725	\$587	\$1,126	\$824	\$521	\$287

1. Based on restated 2018 financials

2. In the 2017 audited year-end financials, new Nuclear Construction was moved from Construction Work in Progress to Regulatory Asset.

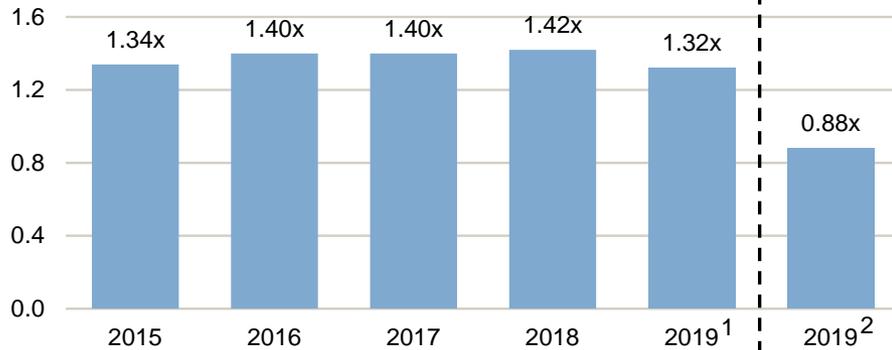
3. In 2015, Santee Cooper recorded a liability of approximately \$270 million as a result of GASB 68.

Financial Metrics

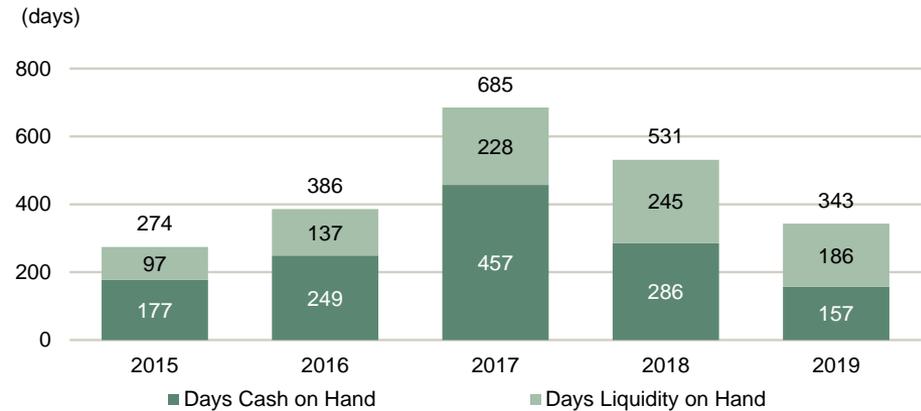


Santee Cooper's 2019 results demonstrate commitment to strong financial metrics

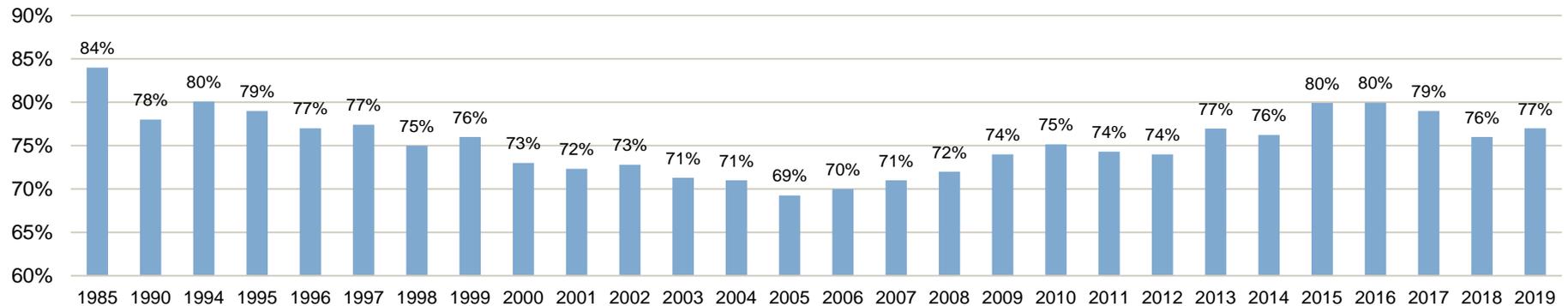
Historical Debt Service Coverage



Historical Days Liquidity



Debt / Capitalization



1. Includes CP, Revolving Credit Agreements and Payment to State ; excludes the special item related to Cook case settlement.

2. Includes CP, Revolving Credit Agreements, Payment to State and the special item related to the estimated settlement amount of approximately \$200 million to be paid ratably over a three-year period regarding the Cook case.

Summary

Moving Forward

- Santee Cooper's Board has put into place a team of seasoned, dedicated professionals who are poised to lead the company into a bright and promising future
- Santee Cooper is continuing to develop a plan forward that includes:
 - i. a resource roadmap that is green, diverse, and flexible;
 - ii. a debt management plan that accelerates debt reduction; and
 - iii. meaningful governance and oversight that provides transparency and accountability to stakeholders and complies with Santee Cooper's bond covenants
- Santee Cooper's resolution of all nuclear-related litigation is ongoing
- Santee Cooper is managing the impact of COVID-19 on its operations



Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 8
Request: 1.8

ATTESTATION: For the Review Period I, Ken W. Lott attest that the answers provided above are full and accurate and that all steps taken by Santee Cooper to defease debt, issue or refund debt under existing bond resolutions and agreements, and enter into financing arrangements consistent with existing bank facilities, were done only as necessary to manage day-to-day operations and financing needs, including converting variable rate debt to fixed rate debt. I, Ken W. Lott, further attest that, to the extent Santee Cooper has refunded debt, it has done so only to achieve present value savings or mitigate risk and did not extend the average life of the debt.

Signature of Officer:  _____

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 9
Request: 1.9

Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to resolving outstanding lawsuits and claims.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. If applicable, identify and describe any and all changes from the prior Review Period.
- f. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 9
Request: 1.9

Date of action

Various

Description of Santee Cooper action

Baxley Settlement
Discussions with opposing party's representative, execution of settlement agreement and associated payment made to claimant

Purpose of Santee Cooper action

Settlement of claim

Status of action:

<input type="checkbox"/>	On going
<input checked="" type="checkbox"/>	Completed

Any changes from prior Review Period

Yes

Provided by:

Name	B. Shawan Gillians
Title	Director, Legal Services & Corporate Secretary
Phone	843.761.7004
Email	shawan.gillians@santecooper.com

Narrative

During this period the Authority executed a settlement agreement (June 16, 2020) with former employee J. Michael Baxley on claims related to his separation from the company.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 9
Request: 1.9

Reference documents

1.9 bgillians Baxley Settlement.pdf

**SEPARATION AGREEMENT, SETTLEMENT AGREEMENT,
AND FULL AND FINAL RELEASE**

THIS RELEASE ENDS ALL CLAIMS

Date Agreement and Release Received by J. Michael Baxley: June 12, 2020 ("Offer Date")

This SEPARATION AGREEMENT AND GENERAL RELEASE is a full and final mutual release of all claims (hereinafter "Agreement and Release") between J. Michael Baxley, Sr. ("Baxley") and South Carolina Public Service Authority, also known as Santee Cooper ("Santee Cooper"), hereinafter collectively, the "Parties."

WHEREAS, Baxley, an attorney licensed to practice in South Carolina since 1982, has been employed with Santee Cooper since 2014, most recently as its Chief Public Affairs Officer and General Counsel; and

WHEREAS, Santee Cooper advised Baxley after the close of business on Monday, April 20, 2020 that his duties as Chief Public Affairs Officer and General Counsel would be reassigned effective immediately ("Notice Date"), and Baxley and Santee Cooper ended their employment relationship on the Offer Date; and

WHEREAS, Baxley acknowledges that the duties and responsibilities he owes to Santee Cooper as its former Chief Public Affairs Officer and General Counsel are set forth in the Rules of Professional Responsibility, adopted by the South Carolina Supreme Court in Rule 407 of the South Carolina Appellate Court Rules; and

WHEREAS, in reliance on the foregoing acknowledgments and representations by Baxley, Santee Cooper desires to recognize his valuable service with payment of separation benefits, to preserve the goodwill between the Parties, and to dispose of all claims which Baxley may have, or may ever have had, against Santee Cooper, as well as release any claims that Santee Cooper may have, or may ever have had against Baxley arising out of acts or omissions that occurred prior to the Notice Date, provided, however, that this Agreement and Release does not impact, modify, reduce, enlarge, expand, or alter any rights that Baxley or Santee Cooper may have pursuant to the agreements outlined in Section 11 of this Agreement and Release;

NOW, THEREFORE, in reliance on the foregoing premises, in exchange for full and sufficient consideration, including the mutual promises set forth below, and intending to be legally bound, Baxley and Santee Cooper agree that:

1. **Separation Payments by Santee Cooper**. Subject to the terms and conditions in this Agreement and Release, and in consideration of the agreements and covenants in this Agreement and Release, Santee Cooper will pay Baxley the gross amount of Four Hundred and Ninety-Five Thousand and No/100 (\$495,000.00). The gross sum of Four Hundred and Ninety-Five Thousand and No/100 (\$495,000.00) is to be paid in the two checks outlined in (a) and (b) below, both of which will be issued according to the

timetable outlined in (c) below:

- a) The gross amount of severance of Three Hundred and Thirty-Eight Thousand, Eight Hundred and No/100 (\$338,800.00) Dollars, less standard payroll deductions and withholdings including state taxes, federal taxes, FICA and Medicare, but not including withholding for or payment into the South Carolina Retirement System, for which no benefit or credit accrues from this transaction, the net of which is to be made payable to Baxley representing a compromise of any and all claims of lost wages and for which Santee Cooper will issue Baxley an IRS Form W-2;
- b) The amount of One Hundred and Fifty-Six Thousand, Two Hundred and No/100 (\$156,200.00) Dollars to serve as a litigation offset for all non-economic damages, as defined by S.C. Code Section 15-32-210 and claimed by Baxley, in a check made payable to Baxley's counsel, who will provide Santee Cooper with the law firm's Form W-9 information, by which Santee Cooper will issue a Form 1099 to counsel in the amount of \$156,200.00, as it is the intention of the parties that this portion of the settlement payment does not represent wages;
- c) Santee Cooper will make the payments outlined in (a) and (b) above:
 - i. On the first payroll date that is twenty-eight (28) days after Santee Cooper receives the executed Agreement and Release in unmodified form, without deletions, from Baxley; or
 - ii. If Santee Cooper also receives from Baxley the executed Waiver Of 21-Day Consideration Period that is attached hereto as Exhibit A ("Waiver") along with his executed Agreement and Release, in unmodified form, without deletions, Santee Cooper will pay the Separation Payment on the first payroll date eight (8) days after Santee Cooper is in receipt of both the executed Waiver and the executed Agreement and Release, in unmodified form, without deletions.

2. Santee Cooper Property.

- a) As used in this Agreement and Release, "Santee Cooper Property" means Santee Cooper's sole and exclusive property which includes but is not limited to all documents, information, records, files, lists, including computer generated lists, data, emails, text messages, drawings, documents, equipment and similar items, whether hard copy or electronic format, that were generated for or by or received from Santee Cooper or relate to Santee Cooper's business. Santee Cooper Property includes items that may exist or may have been saved or retained on any computers, electronic devices, or online or email accounts, including any online or email accounts used at any time to send, create, or receive Santee Cooper Property, and also includes items that may have been received from third parties,

for which the contents relate to Santee Cooper. The parties further agree that Santee Cooper property as described herein does not include those documents, records, and information related to the Department of Justice and Securities and Exchange Commission investigations related to VCS Units 2&3 that were already in the sole or joint possession of Baxley's counsel on April 20, 2020.

- b) Baxley represents and agrees that as of the date he executes this Agreement and Release, to the best of his belief, all Santee Cooper Property, as defined above but excluding the iPhone 7 provided to Baxley on April 20, 2020, has been returned or electronic copies provided to Santee Cooper through a process to ensure compliance with any and all preservation requirements, and that after Santee Cooper has received all copies of electronic material, that any remaining electronic copies on devices or equipment other than Santee Cooper's devices or equipment have been destroyed or deleted. In the event a document the parties agree is Santee Cooper property has inadvertently been retained by Baxley in some form, Baxley agrees that it will be returned upon written request of Santee Cooper. Baxley further represents that following the Notice Date, he will not and has not copied, caused to be copied, printed, or caused to be printed, transmitted to third parties, or caused to be transmitted to third parties, whether electronically or in hard copy, any Santee Cooper Property, unless copied and provided to Santee Cooper in accordance with the process contemplated above. Baxley further represents that following the Notice Date, and other than to comply with this provision, he will not and has not deleted Santee Cooper Property from any computers or personal electronic devices in his possession, custody, or control, and will not and has not deleted Santee Cooper Property or any other electronic information from any devices belonging to Santee Cooper. Baxley further represents that following the Notice Date, he will not and has not accessed Santee Cooper's computer system or other electronic systems.
- c) Baxley has informed Santee Cooper that he retained certain documents that are personal in nature on the Santee Cooper-owned computer and communications devices assigned to him, including photographs, records, personal documents and messages, and other information not related to Santee Cooper. Santee Cooper agrees to transfer personal information and documentation as agreed upon by the parties to an electronic device provided by Baxley, at a time to be mutually agreed but no later than ten (10) days after the signing of this agreement. Santee Cooper further agrees thereafter to permanently delete from all its systems all such transferred personal information without dissemination, duplication, or preservation.

3. **Confidential Information.** As used in this Agreement and Release, "Confidential Information" means nonpublic information belonging to Santee Cooper which is of value to Santee Cooper in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to Santee Cooper. Confidential Information includes, without limitation, legal advice, financial information, reports, and forecasts, inventions, improvements and other intellectual property, trade secrets, know-

how, designs, processes or formulae, software, market or sales information or plans, customer lists; and business plans, prospects, strategies and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which has been discussed or considered by Santee Cooper. Confidential Information includes information developed by Baxley in the course of employment by Santee Cooper, as well as other information to which Baxley may have had access in connection with such employment. Confidential Information also includes the confidential information of others with which Santee Cooper has a business relationship.

4. **Confidentiality.** Baxley understands and agrees that his employment with Santee Cooper created a fiduciary relationship of confidence and trust between Baxley and Santee Cooper with respect to all Confidential Information. Subject to the non-interference outlined in Section 14 of this Agreement and Release, Baxley represents that at all times, both during the employment and after its termination, he has kept and will keep in confidence and trust all such Confidential Information. Subject to the non-interference outlined in Section 14 of this Agreement and Release, Baxley agrees he will not use or disclose any such Confidential Information without the written consent of the Chief Executive Officer of Santee Cooper except as may be required by law and in that case with prior written notice to Santee Cooper.
5. **Representations by Baxley.** Baxley makes the following representations to Santee Cooper, each of which is necessary before Santee Cooper will make the Separation Payments set forth in Section 1 of this Agreement and Release.
 - a) Baxley agrees that this Agreement and Release is conditioned upon Baxley's return of Santee Cooper Property in his possession as defined and outlined in Section 2, including, but not limited to, all documents, emails, text messages, and any proprietary information pertaining to Santee Cooper, whether electronic or hard copy and whether maintained on Santee Cooper devices or property or on Baxley's personal devices or property;
 - b) Baxley agrees that any benefits and payments which Santee Cooper agrees to provide herein are benefits and payments that are disputed and/or to which Baxley would not otherwise be entitled were it not for this Agreement and Release;
 - c) Baxley acknowledges and warrants that he is not aware of any matters for which Baxley was responsible or which came to Baxley's attention as an employee of Santee Cooper that might give rise to, evidence, or support any claim or allegation of illegal conduct, fraud, embezzlement, regulatory violation, unlawful discrimination, or other cause of action against Santee Cooper, and Baxley agrees not to make any representations, allegations, or statements contrary to this representation;
 - d) Baxley represents and warrants that he is not aware of any act or omission occurring at any time prior to his execution of this Agreement that might give rise to, evidence, or support a claim by Santee Cooper against Baxley;

- e) Baxley acknowledges he is aware that by signing this Agreement and Release he is giving up any right to sue Santee Cooper or to initiate any other legal proceedings against Santee Cooper, not only on the basis of the discrimination laws, but for any other claims which he has or believes he has based upon any event, term, or condition of employment, including, but not limited to, his separation from employment which occurred before this Agreement and Release is executed;
- f) Baxley represents that he has not filed any complaints or charges against Santee Cooper with a court or administrative agency before signing this Agreement and Release, and warrants that he has not made or disavows any pending internal complaint or grievance;
- g) Baxley acknowledges that with respect to his separation from employment with Santee Cooper, no promises or representations except those contained or referenced in this Agreement and Release have been made to him and further acknowledges that except as explicitly set forth herein, this Agreement and Release supersedes and replaces any prior understanding or representation regarding terms and conditions upon separation of Baxley's employment;
- h) Baxley acknowledges that with respect to payments under the Executive Incentive Plan (the "Plan") that was in effect for part of his employment: (i) no Plan payments were approved for any period of time following Fiscal Year 2016; (ii) no Plan targets or metrics were established for any period of time following Fiscal Year 2017; and (iii) in lieu of Plan payments for Fiscal Year 2017, and in recognition of the efforts and value provided to Santee Cooper by Baxley, certain contributions were made to Baxley's Executive Defined Contribution Account;
- i) Baxley acknowledges there exists a bona fide dispute as to whether he would be entitled to any payments under the Plan beyond Fiscal Year 2016, and Baxley agrees that in exchange for the valuable consideration outlined in Section 1 of this Agreement and Release, Baxley has agreed to a full and final settlement and release of any claims he may have arising out of the Executive Incentive Plan;
- j) Baxley agrees that Santee Cooper has paid, and he has received, all monies due and owing to him without bona fide dispute pursuant to the South Carolina Wage Payment Statute (S.C. Code Ann. § 41-10-10 *et seq.*) and the Fair Labor Standards Act of 1938 (FLSA), for wages and compensation as an employee of Santee Cooper or its predecessors or affiliates, and Baxley further agrees that the valuable consideration outlined in Section 1 of this Agreement and Release includes any and all disputed wages Baxley claims from Santee Cooper;
- k) Baxley acknowledges and understands that any additional employee or executive benefits governed by separate plan documents, including but not limited to the Santee Cooper Executive Retention Defined Benefit Plan, the Santee Cooper

Executive Retention Defined Contribution Plan, and the State Health Plan will be determined, administered, and paid according to the terms of the applicable plan documents. Baxley acknowledges and understands he will receive a separate notification pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 and/or, if applicable, state insurance laws regarding his eligibility to continue group health insurance benefits at his own expense. This Agreement and Release does not release any claims for breach by Santee Cooper of any obligation under plan documents;

- l) Baxley represents and warrants that he has fully read this Agreement and Release, that he understands all the terms and conditions set forth herein, and that he is entering into this Agreement and Release voluntarily and without promise or benefit other than as set forth herein;
 - m) Baxley agrees to cooperate with Santee Cooper and take all reasonable steps to ensure the enforceability of all the terms of this Agreement and Release, including taking all such acts required to obtain any necessary approval of this Agreement and Release;
 - n) Baxley is executing this Agreement and Release knowingly and voluntarily, without any duress, coercion or undue influence by Santee Cooper, its representatives, or any other person;
 - o) The Separation Payment recited above constitutes good and valuable consideration for the agreements and releases contained herein;
 - p) Baxley is satisfied with the terms and conditions of this Agreement and Release including, without limitation, the consideration paid to him by Santee Cooper; and
 - q) Baxley has not made a claim for workers' compensation related to his employment with Santee Cooper, and with the exception of the non-economic damages outlined in Section 1(b) above for claims completely released herein, he is currently unaware of any injury or illness that would support such a claim.
6. **Representations by Santee Cooper.** Santee Cooper makes the following representations to Baxley, each of which is material to this agreement and necessary before Baxley will accept this offer of compromise and execute the settlement agreement:
- a) Santee Cooper agrees, as outlined in Section 2 of this Agreement and Release to effectuate a process to return to Baxley any non-Santee Cooper personal information on Baxley's electronic devices, without duplication in any form, retention in any form, dissemination by any method, or use in any way; and
 - b) Santee Cooper has had the benefit of counsel in making the decision to enter into this settlement, has fully read this settlement agreement, and enters into this

agreement voluntarily without coercion or duress.

7. **Older Workers Benefit Protection Act Waiver.** Baxley further represents, agrees, and acknowledges that:

- a) Baxley knowingly and voluntarily waives any and all claims against Santee Cooper under the Age Discrimination in Employment Act ("ADEA") in exchange for full consideration as described herein, the sufficiency of which is acknowledged. Baxley further acknowledges that he would not otherwise have been entitled to such valuable consideration;
- b) Baxley has been advised that the Full and Final Release set forth in Section 8 of this Agreement and Release does not apply to any rights or claims that may arise after the execution date of this Agreement and Release;
- c) Baxley has, by virtue of this Agreement and Release, been advised in writing by Santee Cooper of his rights under the Older Workers Benefit Protection Act, including his right to consult with an attorney in connection with this Agreement and Release;
- d) Baxley has been given a period of twenty-one (21) days to consider the terms of this Agreement and Release but may, if he so chooses voluntarily and knowingly, execute this Agreement and Release at any time prior to the expiration of that period, (*See Waiver, Exhibit A*);
- e) Baxley understands that after executing this Agreement and Release, he may still revoke the waiver of his ADEA claims contained in this Agreement and Release for a period of seven (7) days following the date he signs the Agreement and Release by sending a written, signed Statement of Revocation to Santee Cooper at the following address: Kenneth W. Lott III, Chief Financial and Administration Officer, South Carolina Public Service Authority, One Riverwood Drive, Moncks Corner, South Carolina 29461, to be received by Santee Cooper no later than 5:00 PM (Eastern time) on the seventh (7th) calendar day after Baxley signs this Agreement and Release, and that the waiver of ADEA claims will not become effective until the seven (7) day revocation period has expired with no revocation;
- f) Baxley understands that Santee Cooper has no obligation to pay any sum or perform any act referred to in this Agreement and Release until it becomes effective and enforceable; and
- g) Baxley has been advised to consult, and indeed has consulted, his own attorney and is satisfied that this Agreement and Release complies in all respects with Section 7(f) of the ADEA, that is, the Older Workers Benefit Protection Act.

8. **Full and Final Mutual Release.** In exchange for the Separation Payments set out in Section 1 of this Agreement and Release, Baxley, defined to include his agents, attorneys, heirs, dependents, successors, and assigns, hereby releases and discharges Santee Cooper, its benefit plans, its current and former officers, directors, employees, agents, and attorneys, its predecessors, their successors, assigns, and predecessors and the officers, directors, employees, agents, attorneys, and affiliates of such predecessors, successors, and assigns (hereinafter collectively "Santee Cooper") from all liability upon claims, of whatsoever kind or nature, known or unknown or because of any matter or thing done, omitted or suffered to be done, by Santee Cooper prior to and including the date hereof, on account of any and all injuries or damages both to person and property, including, but not limited to Baxley's employment, the terms of employment, and events surrounding his employment with and separation from employment with Santee Cooper. This Agreement and Release is in full and final settlement of any and all claims by Baxley against Santee Cooper including but not limited to claims for lost or unpaid wages and specifically including any and all claims arising out of the employment relationship of the Parties, including, but not limited to any and all claims under Title VII of the Civil Rights Acts of 1866, 1964, and/or 1991, the Civil Rights Attorney's Fee Awards Act (42 USC § 1988), the Equal Rights Act of 1870, the Age Discrimination in Employment Act (ADEA), the Older Workers Benefit Protection Act (OWBPA), the Rehabilitation Act of 1973, the Americans with Disabilities Act (ADA), the Americans with Disability Act Amendments Act (ADAAA) (42 U.S.C. §§ 12101 et. seq.), the Fair Labor Standards Act of 1938 (FLSA), the Equal Pay Act of 1963, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Health Information Technology for Economic and Clinical Health Act (HITECH), the Employee Retirement Income Security Act of 1974 (ERISA), the National Labor Relations Act (NLRA), the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the American Recovery and Reinvestment Act of 2009 (ARRA); the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. § 4301); the South Carolina Workers' Compensation Law, the Family and Medical Leave Act of 1993 (FMLA), Families First Coronavirus Response Act ("FFCRA"), the prohibition against retaliation based on Workers' Compensation actions (S.C. Code Ann. § 41-1-80), the South Carolina Human Affairs Law, the South Carolina Bill of Rights for Handicapped Persons (S.C. Code Ann. §§ 43-33-510 et seq.), the South Carolina Employment Security Law, the South Carolina Wage Payment Statute (S.C. Code Ann. §§ 41-10-10 et seq.), the Equal Pay Act of 1962, 29 U.S.C. § 206(d); the Sarbanes-Oxley Act of 2002, the Constitution of the United States and its Amendments, the Constitution of the State of South Carolina and its Amendments, and any other federal, state, or local statute, ordinance, or other regulation or amendment of such or common law, including, but not limited to, those regarding employment, discrimination in employment, notice of separation of employment or the separation of employment on any prohibited basis, and/or any and all other law or principles of equity, including (by way of example) but not limited to, claims of discrimination on the basis of age, sex, gender race, color, ancestry, genetic information, marital status, disability, religion, national origin, military/veteran status, or any other protected class, harassment; hostile work environment; retaliation; any work-related injury or illness known, or which Baxley should have known, as of the date of execution of this Agreement and Release, whether physical in nature or manifested by psychological or emotional stress; conspiracy; fraud;

breach of employment contract; breach of contract accompanied by fraudulent act; invasion of privacy; defamation (written, oral, and/or by inference); wrongful discharge in violation of public policy; retaliation; interference with contract or prospective contract or contractual advantage; breach of implied covenant of good faith and fair dealing; promissory estoppel or other contract theory; malicious prosecution; abuse of process; unfair or deceptive trade practices; infliction (negligent or intentional) of emotional distress; assault; battery; negligence; gross negligence or recklessness. Additionally, Baxley is releasing any and all claims Baxley may have, or may ever have had, against Santee Cooper for attorneys' fees and costs except as otherwise specified in Section 11(b) of this Agreement and Release.

In return for the consideration provided by Baxley as outlined herein, Santee Cooper releases Baxley from any claims Santee Cooper may have, or may ever have had, against Baxley based upon any act or omission by Baxley occurring at any time prior to the Notice Date, provided, however, that this Agreement and Release does not impact, modify, reduce, enlarge, expand, or alter any rights that Baxley or Santee Cooper may have pursuant to the agreements outlined in Section 11 of this Agreement and Release.

9. **No Admission of Liability.** Both parties understand that Santee Cooper is not offering this Agreement and Release because it believes that Baxley has any valid legal claim against Santee Cooper, as this settlement is a resolution of disputed matters. Baxley acknowledges that by entering into this Agreement and Release, Santee Cooper is not admitting, and indeed denies, that it engaged in any wrongful or unlawful act or that it violated any federal, state or local statute, law, ordinance, or regulation or injured him in any way. Baxley further acknowledges and agrees that Santee Cooper is entering into this Agreement and Release for the purpose of avoiding the time and expense involved in proceeding with a lawsuit. By the same token, Santee Cooper understands that Baxley is accepting the offered sum as a compromise and that Baxley is of the opinion and belief that his damages are greater than the agreed-upon compromise payments outlined in Section 1 of this Agreement and Release.

10. **Non-Disparagement.** Subject to the non-interference outlined in Section 14 of this Agreement and Release, the parties mutually agree as follows. Baxley agrees to refrain from making, or causing or encouraging others to make, any disparaging, negative, false, or uncomplimentary remarks or statements about Santee Cooper or Santee Cooper's Officers, Executive Staff, Attorneys, Current or Former Employees, or Directors, whether public or private, written or verbal. Santee Cooper agrees to direct its Officers, Executive Staff, and Directors to refrain from making, or causing or encouraging others to make, any disparaging, negative, false, or uncomplimentary remarks or statements about Baxley or his attorneys, whether public or private, written or verbal. Both parties further understand and agree that this section is a material provision of this Agreement and Release and that any breach of this section shall be a material breach of this Agreement and Release, and that the non-breaching party would be irreparably harmed by violation of this provision; *provided, however*, that nothing in this Section 10 of this Agreement and Release shall be deemed to require Baxley or any of Santee Cooper's Officers, Executive Staff, Attorneys, Directors, or Employees to testify other than truthfully under

oath in any legal proceeding. The parties further agree that should either Baxley or Santee Cooper be deemed to have violated this provision by a court of competent jurisdiction, the offending party shall be liable to the non-offending party in the amount of at least \$5,000.00 as liquidated damages (and not as a penalty) for each violation in addition to any further damages, punitive or otherwise, the court may deem appropriate.

11. Enforceability of Specific Prior Agreements.

- a) **Enforceability of Prior Agreement Regarding Confidentiality/Non-Disclosure and Covenant Not to Compete Or Limitation on Employee's Post-Employment Associations.** Baxley is a party to a prior agreement with Santee Cooper titled "South Carolina Public Service Authority Confidentiality/Non-Disclosure Agreement and Covenant Not to Compete or Limitation on Employee's Post-Employment Associations" which was effective July 1, 2014 (the "2014 Agreement"). Baxley has been provided a copy of the 2014 Agreement in conjunction with this Agreement and Release. Baxley expressly acknowledges that the 2014 Agreement is valid and enforceable against him and that the duties and obligations set forth in the 2014 Agreement extend two years beyond the time of his employment with Santee Cooper. Baxley also expressly acknowledges that nothing in this Agreement and Release shall impair, alter, or limit any of the duties and obligations set forth in the 2014 Agreement except as explicitly set forth below.

In exchange for the Separation Payments set out in Section 1 of this Agreement and Release, and for other good and valuable consideration as set forth herein, Baxley agrees that Section 3 of the 2014 Agreement titled "Covenant Not to Compete or other Limitation on Employee's Post-Employment Associations," contained on pages 3 and 4 of the 2014 Agreement, is modified and expanded as follows:

Baxley agrees that during the two (2) years following Baxley's termination of employment with Santee Cooper ("Restricted Period"), Baxley will not, without the prior written consent of Santee Cooper, whether as a proprietor, partner, co-venturer, financier, director, officer, employer, employee, servant, agent, independent contractor, representative or otherwise, directly or indirectly be associated, other than as an attorney in the practice of law who advises the entity primarily on legal matters, with any entity which was, at any time during the two (2) years immediately preceding termination of Baxley's employment:

A. an electric utility with which Santee Cooper's transmission system is directly interconnected; or

B. a wholesale customer of Santee Cooper, including, but not limited to, investor owned utilities, municipal electric

suppliers, electric cooperatives, *including* members and affiliates of such customer, utilities, suppliers and cooperatives;

C. an industrial customer of Santee Cooper; or

D. any entity seeking to purchase or to manage Santee Cooper.

Provided, however, that this Section 3 shall not prohibit Baxley from owning stock in any entity described in subsections A, B, C, and D of this Section 3 if the stock of such entity is traded on a national securities exchange.

As outlined in Section 7 of the 2014 Agreement, all post-employment limitations on Baxley as set forth in the 2014 Agreement and modified herein shall be construed and interpreted to comply with the Rules and South Carolina Bar Ethics Advisory Opinions.

Baxley expressly acknowledges that the aforementioned modification and expansion of Section 3 of the 2014 Agreement shall not affect the validity and enforceability of the other provisions of the 2014 Agreement, the entirety of which Baxley has acknowledged is valid and enforceable. Nothing in either this Agreement and Release or the 2014 Agreement shall affect application of the Rules or be construed as informed consent or a conflict waiver by Santee Cooper as contemplated or required by the Rules, including but not limited to Duties to Former Clients, Rule 1.9.

b) **Enforceability of Prior Indemnity Arrangements.** This Agreement and Release does not impact, modify, reduce, enlarge, expand, or alter any rights to indemnification that Baxley or Santee Cooper may have pursuant to either: (a) the October 18, 1990 Indemnity Resolution and related documents including the December 11, 2017 Resolution, December 7, 2017 Affidavit executed by Baxley, and December 7, 2017 Undertaking executed by Baxley, or (b) the indemnification agreement related to the Act 95 process which was approved by the Board of Directors on or about November 21, 2019 and executed by Baxley on December 23, 2019. Baxley has been provided a copy of the above-referenced documents in conjunction with this Agreement and Release.

12. **Taxes.** In further consideration, Baxley recognizes and agrees he will be solely responsible for the payment of any tax, whether federal, state or local, social security, Medicare or any other deductions, contribution and/or penalty applicable to the payments described in Section 1 of this Agreement and Release, including, but not limited to, all reporting and payment obligations that could arise as a consequence of Baxley's receipt of any payments or benefits pursuant to this Agreement and Release.

13. **Non-Interference.** Nothing in this Agreement and Release shall interfere with, or limit or restrict, Baxley's right to file a charge, cooperate with or participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, the South Carolina Human Affairs Commission, the National Labor Relations Board, Department of Labor, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state or local governmental agency or commission ("Government Agencies"). This Agreement does not limit either party's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies, including but not limited to providing documents or other information or receipt of an award for information provided to any Government Agencies. However, the consideration provided to Baxley in this Agreement and Release shall be the sole relief provided by Santee Cooper to Baxley for the claims that are released by him herein. To the maximum extent permitted by law, Baxley agrees that, with respect to any claim or right released in this Agreement and Release, Baxley will not seek and waives any right to accept any relief from Santee Cooper. This Agreement does not prohibit either party from responding to any legal process, nor does it prevent Santee Cooper from sharing information internally or to its agents or attorneys as it deems necessary or as required or permitted by law.

14. **General.**

- a) No provision of this Agreement and Release may be modified, amended, or revoked, except in writing signed by Baxley and the President and Chief Executive Officer of Santee Cooper.
- b) No waiver or failure to enforce any condition or provision of this Agreement and Release will be deemed to be a continuing waiver of the same or a waiver of any other provision of this Agreement and Release.
- c) This Agreement and Release has been executed in the State of South Carolina and shall be construed and enforced in accordance with the laws of the State of South Carolina, without regard to its choice of law or conflict of law principles.
- d) The provisions of this Agreement and Release shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions of this Agreement shall not affect the validity and enforceability of the other provisions of this Agreement and Release. Baxley agrees that the breach or alleged breach by Santee Cooper of any covenant contained in the 2014 Agreement or any obligation owed to Baxley by Santee Cooper shall not affect the validity or enforceability of the covenants and agreements of Baxley set forth herein.
- e) The Parties agree that if any part of this Agreement and Release is held to be unenforceable for any reason, this Agreement and Release shall be deemed amended to the extent necessary to render the otherwise unenforceable provision, and the remainder of the Agreement and Release, valid and enforceable.

- f) This Agreement and Release may be assigned by Santee Cooper to its successors, assigns, or any purchaser of assets of its business, without the consent of Baxley, and upon such assignment any reference herein to Santee Cooper shall be deemed to refer to the assignee. If assigned, nothing herein prevents Baxley from requesting a waiver of terms from the assignee. Baxley's obligations and rights under this Agreement and Release are unique and personal, and may not be assigned, transferred, or otherwise alienated by Baxley.
15. **Entire Agreement.** Unless explicitly set forth in Section 11 of this Agreement and Release, all prior agreements and understandings, written or oral, between Baxley and Santee Cooper are replaced and superseded by this Agreement and Release, and are no longer of any force and effect. Baxley agrees that he has no claims to any payments or other benefits or compensation from Santee Cooper except as is expressly set forth herein.
16. **Opportunity to Consult with Attorney.** Baxley acknowledges that Santee Cooper is advising him to consult with an attorney regarding this Agreement and Release. Baxley represents and agrees that he fully understands the right and had sufficient opportunity to discuss all aspects of this Agreement and Release with an attorney and that he has carefully read, fully understands, and voluntarily enters into this Agreement and Release. Likewise, Baxley has made the same recommendation to Santee Cooper, and has the same understanding therefrom.
17. **Counterparts.** This Agreement and Release may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.
18. **Option to Waive Consideration Period.** In compliance with the Older Workers Benefit Protection Act and Age Discrimination in Employment Act, Baxley has been given a period of twenty-one (21) days to consider the terms of this Agreement and Release, but may, if he chooses, execute this Agreement and Release at any time prior to the expiration of that twenty-one (21) day period. Baxley understands that he may waive the twenty-one (21) day consideration period by providing Santee Cooper with an executed copy of the Waiver, attached as Exhibit A, along with an executed copy of this Agreement and Release, in unmodified form, without deletions.

THIS SEPARATION AGREEMENT AND GENERAL RELEASE MAY BE REVOKED BY BAXLEY AT ANY TIME FOR A PERIOD OF SEVEN (7) DAYS AFTER THE DATE OF EXECUTION. TO REVOKE THIS AGREEMENT AND RELEASE, BAXLEY SHOULD RETURN HIS COPIES OF THE AGREEMENT AND RELEASE, ALONG WITH A SIGNED STATEMENT OF REVOCATION, TO:

**Kenneth W. Lott III
Chief Financial and Administration Officer**

South Carolina Public Service Authority
One Riverwood Drive
Moncks Corner, South Carolina 29461

THE REVOCATION MUST BE RECEIVED BY SANTEE COOPER NO LATER THAN 5:00 PM (EASTERN TIME) ON THE SEVENTH (7TH) CALENDAR DAY AFTER BAXLEY SIGNS THIS AGREEMENT AND RELEASE.

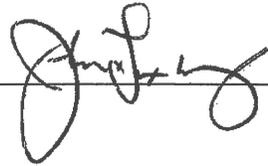
IN WITNESS WHEREOF, the undersigned Parties have hereunto set their hands, intending to be legally bound this 16th day of June, 2020.

WITNESS:



June 16, 2020
DATE

J. Michael Baxley, Sr.:

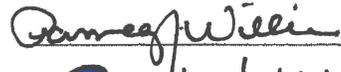


WITNESS:



June 17, 2020
DATE

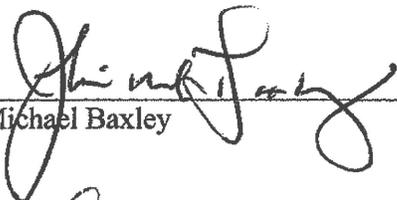
SOUTH CAROLINA PUBLIC
SERVICE AUTHORITY.
a/k/a SANTEE COOPER:



By: Pamela J. Williams
Its: Chief Public Affairs Officer
and General Counsel

WAIVER OF 21-DAY CONSIDERATION PERIOD

In compliance with the Older Workers Benefit Protection Act and Age Discrimination in Employment Act (ADEA), Baxley knowingly and voluntarily, with access to and advice of counsel, waives the remainder of the twenty-one (21) day period to further review and consider his release of ADEA claims, which he has now fully considered and reviewed, along with the terms of the SEPARATION AGREEMENT AND GENERAL RELEASE. He affirmatively states that his waiver of the remainder of the consideration period is knowing and voluntary, and that his waiver is not induced by Santee Cooper through fraud, misrepresentation or threat to withdraw or alter the terms of the payments offered to him.



J. Michael Baxley

6/16/20
DATE



WITNESS

6/16/2020
DATE

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 9
Request: 1.9

Date of action

Various

Description of Santee Cooper action

Westinghouse Electric Company Discussions with opposing party's representatives
--

Purpose of Santee Cooper action

Finalization of settlement

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Any changes from prior Review Period

None

Provided by:

Name	B. Shawan Gillians
Title	Director, Legal Services & Corporate Secretary
Phone	843.761.7004
Email	shawan.gillians@santecooper.com

Narrative

The Authority continues discussions with Westinghouse Electric Company, LLC (WEC) to finalize documentation of settlement reached in principle between the parties on January 27, 2020.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 9
Request: 1.9

ATTESTATION: For the Review Period I, Pamela J. Williams, attest that the information given in response to the above questions is full and accurate.

Digitally signed by Pamela J. Williams
Signature of Officer: Date: 2020.07.29 15:00:27 -04'00' 

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 10
Request: 1.10

Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to taking whatever steps are prudent and consistent with good utility practice to address the impact of the COVID 19 pandemic.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. Please explain how these actions were prudent and consistent with good utility practice.
- f. If applicable, identify and describe any and all changes from the prior Review Period
- g. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 10
Request: 1.10

Date of action

Various

Description of Santee Cooper action

- | |
|--|
| <ol style="list-style-type: none">1. Corporate Incident Management Team, CIMT meetings and communication with employees2. Opened Retail offices on June 1, 20203. Amended travel guidelines to manage out of state travel issues4. Stopped Return to Work pilot due to increase in cases throughout South Carolina5. Added employees to Contact Tracing Team to assist Occupational Health with contact tracing. The three new members completed the John Hopkins online Contact Training course.6. Refined plans for hurricanes if there was a storm during the pandemic including logistics issues such as housing and feeding crews7. Conducted an EAP (Emergency Action Plan) drill incorporating COVID-19 considerations such as minimal personnel in office, telecommuting and social distancing |
|--|

Purpose of Santee Cooper action

Manage COVID-19

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Explain how these actions were prudent and consistent with good utility practice

<p>CIMT (Corporate Incident Management Team) conducts a weekly call to identify issues related to COVID-19 throughout the company and to provide updates on company guidelines. CIMT also updates published guidelines and coordinates mass communication to employees. All guidelines are developed under advisement of Safety and Occupational Health and review of information provided by SCEMD, DHEC, CDC, other utilities, local and state ordinances and other information.</p>
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Any changes from prior Review Period

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 10
Request: 1.10

Opened retail offices, stopped return to work from home pilot, added employees to Contact Tracing Team
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Provided by:

Name	Michelle VanAllen
Title	Manager Records Mgt/CIMT Incident Commander
Phone	(843)761-8000 x5340
Email	Michelle.vanallen@santecooper.com

Reference Documents

1.10 20200602 msvanall CIMT Meeting Minutes.doc
1.10 20200609 msvanall CIMT Meeting Minutes.doc
1.10 20200616 msvanall CIMT Meeting Minutes.doc
1.10 20200623 msvanall CIMT Meeting Minutes.doc
1.10 20200630 msvanall CIMT Meeting Minutes.doc
1.10 20200604 msvanall iNote - Increase in state COVID cases.pdf
1.10 20200616 msvanall iNote - Travel Guidelines.pdf
1.10 20200617 msvanall iNote - Return-to-office pilot suspended.pdf
1.10 20200618 msvanall iNote - Feeling sick Don't come to work.pdf

CIMT Committee Meeting Meeting Minutes

Meeting Date: 6/02/2020
Meeting Time: 2 PM
Meeting Location: Teleconference/Oak Room
Project/Task: 123904/Pandemic Response

Attendees- CIMT: ✓ Attended in person * Attended via conference phone

* Brian Holmes	✓	Michelle VanAllen		Marty Watson	*	Mollie Gore	*	Bryan Lewis
✓ David Kizer	*	Shane Clancy	*	Tami Barnette	✓	Clark Whetstone	*	Darby Gallagher
* Adam Taylor	*	Greg Turbeville		Brian Lynch	*	Byron Rodgers	*	Shanda Phillips
* Julie Jordan	*	Ricky Winter		Shea McMakin	*	Jason Fugate	*	Loraine Dennis

Other Attendees:

* Benjamin Miller	*	Rebecca Roser	*	Monique Washington	*	Mike Poston	*	Tommy Curtis
* Neil James	*	Nicole Aiello						

Discussion Items

Leader: Michelle **Recorder:** Benjamin

CIMT: SCEMD reporting 12,415 cases in SC and 500 deaths. Had 321 new cases Friday, 420 Saturday, 312 Sunday, 297 Monday and 285 today. The percent positive rate is trending up to 9.1%. Reminder to update employee status app or report to CIMT. If someone cannot work from home, they may be able to work somewhere else. Continue looking at hurricane plans and how they may be impacted by COVID-19. Also, if you need to rearrange employees or reconfigure your work area. Had a fourth employee test positive. We have noticed that a few employees have returned to work when not feeling well and we had to clean the areas/ monitor other employees in the area. Will be working on an iNote reminding employees not to come to work if feeling bad. HR & Standards Committee are addressing policy issues and concerns (about vacation time). Marty will be Incident Commander effective June 6th. If your area makes any changes to how you work, let us know. We are monitoring the use of saliva testing and contact tracing and are working on a plan.

Logistics: No updates.

HR: No available employees, no employees needed. Looking at our business continuity plan. No issue with bringing people back with space proximity. Willing to regroup and help other areas out if needed. Interested in feedback regarding the inability to use vacation. Trying to understand why people think they cannot use vacation.

OH: No new updates. Continuing to monitor current quarantine list of 17. Two will come off today. Can help other areas as needed. We would like to thank everyone for your support, and we appreciate it.

Supply Chain: No new updates. No available employees, no employees needed. Looking at our hurricane plan and how to man the warehouses. The offices are good, because they have high walls already.

Accounting: No available employees, no employees needed. We have extra space on our floor. Regarding hurricanes, we are creating training to remind employees how to document hurricanes and what documents are needed for FEMA.

Generation: No new updates. No available employees, no employees needed. We will be adjusting our hurricane plan to keep more employees on sight.

Technology Services: No new updates. No available employees, no employees needed. No concerns regarding hurricanes.

Corp Com: No new updates. No available employees, no employees needed. Looking at hurricane plan.

CIMT Committee Meeting Meeting Minutes

Meeting Date: 6/09/2020
Meeting Time: 2 PM
Meeting Location: Teleconference/Oak Room
Project/Task: 123904/Pandemic Response

Attendees- CIMT: ✓ Attended in person * Attended via conference phone

* Brian Holmes		Michelle VanAllen	* Marty Watson	* Mollie Gore	* Bryan Lewis
✓ David Kizer	* Shane Clancy		Tami Barnette	✓ Clark Whetstone	* Darby Gallagher
* Adam Taylor	* Gregg Turbeville	* Brian Lynch	* Byron Rodgers	* Shanda Phillips	
Julie Jordan	* Ricky Winter		Shea McMakin	* Jason Fugate	Loraine Dennis

Other Attendees:

* Benjamin Miller	* Jennifer Wadford	* Monique Washington	* Mike Poston	* Tommy Curtis
* Neil James	* Nicole Aiello	* Tracy Vreeland	* Jane Hood	* Pamela Williams

Discussion Items

Leader: Marty **Recorder:** Benjamin

CIMT: SCEMD reporting 14,800 cases in SC and 557 deaths. Had 542 new case yesterday and averaging about 379 new cases a day. The percent positive rate is trending up to 8.7%. Horry County has been declared a hotspot. Reminder to update employee status app or report to CIMT. People are dropping their guard. People need to pay attention to social distancing and washing hands. Employees should not get complacent. Recommend stopping the test pilot. Conference rooms and printer areas should have hand sanitizer and wipes. It is up to each area to supply these materials, not facilities. We will still have our weekly calls unless there is an uptick in cases at work.

Logistics: No updates.

HR: No updates

OH: No new updates. Our numbers are trending up. They are travel related. We have a potential positive case in Conway.

Supply Chain: No new updates. No problem with slowing down having employees come back.

Accounting: No updates. Will let Treasury know to go back to staggering their people. Hurricane- the p-card emergency action plan list was sent out Friday. Please review the list and send us any changes. Expenditure levels changes need to be approved by c-staff.

Generation: No new updates. Going back to teams and working from home.

Technology Services: No new updates. Still telecommuting.

Corp Com: No new updates. Have a draft iNote that can be sent out after the meeting reminding employees to remain vigilant and to work from home.

Water Plants: No updates. We are a pilot group. We are meeting tomorrow to discuss schedules.

Transportation: No updates. We are a pilot group. Going back to split shifts.

Law Enforcement: No updates. Concur with scaling back pilot program.

Transmission: Had an EAP drill on Monday. Wanted to see if we could man the storm centers while using social distancing. We are operating with minimal personnel in the office.

CIMT Committee Meeting Meeting Minutes

Meeting Date: 6/16/2020
Meeting Time: 2 PM
Meeting Location: Teleconference/Oak Room
Project/Task: 123904/Pandemic Response

Attendees- CIMT: ✓ Attended in person * Attended via conference phone

* Brian Holmes	* Michelle VanAllen	* Marty Watson	* Mollie Gore	Bryan Lewis
* David Kizer	* Shane Clancy	* Tami Barnette	* Clark Whetstone	* Darby Gallagher
* Adam Taylor	* Greg Turbeville	* Brian Lynch	* Byron Rodgers	Shanda Phillips
Julie Jordan	Ricky Winter	Shea McMakin	* Jason Fugate	* Loraine Dennis

Other Attendees:

* Adrienne Driggers	* Nicole Aiello	* Jennifer Wadford	* Mike Poston	* Tommy Curtis
* Vicky Budreau	* Tracey Vreeland	* Rebecca Roser	* Will Stevick	

Discussion Items

Leader: Marty **Recorder:** Adrienne

CIMT: iNote went out today regarding out of state travel. Make sure we are capturing employees traveling out of state only. Greg reported weekly averages from SCEMD; last seven-day average 654, a week ago 378. In a week SC went from 14,800 to 19,378 cases; doubling every 18 days. Horry County has been declared a hot spot with average cases doubling every 8.5 days. Deaths increased from 557 last week to 602. Yesterday there were 582 new cases and today 595, two days ago was highest reported with 809 cases. Percent positive is 13.6%. New total for SC 19,990.

Logistics: No new updates.

HR: Vacation/leave usage is being discussed, currently has not been an issue. Asking when these conversations come up to take notes for feedback. Marty noted that Suzanne Ritter is leading a team on 5 work streams.

OH: iNote went out for out of state travel. With numbers increasing in state make sure to follow social distancing guidelines, proper hygiene and wear facial coverings to try and mitigate spread. OSHA has temporarily suspended respirator fit testing. Email will be sent to supervision.

Supply Chain: No new updates.

Accounting: No new updates.

Generation: No new updates.

Technology Services: No new updates.

Corp Com: No new updates.

Facilities: No new updates.

Water Plants: No new updates.

Transportation: No new updates.

Law Enforcement: No new updates.

Transmission: Six employees potentially exposed that were working with a group of four from Century that have tested positive. These employees are isolated and being tested Wednesday and Friday.

CIMT Committee Meeting Meeting Minutes

Meeting Date: 6/23/2020
Meeting Time: 2 PM
Meeting Location: Teleconference/Oak Room
Project/Task: 123904/Pandemic Response

Attendees- CIMT: ✓ Attended in person * Attended via conference phone

*	Brian Holmes	*	Michelle VanAllen		Marty Watson	*	Mollie Gore	*	Bryan Lewis
*	David Kizer	*	Shane Clancy		Tami Barnette	*	Clark Whetstone	*	Darby Gallagher
*	Adam Taylor	*	Greg Turbeville	*	Brian Lynch	*	Byron Rodgers	*	Shanda Phillips
	Julie Jordan	*	Ricky Winter	*	Shea McMakin	*	Jason Fugate	*	Loraine Dennis

Other Attendees:

*	Benjamin Miller	*	Nicole Aiello	*	Jennifer Wadford	*	Monique Washington	*	Victor Williams
*	Neil James	*	Tracey Vreeland	*	Rebecca Roser	*	Jane Hood		

Discussion Items

Leader: Michelle **Recorder:** Benjamin

CIMT: SCEMD says 26,572 cases total, 890 new cases and 14 new deaths. Greg reported weekly averages from SCEMD; In a week SC went from 25,666 to 26,572 cases; doubling every 7 days. Horry County has been declared a hot spot. Percent positive is 14.5%. DEHEC ramping up testing. Goal of 140,000 tests a month for the summer and 165,000 tests for the fall. We have suspended the return to work pilot. We will be adding wellness test to several areas.

Logistics: No new updates.

HR: No updates

OH: Have 6 employees with positive cases. Expanding wellness checks to HG and the main complex. Working with Salt River Project on setting up potential testing.

Supply Chain: No new updates.

Accounting: No new updates. Had a phone call with FEMA on June 17th about the tornado event. This begins the 60 day period when we can add new claims if needed.

Generation: No new updates.

Technology Services: No new updates. Have several employees out. This might increase wait time for services.

Corp Com: No new updates.

Facilities: No new updates.

Water Plants: No new updates.

Transportation: No new updates.

Law Enforcement: No new updates.

Transmission: Six employees working with Century have negative tests and are back to work.

Retail: No new updates.

CIMT Committee Meeting Meeting Minutes

Meeting Date: 6/30/2020
Meeting Time: 2 PM
Meeting Location: Teleconference/Oak Room
Project/Task: 123904/Pandemic Response

Attendees- CIMT: ✓ Attended in person * Attended via conference phone

* Brian Holmes	* Michelle VanAllen	* Marty Watson	Mollie Gore	Bryan Lewis
* David Kizer	* Shane Clancy	* Tami Barnette	* Clark Whetstone	* Darby Gallagher
* Adam Taylor	* Greg Turbeville	* Brian Lynch	Byron Rodgers	* Shanda Phillips
Julie Jordan	* Ricky Winter	* Shea McMakin	* Jason Fugate	* Loraine Dennis

Other Attendees:

* Adrienne Driggers	* Nicole Aiello	* Jennifer Wadford	* Mike Poston	* Tommy Curtis
* Chris Wilson	* Tracey Vreeland	* Rebecca Roser	* Mark Bonsall	* Jane Hood
* Monique Washington	* Victor Williams	* Dom Maddalone		

Discussion Items

Leader: Marty **Recorder:** Adrienne

CIMT: Contact tracing team has been established with personnel (Troy Diel, Jennifer Redmond, Jill Marshall) that have been through the John Hopkins program. iNote will be coming out. Mike Poston and C-Staff are considering recommendations to increase wellness screenings and CIMT is working with Occupational Health to evaluate options for implementing routine testing. Jason Fugate said they will have a draft prepared tomorrow to give information on testing including types, cost, accuracy and turnaround timeframe. Greg Turbeville gave SCEMD updates; 36,237 positive cases in SC, 1741 new cases today which is also a new daily record, 19% positive. Reporting most cases done in a single day 9,160, 17 deaths today being second highest day reported, 735 total deaths in SC. Currently 1,032 hospitalizations with hospitals being at 69% capacity. Testing done in June 166,000. Weekly update 8,884 new cases, 58 deaths and 301 hospitalizations. US doubling every 35 days; SC every 16-17 days.

Logistics: No new updates.

HR: No new updates.

OH: Company wide 8 employee and 1 contractor have tested positive. Currently 68 employees on quarantine list, number has increased significantly. Continuing best practices and working to expand wellness testing.

Supply Chain: No new updates.

Accounting: No new updates.

Generation: No new updates.

Technology Services: No new updates.

Corp Com: No new updates.

Facilities: No new updates.

Water Plants: No new updates. Asked if their area will participate in wellness checks.

Transportation: No new updates. Setting up for wellness checks and adding signage to wear facial coverings to include vendors.

Date: June 4, 10:12 a.m.

iNote Subject: Increase in state COVID cases

Over the past week, the number of people in South Carolina testing positive for COVID-19 increased dramatically and the state had its biggest one-day death total. It is important to stay vigilant and continue to make smart and careful choices.

Santee Cooper remains in Phase 1 of our [plan](#) to gradually return to our new normal. Follow Phase 1 guidelines, including social distancing and adhering to maximum occupancy for meeting rooms and elevators. (See the Phased Working Conditions poster [here](#).)

Also, please continue to:

- Stay home if you are sick and avoid contact with others who may be sick.
- When you wash your hands with soap and water, wash for a minimum of 20 seconds. Use an alcohol-based hand rub instead of soap and water, unless your hands are visibly dirty.
- Avoid touching your nose, mouth and eyes.
- Cover coughs and sneezes with a tissue, or cough and sneeze into your upper sleeve. Dispose of tissues in no-touch trash receptacles.
- Always wash your hands or use hand sanitizer after coughing, sneezing or blowing your nose.
- Keep your office and frequently touched common surfaces (telephones, computer equipment, etc.) clean.
- Try not to use other workers' phones, desks, offices, or other work tools and equipment.
- Maintain a healthy lifestyle; attention to rest, diet, exercise and relaxation helps maintain physical and emotional health.

If you have questions, contact [CIMI](#) at ext. 6900.

Disclaimer:

Do not respond to this message. Any mail received will not be answered. **Please see the above message for the proper contact information.**

The purpose of this communication is to provide information to Santee Cooper employees. It is not intended to be forwarded outside of the company.

Date: June 16, 11:56 a.m.

iNote Subject: Travel Guidelines

We have amended our current travel guidelines to include out-of-state travel only. Please review these guidelines and reach out to [Occupational Health](#) if you have questions.

- Work-related travel continues to require C-Staff approval.
- Before traveling out of state, employees should fill out the [travel form](#) and send it to Occupational Health. In-state travel does not require you to contact Occupational Health. Employees who travel out of South Carolina (business or personal) could potentially be quarantined, isolated at work, subject to extra restrictions, etc.
- After traveling out of state, employees are required to contact Occupational Health at OHTravel@santecooper.com before returning to the office. Occupational Health will provide you with a return-to-work plan if your travels are considered high risk (example: a cruise to the Bahamas).

Remember to practice social distancing and wear facial coverings when in public/common areas and when visiting external customers or businesses. Occupational Health is keeping up with current guidance and can instruct employees in accordance the current guidance, provided by DHEC and CDC, in place when a traveling employee returns.

For travel questions, please contact OHTravel@santecooper.com.

Disclaimer:

Do not respond to this message. Any mail received will not be answered. **Please see the above message for the proper contact information.**

The purpose of this communication is to provide information to Santee Cooper employees. It is not intended to be forwarded outside of the company.

Date: June 10, 10:25 a.m.

iNote Subject: Return-to-office pilot suspended

South Carolina recently experienced its three highest days of new COVID-19 cases. In addition, Horry County set new records three days in a row and is considered a hot spot. With this in mind, we are suspending our return-to-office pilot program.

We encourage employees to telecommute if you can. If you cannot work from home, consult with your supervisor, stagger shifts when possible, practice social distancing, follow [guidelines](#) to help prevent the spread of the virus, and practice other modifications. If you are at a Santee Cooper facility, follow [Phase 1](#) guidance.

Also, remember to update your work status and location [here](#). (Find directions [here](#).) Change your status if/when your work location changes or if you've been working and are then no longer working, or vice versa.

For example:

- If you visit the office to pick up necessary work items daily and then work the rest of the day from home, choose work from home.
- If you are required to be at home and cannot work, choose not working at home.
- If you are alternating between days in the office and working from home, update your information as you change your work location.

After an employee signs in the first time, supervisors will be able to mark their employee's status and location if needed. This tool will allow CIMT and management to quickly and easily know how many employees are working in the office, at home, or not working. This will NOT be used for attendance or tracking individual work schedules.

If you or one of your employees are unable to sign in, email [CIMT](#) or call ext. 6900.

Disclaimer:

Do not respond to this message. Any mail received will not be answered. **Please see the above message for the proper contact information.**

The purpose of this communication is to provide information to Santee Cooper employees. It is not intended to be forwarded outside of the company.

Date: June 18, 12:53 p.m.

iNote Subject: Feeling sick? Don't come to work.

DO NOT come to work if you are not feeling well. If you come to work sick, you are also putting many of your co-workers in danger and your individual actions could threaten Santee Cooper's mission.

Stay home if you are sick or have any [symptoms](#) of COVID-19 and avoid contact with others who may be sick. If you're worried about leave, learn more about the [Families First Coronavirus Response Act](#).

Disclaimer:

Do not respond to this message. Any mail received will not be answered. **Please see the above message for the proper contact information.**

The purpose of this communication is to provide information to Santee Cooper employees. It is not intended to be forwarded outside of the company.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 10
Request: 1.10

Date of action

Various

Description of Santee Cooper action

1. Developed Coronavirus Mutual Aid Guidelines
2. Transmission and Distribution conducted our annual training and exercise on storm center communications and procedures. These are live drills where outages are simulated, tracked and sent to the crews. We did this with an eye on room capacity and the restrictions placed on having additional personnel in ECC. The drill was successful and we can perform our storm center duties with respect to COVID-19 if the need arises.

Purpose of Santee Cooper action

Manage COVID-19

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Explain how these actions were prudent and consistent with good utility practice

Our guideline is very similar to that of ElectriCities of NC and consistent with Florida Municipal Electric Association guidelines. Our Logistics section can support this as well.

Any changes from prior Review Period

Conducted exercise and published guidelines

Provided by:

Name	Adam Taylor
Title	SR Manager Trans Tech Ops/EAP Chair
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Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 10
Request: 1.10

Reference Documents

1.10 ataylor 20200618 Relay Storm Center response plan.docx 1.10 20200611 ataylor Santee Cooper EAP Coronavirus Mutual Assistance Guideline-ALT.docx

Santee Cooper COVID-19 Mutual Assistance Guideline

This guideline is designed to establish communication on how Santee Cooper conducts mutual assistance during the COVID-19 pandemic. Santee Cooper is committed to protecting the people working for them and to ensure energy operations and infrastructure are supported throughout an emergency. The items in this guideline can help facilitate mutual assistance efforts while protecting the health and safety of employees, customers, and communities.

Mutual Aid Work Practices

- Responding crews should follow their utility's requirements as it relates to travel and should complete a COVID-19 Visitor Questionnaire (Appendix A), before traveling to host utility. This questionnaire will be reviewed with the employee and a temperature check will be performed at reception.

Reception/On-Boarding

- Santee Cooper will provide full situational awareness of COVID-19 impact to responding crews and utilities upon initial contact, upon arrival, and follow up with regular updates.
- Santee Cooper will provide an estimate of how long they expect responding crews to be in their area upon mutual aid request.
- Santee Cooper will provide an on-boarding reception where each responding utility will be provided information including: safety procedures, work hours, work locations, energization policy, outage information, system information, system voltages, arc flash requirement, system maps, material pallets/material drops, lodging accommodations, and meal information.
- Santee Cooper will minimize person-to-person contact during on-boarding reception as much as possible.

Daily Work Practices

- Santee Cooper will provide medical representatives to provide daily temperature checks and monitor overall health for all workers in the Horry-Georgetown area. Temperature checks and health screenings for Transmission crews will be performed at reception only.
- Santee Cooper will provide hand sanitizer stations and wipes for all crews prior to entering facilities. The use of face shields is highly recommended.
- Santee Cooper will minimize movement of crews as much as possible between areas to limit exposure.
 - Santee Cooper will try to keep multiple crews from same utility intact to minimize exposure
- Santee Cooper will provide a qualified bird-dog to accompany responding crews as a point of contact and to assist where needed during the restoration process. This bird-dog will provide daily assignments and will designate a daily meeting location to begin work.

- The bird-dog will practice social distancing when interacting with the responding crew to minimize any cross-contamination between the host and responding utility.
- Santee Cooper will utilize in-house resources for material distribution, pole drops, etc. as much as possible to minimize clustering of crews at warehouse locations.
- Santee Cooper will use available technology/applications and pre-recorded videos for onboarding, daily safety and status updates. Transmission crews will be onboarded separately in an outdoor location if possible. If multiple crews are onboarded at the same location their briefings will be staggered to avoid cross-contamination.
- Santee Cooper will minimize mass gathering of crews at all times. If not possible, safeguards such as the practice of social distancing (minimum of six (6) feet) will be followed.

Meals, Lodging, and Laundry

- Santee Cooper will provide frequent cleaning of assembly areas, rest rooms, and portable facilities at service centers.

Lodging

- For lodging, our goal is to have one person per room, subject to availability. If enough rooms for this are not available, crews will be kept together.
- If condos are utilized, only one crew will be housed per unit.

Meals

- In a large-scale event, where normal food service is disrupted, US Foodservice is Santee Cooper's primary supplier. We have a prearranged meal plan and are guaranteed service on a designated schedule as we are deemed an essential service.
- In a smaller scale event, meals would be prepared by the Wampee Conference Center and designated local vendors for the Moncks Corner area.
- Boxed meals will be provided rather than buffet style meals. Santee Cooper will strive to provide a hot meal for breakfast and evening dinner. Lunch meals will be delivered to field if possible or sent out with the crew each morning if delivery is not possible.
- Meal locations will be dependent on lodging locations. If location has a cafeteria, pickup may be available for breakfast/evening dinner, if not, meal locations will be identified and communicated to the bird-dog.
- Meals should be picked up by as few individuals as possible for each crew and pickup times should be staggered to minimize contact between individual crews.

Laundry

- Responding crews should prepare enough clothing for a seven-day period.
- If a restoration event lasts longer than seven days, laundry services will be available.
- A pickup and delivery schedule will be communicated to each bird-dog, similar to the meal schedule.
- The same workers who deliver meals will be utilized to handle laundry to further minimize exposure to the restoration crews.

COVID-19 Safety Practices

General Guidance

- If you are sick or have any flu/virus-like symptoms (to include fever, dry cough, difficulty breathing or shortness of breath), report this immediately to your supervisor and consult your physician or provided medical representative.
- Cover your coughs and sneezes with a tissue, then immediately throw the tissue in the trash, or cough/sneeze into your elbow.
- Wash your hands often with soap and water for at least 20 seconds, especially after going to the bathroom; before eating; and after blowing your nose, coughing, or sneezing. If soap and water is not available use hand-sanitizer with a minimum of 63% alcohol.
- Avoid touching your eyes, nose, and mouth with unwashed hands.
- Regularly clean your phones and handheld devices as these are some of the dirtiest items we carry.
- Maintain social distancing whenever possible (minimum of six (6) feet distance from anyone coughing or sneezing). Limit shaking hands and touching others when possible.
- If you should develop flu/virus like symptoms while working, each worker as well as their crew will be isolated until medical representatives can advise on work status. Santee Cooper's medical representatives will have full authority to determine work status and next steps.

Protecting Your Workers

Upon initial on-boarding reception, the questionnaire will be reviewed with all responding workers and they must consent to a temperature check.

**Mutual Aid – COVID-19 Appendix A:
VISITOR QUESTIONNAIRE**

Revised 6/9/2020

The health and well-being of employees, strategic partners, families, and visitors remains Santee Cooper’s top priority. To prevent the spread of COVID-19 and reduce the potential risk of exposure to our workforce, contractors, and visitors, Santee Cooper is requesting that you fill out a simple screening questionnaire. The participation of the screening questionnaire is required for all mutual aid workers/contractors who are expected on site. This will be required prior to coming on site. **This questionnaire will be reviewed again and steps 9-11 will be completed at check in.**

Visitor’s Name:	Personal Phone Number (mobile/home):
Visitor’s Utility/Organization:	Name of Utility Sponsor:
Utility Address:	
SELF-DECLARATION BY VISITOR	
1	Have you or any member of your household recently had fever, cough, sore throat, shortness of breath or difficulty breathing? <input type="checkbox"/> Yes <input type="checkbox"/> No
2	Have you or any member of your household recently had chills or repeated shaking with chills, muscle pain or a headache? <input type="checkbox"/> Yes <input type="checkbox"/> No
3	Have you recently developed a loss of sensation to taste or smell? <input type="checkbox"/> Yes <input type="checkbox"/> No
4	Have you experienced any GI issues such as abdominal pain, vomiting or diarrhea? <input type="checkbox"/> Yes <input type="checkbox"/> No
5	Do you have signs or symptoms of conjunctivitis (pinkeye)? <input type="checkbox"/> Yes <input type="checkbox"/> No
6	Has a medical professional recommended you or any member of your household be tested for COVID-19? If yes, when? When do you expect test results to come back? <input type="checkbox"/> Yes <input type="checkbox"/> No _____

7	Have you or member of your household been to a hospital in the last 7 days? <input type="checkbox"/> Yes <input type="checkbox"/> No
8	Please indicate any travel within the last 14 days.
9	We need to check your temperature, are you okay with that? a. If they answer no, send them home. b. If they answer yes, check temperature. _____
10	Temperature that registered 100.4 or higher, entry is not permitted. DO NOT re-take this temperature. See page 3 for what to document on employees and non-employees.
11	If temperature is greater than 99.0 and have had symptoms in past week, entry is not permitted.

If the answer “yes” to any of questions 1-7 above, access to the facility and availability to work on system will be denied.

Signature (Visitor): _____ Date: _____

Relay Storm Center Response Plan

Disclaimer: Every storm is different, so these are general considerations for storm response, subject to change with conditions.

Each year and with each storm, there is a challenge for the operations groups to plan and prepare for hurricane season to provide a quick and effective response while maintaining the safety of the employees and public. This year, there are extra considerations in maintaining social distancing and other Covid-19 precautions.

The Relay Storm Center is made up the engineering staff of System Protection and Control – Studies and Applications (and Bridget Coffman and Debbie Schneider). This group provides a valuable component of Santee Cooper’s Transmission operations functions.... The analysis of system events (including fault locations and equipment operation assessments through waveforms) and the calculation and setting of relays in order to maintain the protection of the power system, which often require adjustments during extenuating conditions (such as switching or line outages).

This group has been an integral part of storm response for several years now. However, there are 2 concerns (one constant, one new) to the ongoing efficacy of this response. 1) the Operations Center building where the Relay Storm Center is located during a Hurricane is not rated above a Category 3 and 2) with the number of COVID-19 cases not yet decreasing in SC, precautions need to be considered to not expose this whole group to a possible carrier that would then debilitate the group from performing their storm and routine functions. Below are some general thoughts/ideas to be discussed for further vetting.

Level A – Minor or unexpected storm/tropical storm/tornadic event affecting the state

Storm Response Considerations

- Relay stands up “Virtual Storm Center”
- Personnel responds either from home or in office (in their own cubicles)
- If short time event, all personnel are on call simultaneously. If event will stretch into multiple shifts, shifts are arranged.
- When feasible, at least one person per shift may work from the office in order to facilitate coordination with other groups and ensure information/priorities are being communicated to/from relay personnel.

COVID Considerations

- People do not work in common areas (work in cubicle or remotely from home)
- If everyone is working simultaneously in office, designate set “teams” to work together on faults to avoid cross-contamination during discussions. People on teams (like crews or shifts) should try to be in close quarters only with others on their team.
- If someone needs to have an in-person discussion with or be in close proximity to someone from another team, they should wear a facemask.
- Personnel should be mindful of surfaces with which people from the other team may come into contact (like common tracking boards) and clean surfaces accordingly as needed.

Level B – Low level tropical depression/tropical storm/hurricane affecting the state but nothing major expected for Moncks Corner area/Berkeley County

Storm Response Considerations

- Relay stands up Relay Storm Center
- Personnel may decide to keep Storm Center around offices/cubicles instead of moving to shop area.
- Shifts should be established unless it is obvious this will be a very short time event (such as Level 1 hurricane moving fast and quickly brushing coast)
- If any employees live in areas where they may be unable to travel to/from the office (possible flooding, government restrictions, etc.), accommodations should be considered (such as rooms at a Moncks Corner hotel).

COVID Considerations

- Personnel going off shift clean common surfaces/door handles/pens for the wipe boards/etc. before new shift takes over (in-coming shift may choose to help depending on conditions).
- Consider working in cubicle area if it will be obviously safe (such as hurricane not passing over Moncks Corner). Otherwise use shop area.
- Maintain separation between shifts. If members of another shift arrive early or stay late, they should not stay in the common shop area with members of the present shift. If there are times (such as changeover discussions) where mingling occurs, the personnel not on the present shift should wear facemasks.
- It is acceptable for a person not on the present shift to help, but they need to either wear a facemask or work from a separate area of the shop (such as the storeroom or relay test lab area)
- Temperature checks should be done for people coming on shift.
- There will be an area designated on the floor in the storm center for visitors. If visitors go beyond that point into the room, they should wear a mask to protect the shift personnel.

Level C – Medium strength hurricane (Level 2-3) with a likelihood of that strength affecting Moncks Corner corporate offices

Storm Response Considerations

- Relay stands up Relay Storm Center in relay shop area
- Shifts are established (even if hurricane is moving fast, damage could be extensive requiring extended personnel response)
- Accommodations should be established for all storm center personnel.
- Consideration should be given to sending some personnel to respond from Level D alternate site (see Level D). Relay Storm Center personnel are used to working together remotely, so physical separation will not affect response. If the storm strengthens close to shore above a Category 3, personnel in the Operations Center will have to be moved to a more secure location, so it may be prudent to have fewer employees in Moncks Corner depending on the probability of strengthening.
- Keep at least one person per shift in Operations Center (or other secure location at Main Office complex) in order to facilitate coordination with other groups and ensure information/priorities are being communicated to/from relay personnel. There needs to be a location for these people to work securing if the storm gets more secure (preferably Energy Control Center to perform job functions - see Level D response).

COVID Considerations

- Personnel going off shift clean common surfaces/door handles/pens for wipe boards/keyboards/etc. before new shift takes over (in-coming shift may choose to help depending on conditions).
- Maintain separation between shifts. If members of another shift arrive early or stay late, they should not stay in the common shop area with members of the present shift. If there are times (such as changeover discussions) where mingling occurs, the personnel not on the present shift should wear facemasks.
- It is acceptable for a person not on the present shift to help, but they need to either wear a facemask or work from a separate area of the shop (such as the storeroom or relay test lab area)
- Temperature checks should be done for people coming on shift.
- There will be an area designated on the floor in the storm center for visitors. If visitors go beyond that point into the room, they should wear a mask to protect the shift personnel.

Level D – Major hurricane (Level 4-5) expected for Moncks Corner area/Berkeley County

Storm Response Considerations

- Operations Center is not safe. Personnel are most likely affected by evacuations.
- Shifts are established (even if hurricane is moving fast, damage will be extensive requiring extended personnel response)
- Personnel should be sent to alternate site. Two people - one person per shift - (or a representative with an understanding of what is needed) should be positioned in ECC in order to facilitate coordination with other groups and ensure information/priorities are being communicated to/from relay personnel.
- Accommodations should be established for all storm center personnel.

COVID Considerations

- Personnel going off shift clean common surfaces/door handles/wipeboards/keyboards/etc. before new shift takes over (in-coming shift may choose to help depending on conditions).
- Maintain separation between shifts. If members of another shift arrive early or stay late, they should not stay in the area with members of the present shift. If there are times (such as changeover discussions) where mingling occurs, the personnel not on the present shift should wear facemasks.
- If alternate site is a location with other Santee Cooper personnel, separation between relays personnel and others should be maintained (either with distancing or facemasks).
- Temperature checks should be done for people coming on shift.
- Relay personnel should be mindful of surfaces with which personnel from other groups may come into contact and clean surfaces accordingly as needed.
- It is acceptable for a person not on the present shift to help, but they need to either wear a facemask or work from a separate area.

Alternate Location – Inland

- Attached to the Santee Cooper Communications Network, with enough reliable service to maintain both voice and data connections.
- Set up with analog data lines so that storm center computers can dial substation relays and disturbance monitoring equipment. This will require both the lines themselves and the extensions being added to the security group list
- 2 to 3 stations will be needed at the alternate location per shift (with one person per shift stationed in Moncks Corner)
- At a minimum, relay personnel could bring their computers and equipment to the alternate site at the start of the storm, if TS personnel are available to help with any setup issues. If possible, some equipment (such as monitors) could be stored on site to alleviate some of the moving and setup burden, including possibly having a full setup on site of 2 workstations (instead of moving computers)
- Needs: analog lines for modems, hot network ports for computers, phone service and possible extra phone (should come along with network ports).

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 10
Request: 1.10

ATTESTATION: For the Review Period I, J. Michael Poston, attest that the answers provided above are full and accurate and that all steps taken by Santee Cooper to address the impact of the COVID-19 pandemic were prudent and consistent with good utility practice.

Signature of Officer:  _____

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 11
Request: 1.11

Please provide a detailed description of any and all actions taken by Santee Cooper during the Review Period related to freezing rates as provided in the settlement of Cook v. Santee Cooper, et al.

Response should include, but is not limited to:

- a. Date of action(s)
- b. Detailed description of Santee Cooper action(s)
- c. Status of action(s) – designate as “on-going” or “completed”
- d. Purpose of action(s)
- e. If applicable, identify and describe any and all changes from the prior Review Period
- f. Identify and provide the name, title and contact information (phone/e-mail) for individual responsible for the information contained in the response.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 11
Request: 1.11

Date of action

June 1 – 30, 2020

Description of Santee Cooper action

Rate Freeze Implementation Preparation

1. Held five internal meetings to discuss rate freeze implementation.
2. Presented to the Santee Cooper Board of Directors on rate freeze implementation.
3. Presented to Santee Cooper executive staff on rate freeze implementation.
4. Continued development of variance documents.

Purpose of Santee Cooper action

To Prepare Employees and Systems for the Cook Settlement Rate Freeze and Inform the Santee Cooper Board of Rate Freeze Preparations

Status of action:

<input checked="" type="checkbox"/>	On going
<input type="checkbox"/>	Completed

Any changes from prior Review Period

N/A

Provided by:

Name	Michael Smith
Title	Director, Budget & Pricing
Phone	843-761-8000
Email	mksmith@santeecooper.com

Reference Documents

1.11 msmith 20200622 Rate Freeze Implementation – Santee Cooper Board
1.11 msmith 20200608 Rate Freeze Implementation – C-Staff



Rate Freeze Implementation

Santee Cooper C-Staff

June 8, 2020

- Timing
- Definition of “Rate Freeze”
- Reporting of Variances
- Exceptions

Settlement Timeline



Implementation date is not defined in the Settlement Agreement, but based on Final Hearing date assume August 1

Settlement Notice Issued to Class

Fee Petition Due from Plaintiffs' Attorneys

Class Members' Deadline to Opt-out of Settlement

Deadline for Objections to Settlement

File Motion for Final Approval of Settlement

Hearing on Final Approval of Settlement Motion

Implement Rate Freeze

01 May

01 June

15 June

01 July

10 July

20 July

01 Aug

June 22 Board Meeting

Rate Freeze Definition



Rates for most of Santee Cooper's retail customers will be held to current levels from August, 2020 until the end of 2024, including *adjustment values*

Fuel Adjustment (FAC-17)

- Ensures that actual fuel costs are passed on to customers
- Composed of a base fuel price (.03641 cents/kwh) and an adjustment

Demand Sales Adjustment (DSA-17)

- Credits Firm and Interruptible Customers with demand revenue obtained from non-firm and off-system sales.
- Composed of base value and an adjustment

Economic Development Rider Adjustment (EDR-17)

- Credits Firm and Interruptible Customers with demand revenue obtained through sales associated with Economic Development.
- Composed of base value and an adjustment

Rate Freeze Definition



Adjustment values will be fixed to values presented in the Settlement Agreement

- Fixed values are memorialized in Exhibits B.1 and B.2
 - Generated from the Reform Plan Financial Forecast
- Only Rates prescribed in the Exhibits will be frozen
 - Marginal Industrial rates (EP, EP-O On-Peak) excluded
- Freeze will begin with August adjustments

Process - Freeze Implementation

Residential, Commercial, Lighting and Industrial



Adjustment values will be fixed, but methodology for applying them to customer rates will be consistent with current practice

Residential and Commercial Customers

- Bills rendered August 1 – 15 will be calculated using July fuel adjustment (three-month average) and actual DSC and EDR adjustments (monthly values)
- Bills rendered August 16, 2020 through December 31, 2024 will be calculated using Exhibit B.2 values

Industrial Customers

- Bills rendered August 1 will be calculated using July fuel adjustment (three-month average) and actual DSC and EDR adjustments (monthly values)
- Bills rendered September 1 through December 31, 2024 will be calculated using Exhibit B.2 values

Process - Freeze Implementation¹

Central



Again, adjustment values will be fixed, but methodology for applying them to rates will be consistent with current practice

In 2020 Only

- Bills rendered through August will be calculated using current projected rates
- Bills rendered September 2020 through December, 2024 will be calculated using Exhibit B.1 values
- Adjust-to-actual (A to A) will occur in early 2021 to adjust January through July

2021-2024

- Bills will be calculated using Exhibit B.1 values

¹Pending discussion with Central

Freeze Variance Reporting



Santee Cooper must show how revenue calculated with frozen rates compares with revenue had rates not been frozen:

- **Financial Management** – to show our relative revenue position as compared to the Reform Plan
- **Reporting to the Court** – we may be required show how actual rates compare to the Reform Plan

Report must also show the impact of load variance as compared to the Reform Plan

Freeze Variance Reporting Example



2020	January					
	Residential	Commercial	Lighting	Industrial Firm	Industrial Non-Firm	Total
Total Revenue Budget	\$18,444,610	\$12,283,444	\$1,122,982	\$7,572,610	\$10,072,821	\$49,496,467
<i>Load Variance</i>	\$ (2,972,019)	\$ 149,993	\$ (1,010,684)	\$ (338,827)	\$ (299,935)	\$ (4,471,473)
Total Fixed Revenue	\$15,472,591	\$12,433,437	\$112,298	\$7,233,783	\$9,772,886	\$45,024,995
Actual load * fixed rates						
<i>Fuel Adj</i>	\$ (134,837)	\$ (161,551)	\$ (386)	\$ (308,183)	\$ -	\$ (604,957)
<i>Demand Sales Adj</i>	\$ (11,296)	\$ (13,534)	\$ (32)	\$ (12,815)	\$ (7,228)	\$ (44,905)
<i>Economic Development Adj</i>	\$ 16,675	\$ 19,979	\$ 48	\$ 22,199	\$ 10,217	\$ 69,117
Revenue Delta	\$ (129,458)	\$ (155,106)	\$ (371)	\$ (298,799)	\$ 2,989	\$ (580,745)
Total Potential Revenue	\$15,602,049	\$12,588,543	\$112,668	\$7,532,582	\$9,769,897	\$45,605,740
Variance to Reform Plan	-15%	2%	-90%	-1%	-3%	-8%

¹Total Revenue Reform Plan” is revenue projected in FF2020_Reform, NOT Budget for any year other than 2020

Exceptions



The Settlement Agreement provides for several exceptions from which costs may be recovered after the freeze period

- Change in Law
- Named storm events, acts of God or the public enemy, flood, fire, strike, or catastrophic failure of equipment for reasons beyond Santee Cooper's control
- Significant cyber security or other security attacks outside Santee Cooper's control
- Changes in regulatory or governance requirements imposed by Act 95 process
- **Deviations in Central's actual load as compared to the Reform Plan assumptions if deviations exceed +/- 4%**
- Increases in costs attributable to Santee Cooper's being prevented from hedging fuel due to Act 95 restrictions, subject to certain limitations

Funds associated with exceptions will be assigned to a regulatory asset (which requires Board approval), and recovered after the freeze period via rate adjustment

Communications Plan is being developed jointly with Corp Comm

- Includes notices and reporting
 - Initial and ongoing communications with customers
 - May include Annual Report to the Court and Central (required by Settlement Agreement)

Customer notification will be made via several methods

- Residential and Commercial customers will receive notice via:
 - Bill insert
 - Email
- Central, Industrial and other customers will be contacted individually

Corporate website will have a Frequently Asked Questions (FAQ) page

Talking points to be distributed to all Santee Cooper employees

- Ensures uniformity of message

- Complete preparation of tools/systems to be used for variance reporting
- Finalize and Implement Communication Plan
 - Include Annual Reporting as required by Settlement Agreement?
- Communicate Implementation Plan to Board
 - Receive approval to freeze adjustments dictated by FAC-17, DSC-17, EDR-17 and Coordination Agreement
 - Review Exception Methodology
 - Adjust Plan if necessary
- Implement Freeze on August 1

Appendix

Settlement Terms



One of the primary components of the Cook Settlement reached earlier this year was a “freeze” of **select** customer rates through 2024

B. Non-Cash Settlement Consideration: Santee Cooper will provide a rate freeze for the benefit of Class Members consistent with the rates projected in the Reform Plan, beginning in 2020 upon approval of this Agreement and extending through the end of 2024 (the “Rate Freeze Period”). Specifically, with respect to Central, during the Rate Freeze Period, the rates and charges shall be as set forth on Schedule A attached hereto, and with respect to Santee Cooper’s retail customers, the rates and charges shall be as set forth on Schedule B attached hereto. Central’s bills to the Electric Cooperatives shall reflect the energy costs billed to Central in accordance with this Section.

2

Settlement Terms¹



- Global resolution of all claims that were or could have been asserted in *Cook and Glibowski*
- Resolution of *Luquire v. Marsh et al.* (Santee Cooper not a party but Dominion asserted a potential indemnification claim against Santee Cooper)
- Santee Cooper’s obligations (additional detail in agreement):
 - \$200 million cash payment in three annual installments of \$65 million, \$65 million and \$70 million (+ \$320 million from Dominion Energy)
 - **Rate freeze through 2024**
 - Settlement funds will not be used as basis for rate increase

¹Slide from presentation delivered at Special Board Meeting March 9, 2020

²Text from Settlement Agreement

Rate Freeze Components

Residential, Commercial, Lighting and Industrial



Rate Components

Fixed

Variable

Fixed O&M,
Debt Service,
CIF, etc

Demand Sales Credit

Economic Development Credit

Variable O&M,
Debt Service,
CIF, etc.

Fuel

Base Credit

Demand Sales
Adjustment
(Calculated
Annually)

Base Credit

Economic
Development
Adjustment
(Calculated
Annually)

Base Fuel

Fuel Cost
Adjustment
(Calculated Monthly)

- Components in ORANGE will be fixed at the same values for the entire rate freeze period
 - Normally only modified as a result of a rate adjustment
- Components in BLUE will be fixed at values set in the Settlement Agreement
 - Normally adjusted monthly

Rate Components

Fixed

Supplemental
Capacity Cost

Transmission
Service Cost

Supplemental
Energy-Related
Fixed Costs

Variable

Supplemental
Non-Fuel
Variable Cost

Monthly
Supplemental
Fuel Cost

- Components in BLUE are set annually and adjusted to actual at year-end
- Monthly Supplemental Fuel Cost (in DARK GREEN) is normally calculated and adjusted monthly
- All of these components will be fixed at values set in the Settlement Agreement

Exception Determination Process



- Accounting will inquire quarterly about potential exceptions
 - Inquiry will be directed to cross functional group; all with knowledge of one or more exceptions
- Exceptions will be presented to a cross functional team for review from a legal and business perspective
- Controller will make recommendation to C-Staff on each exception
- At each year end, Controller will request Board approval for all exceptions identified during the calendar year



Rate Freeze Implementation

Santee Cooper Board of Directors

June 22, 2020

Settlement Terms



One of the primary components of the Cook Settlement reached earlier this year was a “freeze” of **select** customer rates through 2024

B. Non-Cash Settlement Consideration: Santee Cooper will provide a rate freeze for the benefit of Class Members consistent with the rates projected in the Reform Plan, beginning in 2020 upon approval of this Agreement and extending through the end of 2024 (the “Rate Freeze Period”). Specifically, with respect to Central, during the Rate Freeze Period, the rates and charges shall be as set forth on Schedule A attached hereto, and with respect to Santee Cooper’s retail customers, the rates and charges shall be as set forth on Schedule B attached hereto. Central’s bills to the Electric Cooperatives shall reflect the energy costs billed to Central in accordance with this Section.

2

Settlement Terms¹



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- Resolution of *Luquire v. Marsh et al.* (Santee Cooper not a party but Dominion asserted a potential indemnification claim against Santee Cooper)
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 - Settlement funds will not be used as basis for rate increase

¹Slide from presentation delivered at Special Board Meeting March 9, 2020

²Text from Settlement Agreement

Settlement Timeline



Implementation date is not defined in the Settlement Agreement, but based on final hearing date proposed to be August 1

Settlement Notice Issued to Class

01 May

Fee Petition Due from Plaintiffs' Attorneys

01 June

Class Members' Deadline to Opt-out of Settlement

15 June

Deadline for Objections to Settlement

01 July

File Motion for Final Approval of Settlement

10 July

Hearing on Final Approval of Settlement Motion

20 July

Proposed Rate Freeze Implementation

01 Aug

Rate Freeze Definition



Rates for Santee Cooper’s customers will be held to prescribed¹ levels from August 2020 until the end of 2024; *adjustments for some customers will be “fixed” as well*

Adjustments to be fixed at Reform Plan levels are:

Fuel Adjustment (FAC-17)

- Ensures that actual fuel costs are passed on to customers
- Composed of a base fuel price (.03641 cents/kwh) and an adjustment

Demand Sales Adjustment (DSA-17)

- Credits Firm and Interruptible Customers with demand revenue obtained from non-firm and off-system sales.
- Composed of base value and an adjustment

Economic Development Rider Adjustment (EDR-17)

- Credits Firm and Interruptible Customers with demand revenue obtained through sales associated with Economic Development.
- Composed of base value and an adjustment

¹Rate components for direct serve customers and Central will be the same as those in Santee Cooper’s Act 95 Reform Plan and the Cook Settlement Agreement

Adjustment values will be the same as those contained in the Settlement Agreement

- Memorialized in Exhibits B.1 and B.2
 - Generated from the Reform Plan Financial Forecast
 - Fuel included as well
- Only rates prescribed in the Exhibits will be frozen
 - Santee Cooper
 - Residential and Commercial Rates, Industrial L, Interruptible and EP-O Off-Peak
 - Marginal Industrial rates (EP, EP-O On-Peak) excluded
 - All Central rate components will be frozen
- Freeze will begin with August adjustments
 - Adjustment values will be fixed, but methodology for applying them to customer rates will be consistent with current practice

Rate Freeze Limitations



The Rate Freeze does not impact all of Santee Cooper's customers

- Intent is for customers active at the time the Settlement Agreement was signed to have base rates held to those used in the Reform Plan through 2024
- Customers not designated in Exhibits B.1 and B.2 (whose rates also include some type of adjustment) will not have adjustment values fixed during the freeze period
 - Bamberg
 - Georgetown
 - Seneca
 - Waynesville
 - PMPA
 - AMEA
- Any other wholesale customers added to the Santee Cooper system would not be subject to the freeze as well

Freeze Variance Reporting



Internal reports have been developed for:

- **Financial Management** – to show our relative revenue position as compared to the Reform Plan
- **Compliance Reporting to the Court** – may be required to use variance reporting to show compliance with the Settlement Agreement to the Court and Central

Reports will also show the impact of load variance as compared to the Reform Plan

Exceptions



The Settlement Agreement provides for several exceptions from which costs may be recovered after the freeze period

- Change in Law
- Named storm events, acts of God or the public enemy, flood, fire, strike, or catastrophic failure of equipment for reasons beyond Santee Cooper's control
- Significant cyber security or other security attacks outside Santee Cooper's control
- Changes in regulatory or governance requirements imposed by Act 95 process
- **Deviations in Central's actual load as compared to the Reform Plan assumptions if deviations exceed +/- 4%**
- Increases in costs attributable to Santee Cooper's being prevented from hedging fuel due to Act 95 restrictions, subject to certain limitations

It is likely that funds associated with exceptions will be assigned to a regulatory asset and recovered after the freeze period via rate adjustment

Next Steps



- Discuss implementation with Central and finalize plan
- Complete preparation of tools/systems to be used for variance reporting
- Finalize and Implement Communication Plan
 - Include Annual Reporting as per Settlement Agreement
- July 20 Approval Hearing
- Special Board Meeting to approve implementation steps
 - Details being worked out; pending court approval
- Proposed Implementation on August 1

Appendix

Process - Freeze Implementation

Residential, Commercial, Lighting and Industrial



Adjustment values will be fixed, but methodology for applying them to customer rates will be consistent with current practice

Residential and Commercial Customers

- Bills rendered August 1 – 15 will be calculated using July fuel adjustment (three-month average) and actual DSC and EDR adjustments (monthly values)
- Bills rendered August 16, 2020 through December 31, 2024 will be calculated using Exhibit B.2 values

Industrial Customers

- Bills rendered August 1 will be calculated using July fuel adjustment (three-month average) and actual DSC and EDR adjustments (monthly values)
- Bills rendered September 1 through December 31, 2024 will be calculated using Exhibit B.2 values

Rate Freeze Components

Residential, Commercial, Lighting and Industrial



Rate Components

Fixed

Variable

Fixed O&M,
Debt Service,
CIF, etc

Demand Sales Credit

Economic Development Credit

Variable O&M,
Debt Service,
CIF, etc.

Fuel

Base Credit

Demand Sales
Adjustment
(Calculated
Annually)

Base Credit

Economic
Development
Adjustment
(Calculated
Annually)

Base Fuel

Fuel Cost
Adjustment
(Calculated Monthly)

- Components in ORANGE will be fixed at the same values for the entire rate freeze period
 - Normally only modified as a result of a rate adjustment
- Components in BLUE will be fixed at values set in the Settlement Agreement
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Rate Components

Fixed

Variable

Supplemental
Capacity Cost

Transmission
Service Cost

Supplemental
Energy-Related
Fixed Costs

Supplemental
Non-Fuel
Variable Cost

Monthly
Supplemental
Fuel Cost

- Components in BLUE are set annually and adjusted to actual at year-end
- Monthly Supplemental Fuel Cost (in DARK GREEN) is normally calculated and adjusted monthly
- All of these components will be fixed at values set in the Settlement Agreement

Communications Plan is being developed jointly with Corp Comm

- Includes notices and reporting
 - Initial and ongoing communications with customers
 - May include Annual Report to the Court and Central (required by Settlement Agreement)

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- Residential and Commercial customers will receive notice via:
 - Bill insert
 - Email
- Central, Industrial and other customers will be contacted individually

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Talking points to be distributed to all Santee Cooper employees

- Ensures uniformity of message

Exception Determination Process



- Accounting will inquire quarterly about potential exceptions
 - Inquiry will be directed to cross functional group; all with knowledge of one or more exceptions
- Exceptions will be presented to a cross functional team for review from a legal and business perspective
- Controller will make recommendation to C-Staff on each exception
- At each year end, Controller will request Board approval for all exceptions identified during the calendar year

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1-30, 2020
PARAGRAPH 11
Request: 1.11

ATTESTATION: For the Review Period I, Ken W. Lott, attest that Santee Cooper has not taken any action in contradiction of Act 135, Section 11(E)(11), which allows for the freezing of rates as provided in the settlement of Cook v. Santee Cooper, et al.

Signature of Officer:  _____

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1 – 30, 2020
OTHER REQUESTED INFORMATION
Request: 1.12

Request:

- a. Presentations given to the Board of Directors and any subcommittees
- b. Board of Directors Meeting Minutes
- c. EEMC Report
- d. Investor communications
- e. All releases to the media related to any of the actions undertaken by Santee Cooper related to Act 135 Section 11.

Response:

1.12a. See documents:

- 1.12a bgillian Public Session Board Materials
- 1.12a bgillian Executive Session Board Materials CONFIDENTIAL
The June Board of Director Meeting Materials from Executive Session are exempt from FOIA in their entirety pursuant to S.C. Code Ann. § 30-4-40(a)(1) & (a)(5). Therefore, a redacted version has not been provided.

1.12b. Meeting minutes from the Board of Directors meeting held on June 22, 2020 have not yet been published but will be provided in the month they are approved.

1.12c. See documents:

- 1.12c jwatson June EEMC Meeting Documents CONFIDENTIAL
- 1.12c jwatson June EEMC Meeting Appendix CONFIDENTIAL
The EEMC Meeting Documents and Appendix provided are exempt from FOIA in their entirety pursuant to S. C. Code Ann. §30-4-40(a)(1). Therefore a redacted version has not been provided.
- Note: June meeting minutes are not yet published but will be provided in the month they are approved.

1.12d. No communications to report for the period

1.12e. See documents:

- 1.12e 20200608 mgore Santee Cooper, Central begin process to add up to 500MW solar power
- 1.12e mgore 20200604 Powering Plaid Traditions the Green Way.docx

Audit Plan Status

June 2020

Engagements Completed

(December – June)

- External audit support
 - Reported during March meeting
 - Interim: control testing (Fall)
 - Final: substantive procedures (Jan-Feb)
 - IT General Controls
 - Review annual report
- Audits
 - 2019 Plan carry over audits
 - Follow ups
 - 2020 Plan

Corporate Support (December – June)

- Continued Act 95 support
- Participation on standing committees and cross functional teams

Challenges

- Audit plan completion
 - Staffing
 - Remote auditing

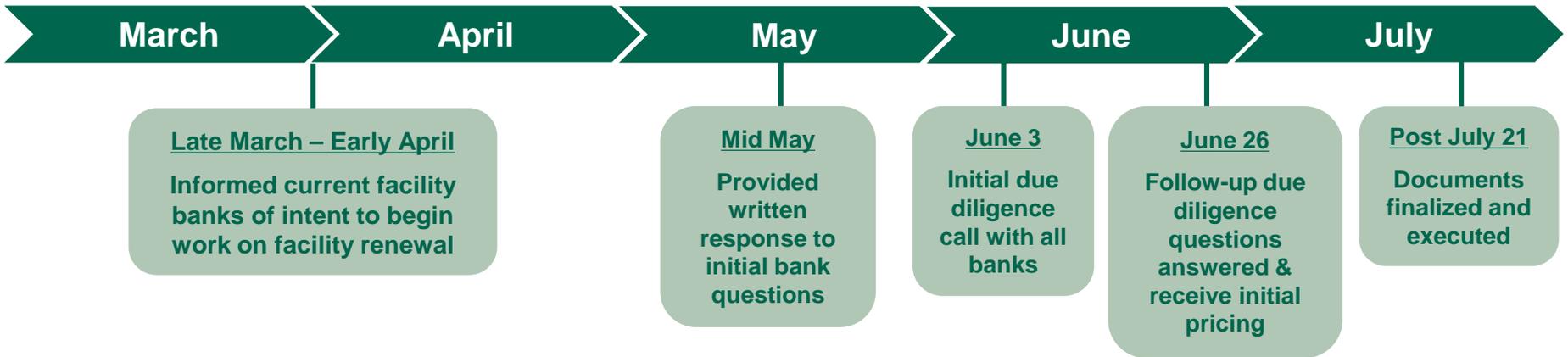
Bank Facilities

Presented to Santee Cooper
Board of Directors
June 22, 2020

Bank Facilities



Santee Cooper is working with all banks to ensure continued liquidity



Bank Facilities (\$ millions)		
Bank	Facility Amount	Expiration
Bank of America	200.0	9/18/2020
LOC Total	200.0	
J.P. Morgan Chase	250.0	8/7/2020
Barclays Bank	200.0	11/26/2020
TD Bank	200.0	6/30/2021
RCA Total	650.0	
Total	\$850.0	

- ### New Bank Facility Plan
- The facility tenor plans to be staggered at 1,2 and 3 year agreements
 - The proposed timing also allows entry of the final order approving settlement of the Cook litigation prior to execution of facility agreements
 - In addition, Bank of America provides a Letter of Credit for the 2019A Variable Rate Obligation Bonds which expires April 14, 2021, unless extended

Financial Update

Year-To-Date Sales (May 2020)



Degree Days

	Actual YTD	Budget YTD	Variance	Var %
Number of Degree Days	1,374	1,757	(383)	(22%)

GWH Sales

<u>GWH Sales</u>		Actual YTD	Budget YTD	Variance	Var %
Retail	↓	1,286	1,457	(171)	(12%)
Industrial	↓	1,629	2,001	(372)	(19%)
Sales for Resale	↓	5,414	6,015	(601)	(10%)
Total GWH Sales - YTD	↓	8,329	9,472	(1,144)	(12%)

(1) Retail sales includes CC&B system accrual for partial month based off of previous month's retail bills.

Energy Mix

<u>Energy Mix</u>		Actual YTD	Budget YTD	Variance
Coal	↓	29%	43%	(14%)
Natural Gas	↑	29%	24%	5%
Nuclear	↑	11%	9%	2%
Purch Pwr	↑	26%	22%	4%

Year-To-Date Finances (May 2020)



Operating Revenues & Expenses

Revenue

Revenue (Millions)		Actual YTD	Budget YTD	Variance	Var %
Retail ⁽¹⁾	↓	\$ 131	\$ 143	\$ (12)	(8%)
Industrial	↓	78	93	(15)	(17%)
Sales for Resale	↓	396	446	(50)	(11%)
Total Sales of Electricity - YTD	↓	\$ 605	\$ 682	\$ (77)	(11%)

Operating Expenses

Fuel & PP

		Actual YTD	Budget YTD	Variance	Var %
Fuel		\$ 147	\$ 195	\$ (49)	(25%)
Purchased Power		\$ 69	\$ 72	\$ (3)	(5%)
Total Fuel Cost	↓	\$ 216	\$ 268	\$ (52)	(19%)
c/kWh	↓	2.567	2.803	(0.236)	(8%)

Non-Fuel O&M

		Actual YTD	Budget YTD	Variance	Var %
Total Non-Fuel O&M	↓	\$ 162	\$ 189	\$ (27)	(14%)
c/kWh	↓	1.928	1.979	(0.051)	(3%)

LF2001 Comparison



LF2001 forecast is relatively conservative when compared to YTD actual sales

<u>2020 YTD Actual Information</u>	<u>LF2001 Load Forecast</u>
<p>2020 System Load through May is 10.5% below Reform Plan levels</p> <p>4.2% of this reduction is due to weather, which means that an estimated 6.3% is due to COVID-19 (primarily Industrial sales, down 18.6% YTD)</p>	<p>LF2001 projects 8.1% drop in 2020 system load from Reform Plan</p> <p>5.9% of that reduction is from Covid-19 and 2.2% is due to other impacts</p>
<p>Year-to-date sales impacts from COVID-19 are similar to LF2001 total year projections. Since weather adjusted actual sales (including Industrial) are generally expected to continue to improve throughout the rest of the year, we believe LF2001 conservatively estimates greater COVID-19 impacts in 2020 than expected actual impact</p>	

Projected Financial Impact (FY2020)



Current 2020 Financial Projections

Income Statement

Operating Revenue	1,597
Fuel and PP	(577)
Non-Fuel	<u>(443)</u>
Operating Margin	577
Retained Earnings (Before PTS)	144
Cash Balances- Operating Funds	264
Days Cash on Hand	152
Debt Service	456
Debt Svc Coverage	1.24

Manageable, But Need To Adapt To A Lower Load Forecast

- Monitor the impacts of COVID-19 regularly and closely
- Hold YTD favorable variances to maximum possible – Established a target of \$13.5 million in NFOM savings
- Reduce maintenance on Winyah 3 and 4 in anticipation of “idle” status over next two years; Commence Winyah staff redeployment
- Reexamine Cross Generating Station maintenance schedule
- Effectively manage fuel for 2020 and 2021 and reduce size of coal pile
- Implement MOUs with neighboring utilities
- Finalize Westinghouse agreement
- Move forward on items in Section 11, “rightsized” for load as appropriate
- Maintain lines of communications with rating agencies

Projected Financial Impact (FY2021)



2021 Financial Projections	
<u>Income Statement</u>	
Operating Revenue	1,692
Fuel and PP	(626)
Non-Fuel	<u>(462)</u>
Operating Margin	604
Retained Earnings (Before PTS)	260
Cash Balances- Operating Funds	220
Days Cash on Hand	129
Debt Service	453
Debt Svc Coverage	1.30



Customer Billing Cycle Update

Board of Directors Meeting

June 22, 2020

Collection/Disconnect Processes santee cooper®

- March 13th - Suspended Disconnections for Non-pay
- March 14th - Governor requested all utilities suspend disconnections as part of COVID-19 response
- March 17th - Retail Offices moved to Drive-Thru Only
- Developed a COVID-19 Customer Communications Plan to continually communicate with our customers about changes related to pandemic
- Developed a Payment Relief Strategy to offer options that include pay arrangements, budget billing, prepay and waiving late fees on a case by case basis

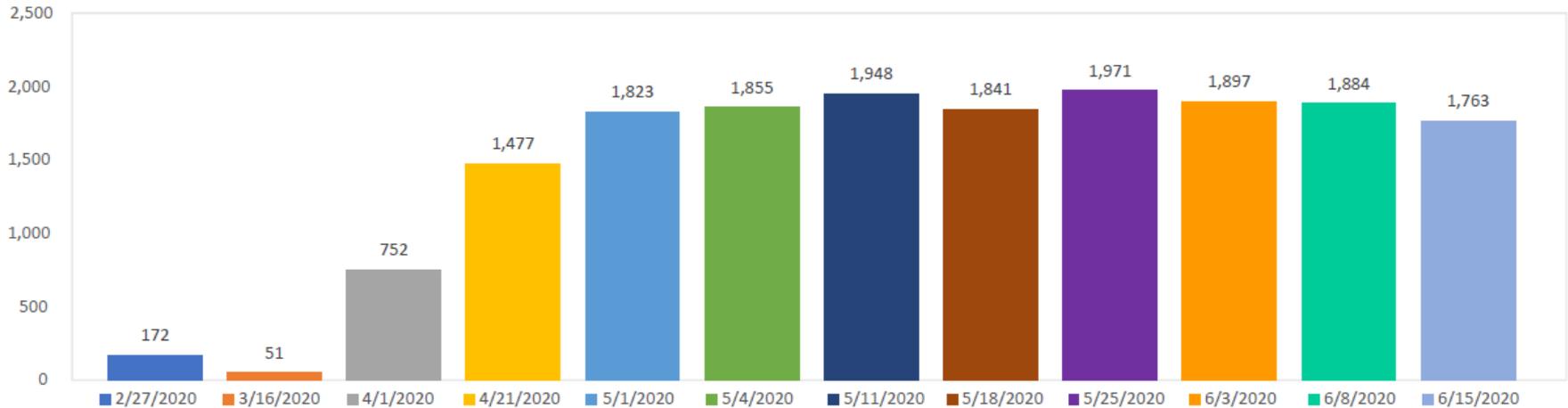
Collection/Disconnect Processes santee cooper®

- May 15th - The Governor rescinded his request regarding utility disconnections
- June 1st – opened retail office lobbies to customers
- Provided delinquent customers 38,132 emails and 20,171 calls with guidance to avoid disconnects and get help with bills
- June 15th – resumed disconnects while continuing to work with each customer and their current situation

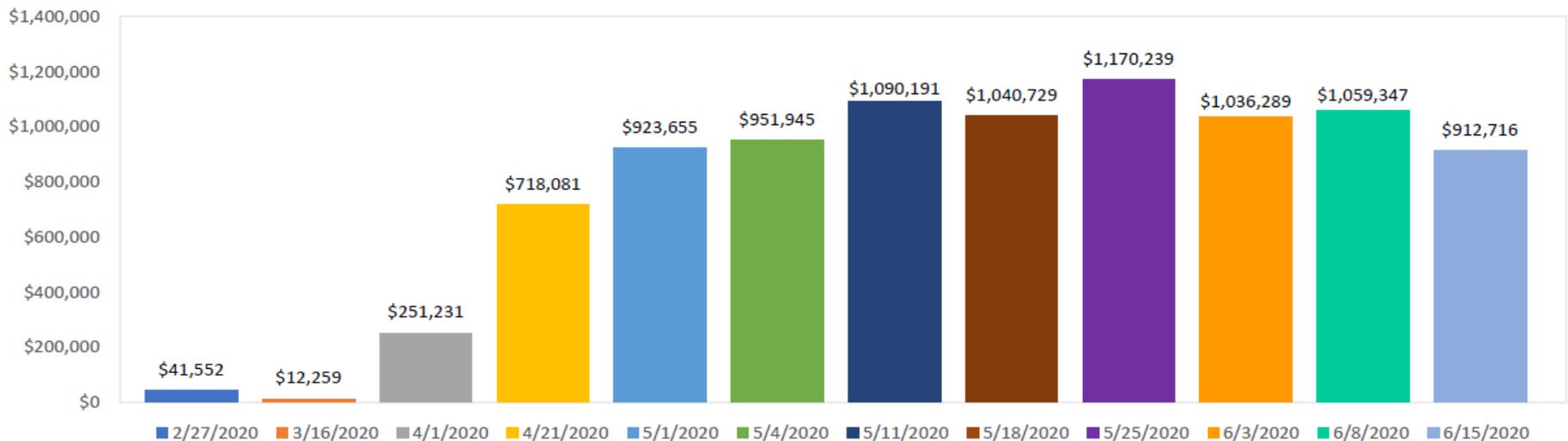
Customers in Severance Traditional



Severance – Customer Count



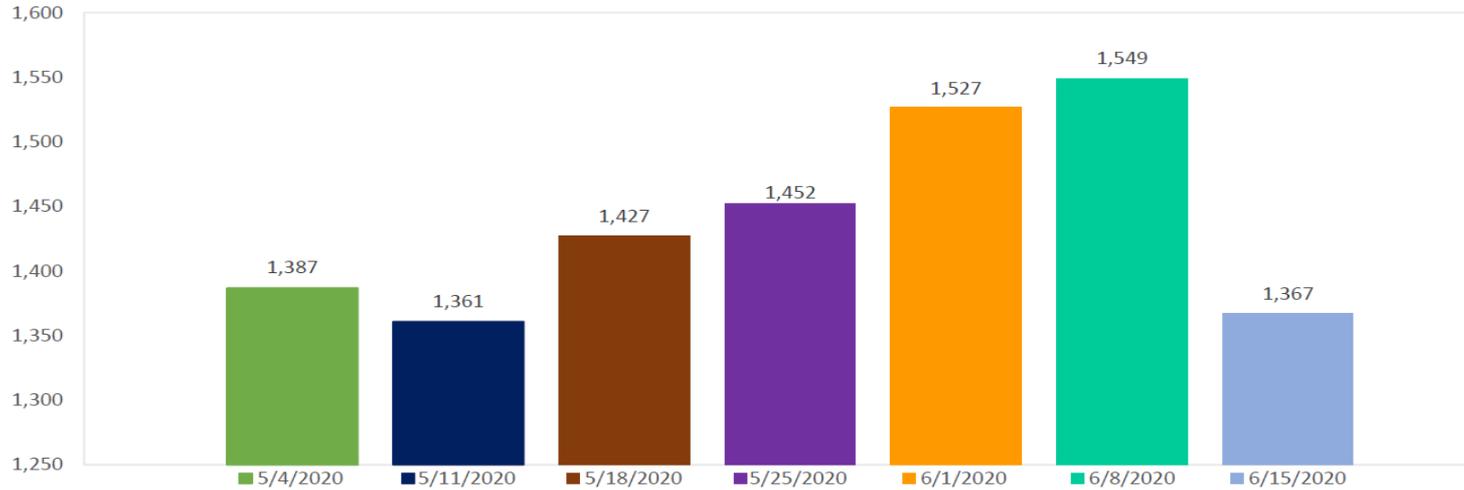
Severance – Dollars



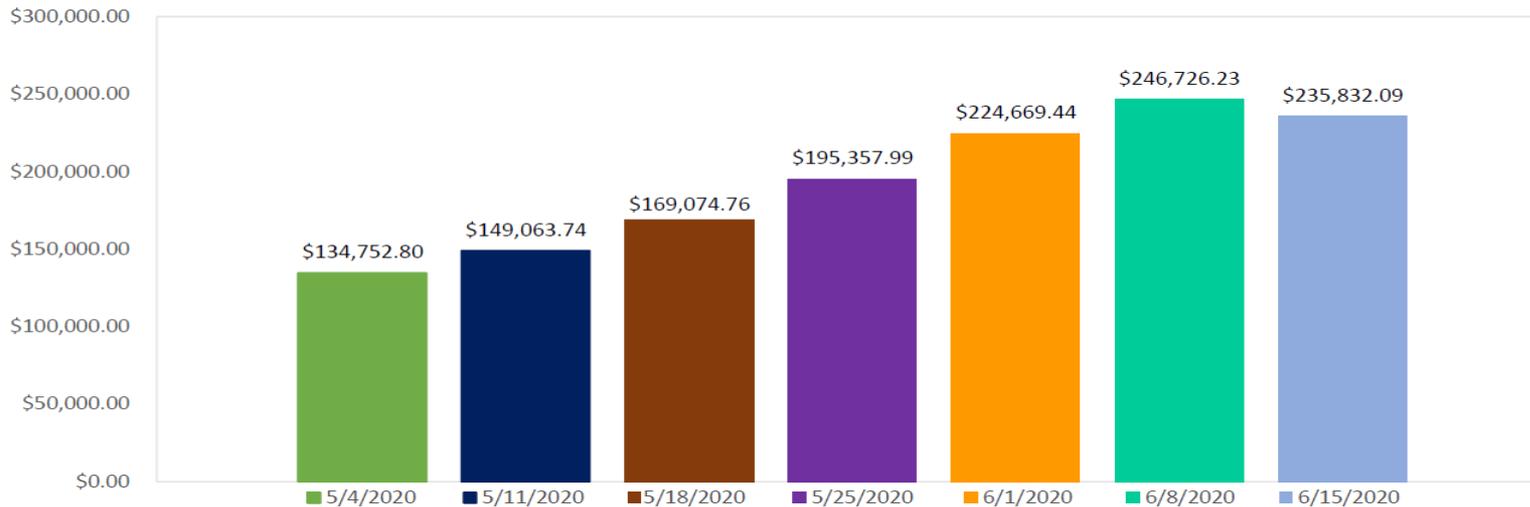
Customers in Severance PrePay



PrePay – Severance – Customer Count



PrePay – Severance – Dollars



Results to Date



- **1,371** Pay arrangements completed with traditional customers
- **1,362** Deferrals completed with PrePay accounts

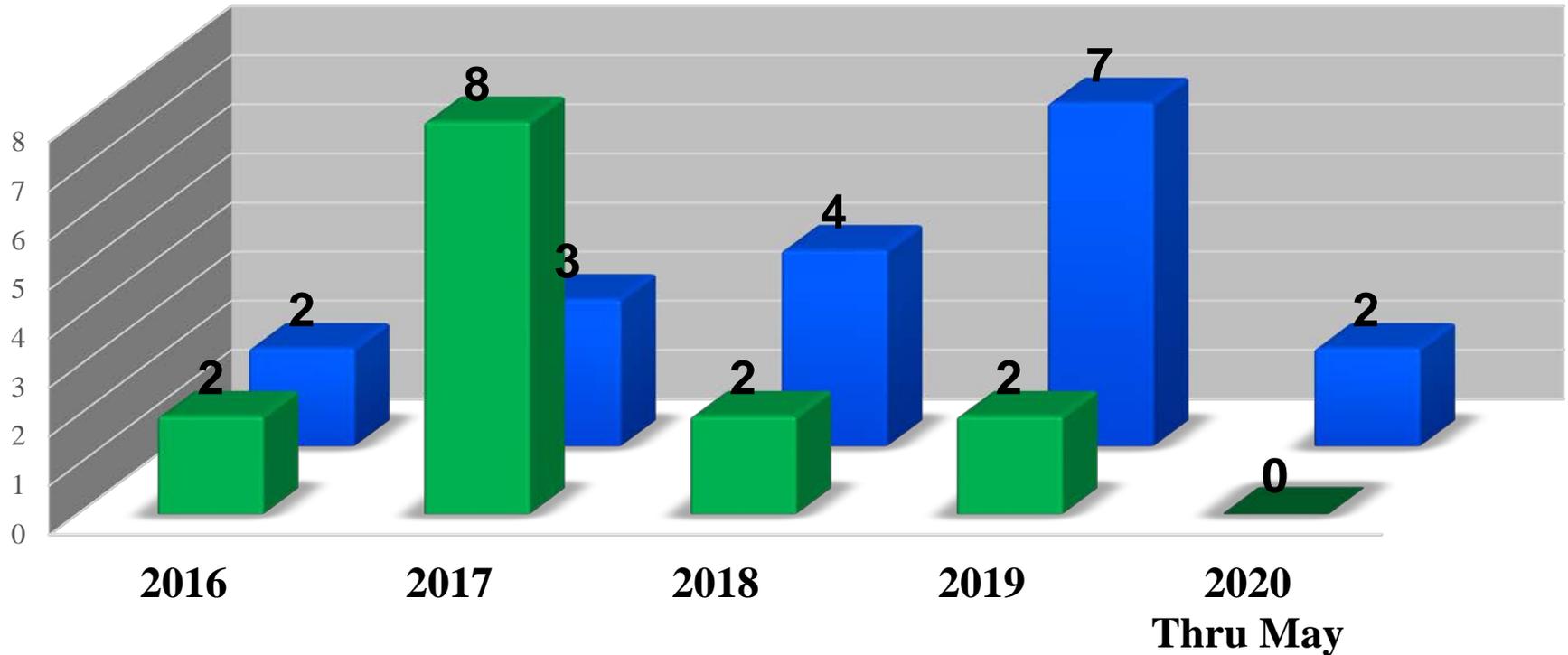
Questions?

2019 Transmission Report

Board Meeting

June 22, 2020

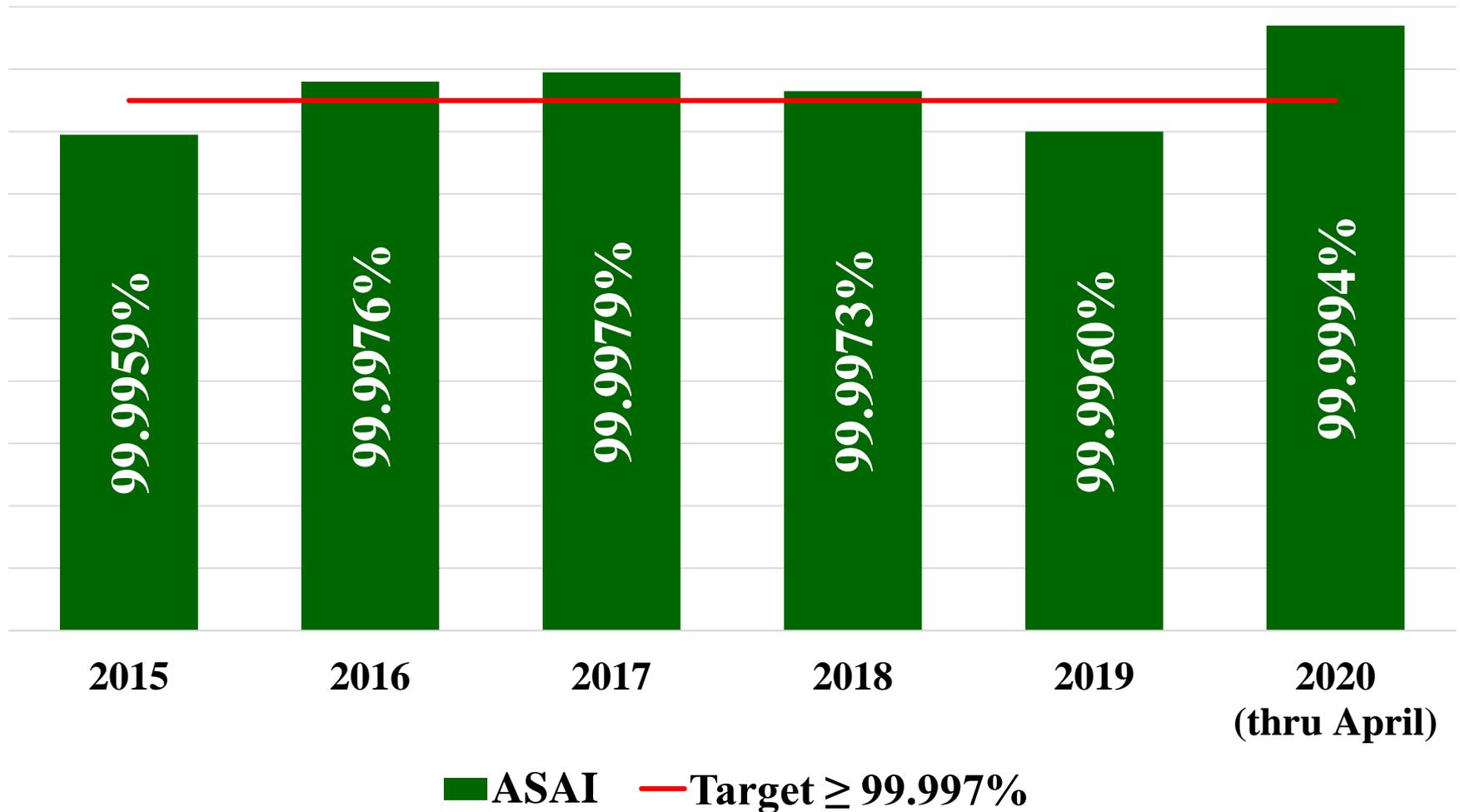
Safety



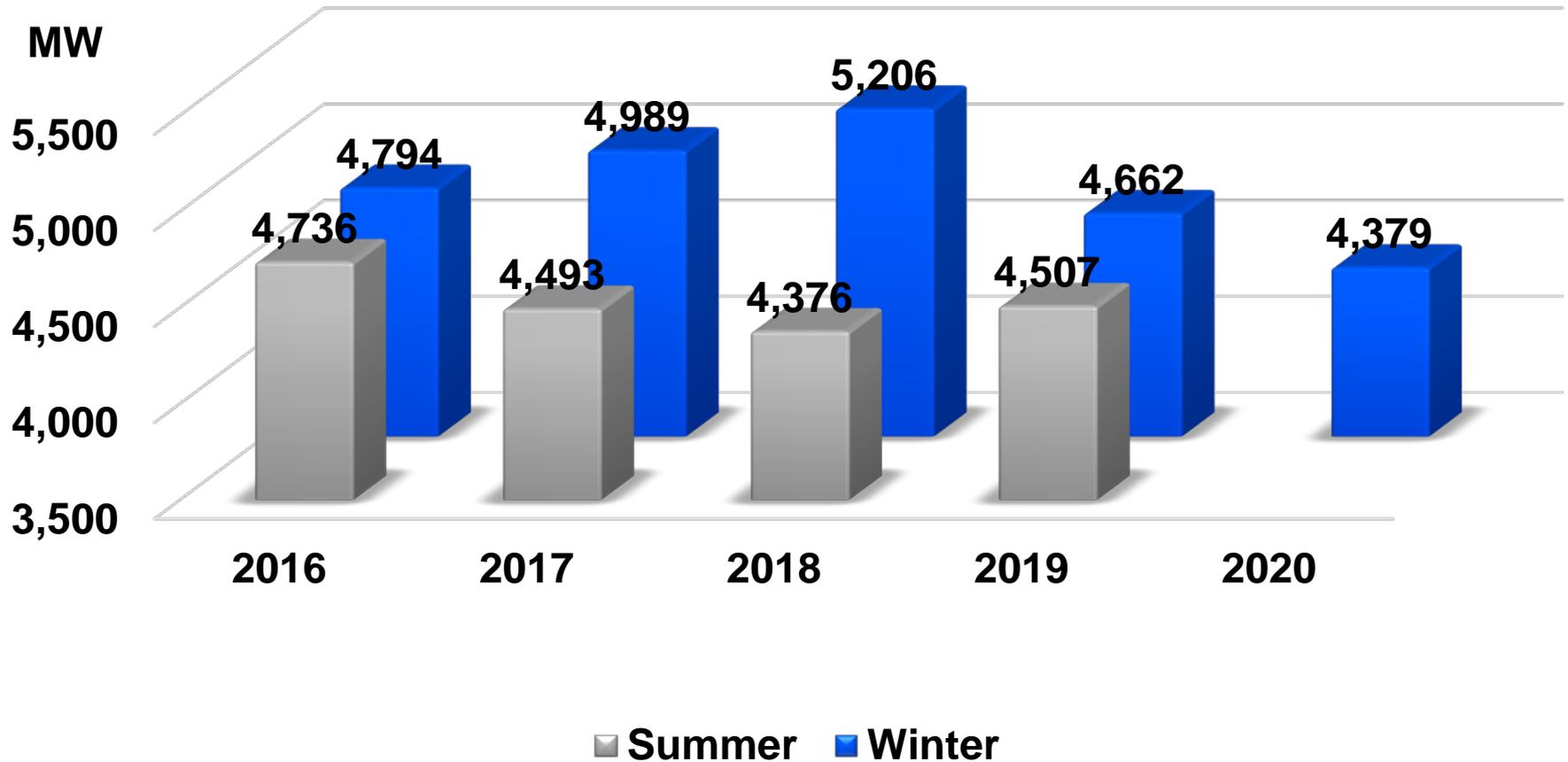
■ Preventable Motor Vehicle Accidents

■ Recordable Injuries

Reliability - ASAI



Territorial Load



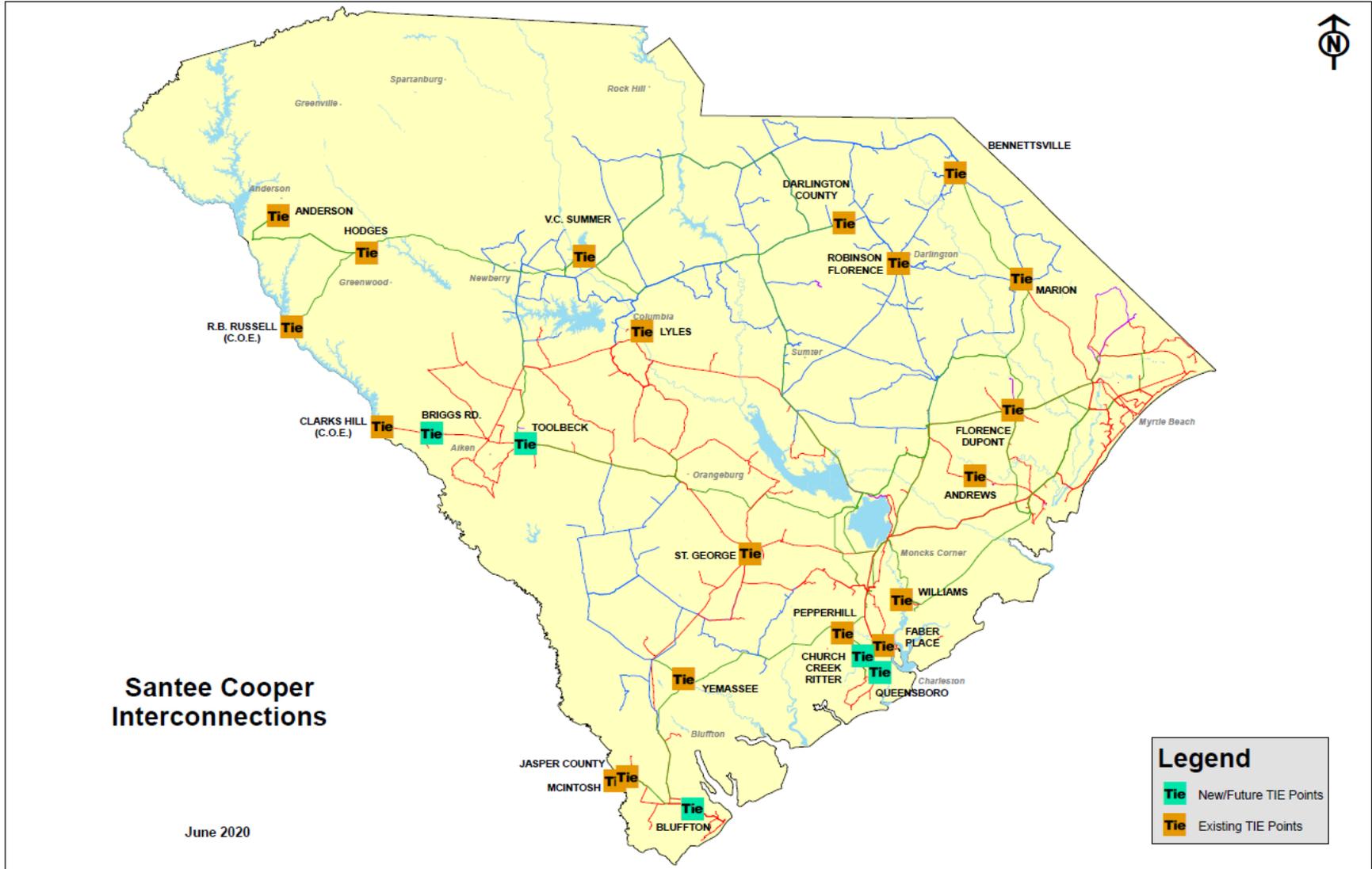
Customer Projects



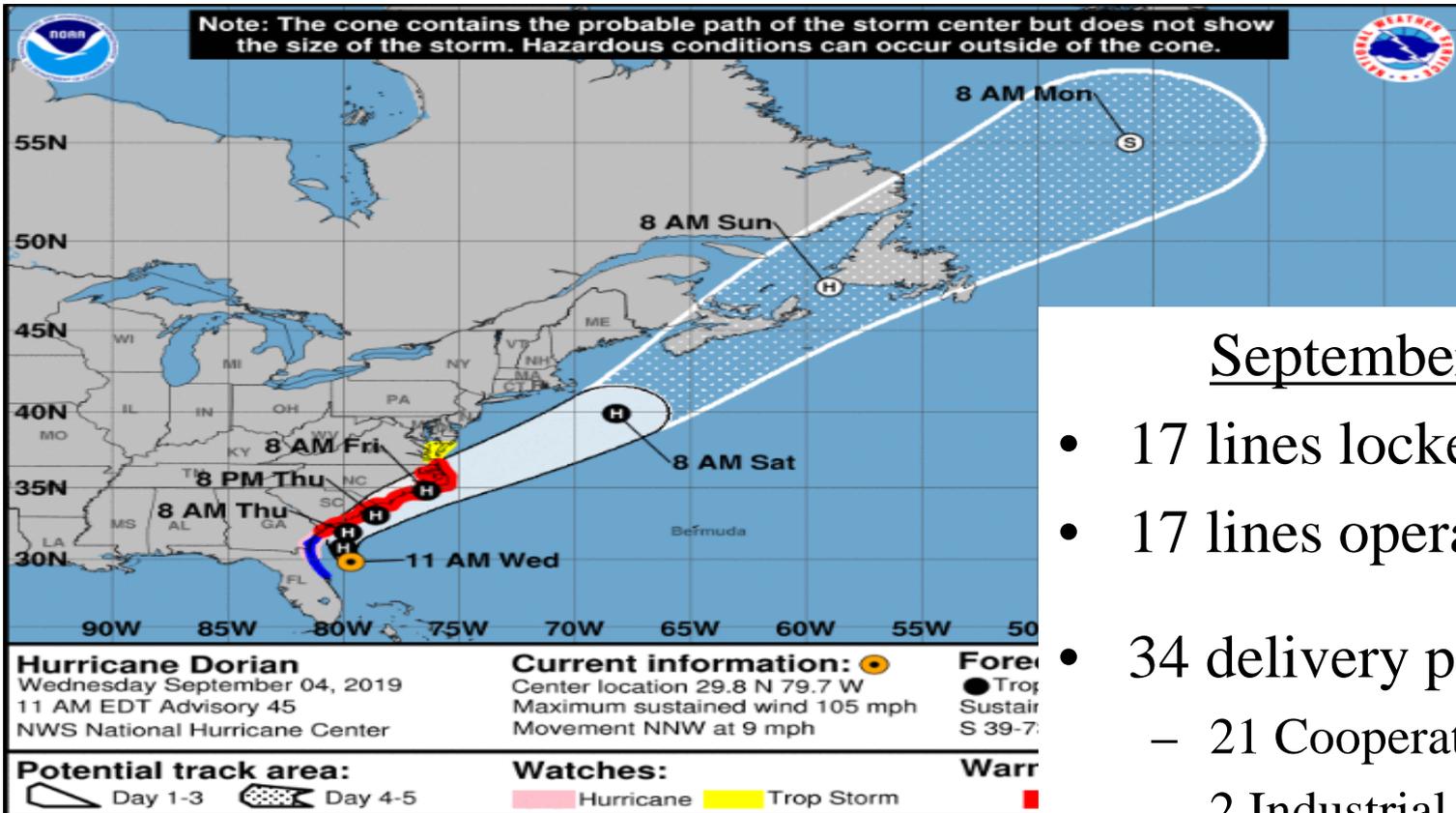
Delivery Point		Completion Date ¹
Green Sea	Horry	3/2019
Deerfield	Santee Cooper	10/2019
North Dam	Santee	2/2020
Watson's Riverside	Horry	6/2020
Nexton	Berkeley	7/2020
Dillon Industrial	Marlboro	7/2020
Baytree	Santee Cooper	9/2020
Islandton	Coastal	9/2020
RE Gandy	Pee Dee	10/2020
Cobblestone	Fairfield	11/2020
Sheep Island	Berkeley	11/2020
Hwy 905	Horry	12/2020
Clarendon County Industrial	Santee	4/2021

¹Completion Date reflects the date that transmission service was or is anticipated to be completed.

New Interconnections



Hurricane Dorian



September 5, 2019

- 17 lines locked out
- 17 lines operated
- 34 delivery points impacted
 - 21 Cooperative
 - 2 Industrial
 - 11 Santee Cooper
- Transmission service restored by end of the day

Questions?

Santee Cooper Legislative Update

June 2020

Sine Die Resolution



- S.1194 – adopted May 12, 2020
- 2019-2020 regular session adjourned May 14 with an extended session
- Extended Session Schedule
 - Subject to the call of President Peeler and Speaker Lucas
 - Two weeks – September 15-17 & September 22-24
- Extended Session Subject Matter
 - Appropriations Bills, conference reports and any legislation that passed either body prior to May 14
 - Gubernatorial appointments, vetos, and special elections
 - Special resolutions and local legislation
 - Legislation related to COVID-19 and revenue shortfalls
- President Peeler and Speaker Lucas have called the SC Senate and SC House into session to address COVID-19 funding for the week of June 22nd

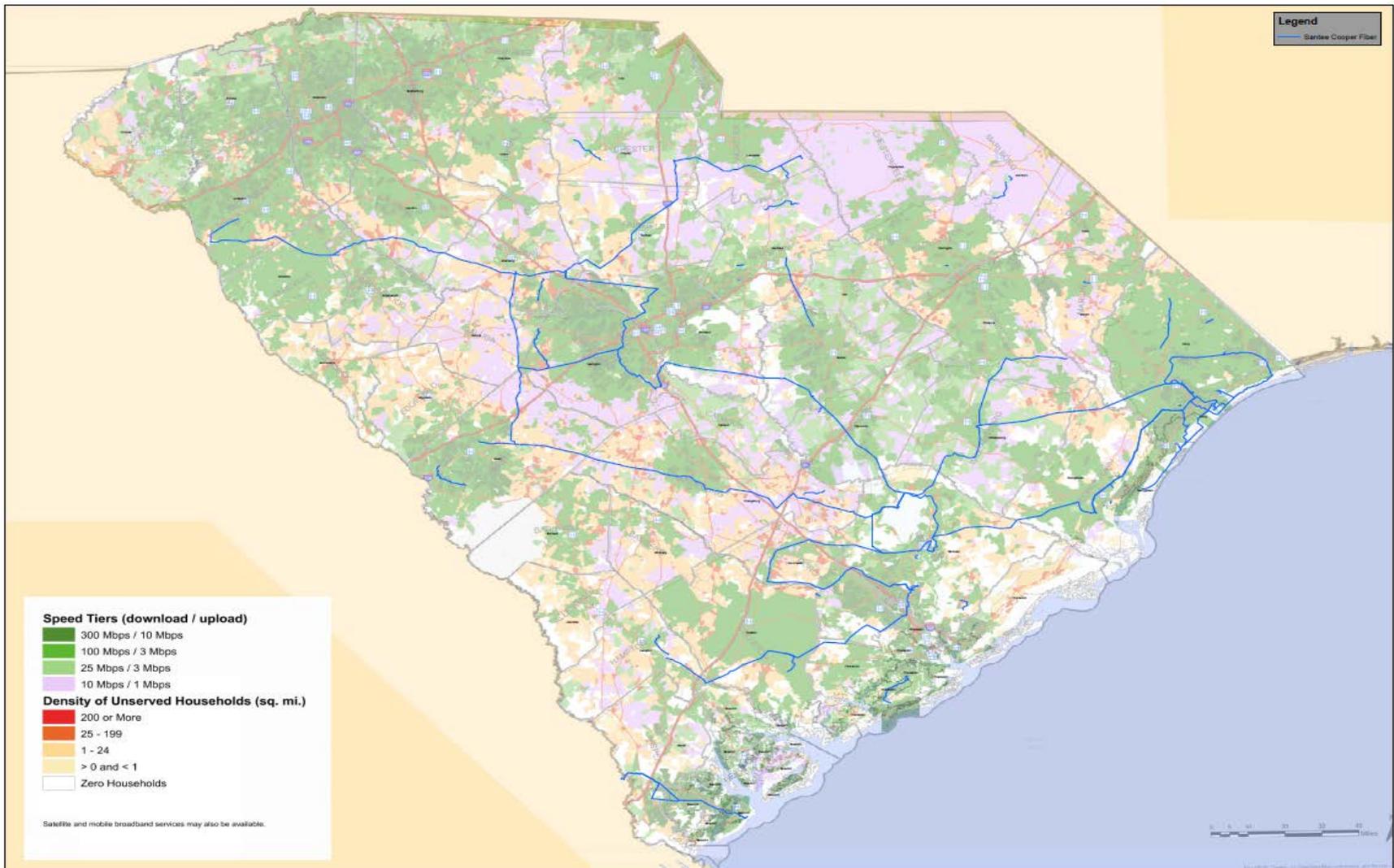
COVID-19 Response



- Governor’s “Accelerate SC”
 - Created on April 20, 2020
 - Identify issues created by COVID-19 and analyzing solutions
- SC General Assembly Committees Appointed
 - Senate Select Re-Open SC & House COVID-19
 - Created to transform the efforts of Accelerate SC into legislative action
- Focus areas
 - Policy - Healthcare & Protection, Education, Business & Employment, Broadband, and Liability
 - Funding
- Next Steps
 - June Session – H.5202
 - September Session

- State Goal
 - FCC-defined broadband available and affordable for all by 2025
- Next Steps – plan, fund infrastructure, and address policy obstacles
- DRAFT Statewide Broadband Plan - Broadband Coordinator
- Potential funding for infrastructure
 - CARES Act
 - FCC Rural Digital Opportunity Act
 - USDA
- Santee Cooper's Role - An Enabler

Santee Cooper Fiber



Election Update



- 3 seats open in Berkeley County due to retirement:
 - Sen. Matthews (D-Berkeley)
 - Sen. Campbell (R-Berkeley)
 - Rep. Mace (R-Berkeley)
- 6 retail service territory incumbents won primaries:
 - Sen. Sabb (D-Berkeley, Georgetown, Horry)
 - Sen. Williams (D-Horry)
 - Rep. Crawford (R-Horry)
 - Rep. Davis (R-Berkeley)
 - Rep. Hardee (R-Horry)
 - Rep. Clemmons (R-Horry)
- 1 retail service territory incumbent in a runoff – Sen. Rankin (R-Horry)
- 7 retail service territory incumbents with general election opposition
 - Sen. Sabb (D-Berkeley, Georgetown, Horry)
 - Sen. Goldfinch (R-Georgetown, Horry)
 - Sen. Grooms (R-Berkeley)
 - Sen. Bennett (R-Berkeley)
 - Rep. Moore (D-Berkeley)
 - Rep. McGinnis (R-Horry)
 - Rep. Matthews (D-Berkeley)

Act 135, Section 11

ORS Review Process

June 22, 2020

Section 11 Requirement



- Santee Cooper will be subject to monthly reviews by the Office of Regulatory Staff for actions taken under Subsection E.
- Within 30 days of this resolution ORS will provide to Santee Cooper a reasonable process for reviews.
- The provisions of this section shall remain in effect through the earlier of May 31, 2021 or until an Act of the General Assembly expressly supersedes this provision.

ORS Process



- ORS issues an RFI to Santee Cooper on the 17th of each month
- Santee Cooper responses due 14 days later
- First RFI will cover the reporting period from May 18 – 31
- Each subsequent reporting period covers a full calendar month
- ORS issues its report to the Oversight Committee \approx 30 days after Santee Cooper's response
- Example:
 - ORS issues RFI on July 17, 2020, for the June 2020 reporting period
 - Santee Cooper's response is due July 31, 2020
 - ORS issues its report on August 31
- Documents will be uploaded to a secure password protected portal

- Actions taken under Subsection E
- Board Presentations
- Board Meeting Minutes
- EEMC Report
- Investor Communications
- Releases to the media related to Subsection E actions
- Baseline information
 - Outstanding lawsuits and claims
 - Existing coal supply and transportation agreements
 - Short-Term and Long-Term Debt outstanding

Solar Power Procurement

June 22, 2020

Solar Energy is an important element for achieving lower rates consistent with the Cook settlement rate freeze and a greener portfolio

<u>Resource Transformation</u>	<u>Financial Transformation</u>
<ul style="list-style-type: none">• Winyah Retirement• Gas• Solar• Batteries	<ul style="list-style-type: none">• Stable Rates (Rate Freeze 2020-2024)• Debt Reduction

Solar Capability

- Current resource plan includes 1,000 MW of Solar in 2022-2024
 - Estimated annual savings: \$17m by 2024
- Continuing resolution, authorized Santee Cooper to procure up to 500 MW of solar power, working in coordination with Central
 - The current procurement positions us to achieve the initial tranche of solar in 2022-23 based on estimated lead time of 21-36 months

Central and Santee Cooper staff collaborated in the development of the RFP

October 2019

- Request for Information (RFI) process initiated¹
- Open to all developers: ~150 participants notified
- 50 requested the RFI and 27 responded

November 2019

- Reform Plan delivered
- RFI results validate assumptions related to solar energy pricing

May 18, 2020

- SC General Assembly passes continuing resolution and authorizes Santee Cooper to take steps necessary to procure up to 500 MW solar consistent with the Reform Plan (subject to Central's consent pursuant to CA)

June 5, 2020

- Santee Cooper sends the RFP to qualified parties¹
- Qualified parties include RFI participants and parties precluded from responding to RFI due to Act 95 conflict

1. nFront Consulting, on behalf of Santee Cooper, led the RFI process and evaluation and continues in that role during the RFP process.

RFP Summary and Schedule



Central will participate in the evaluation of RFP responses and, potentially, may also choose to become a counterparty to one or more PPAs

- Up to 500 MW PV Solar with initial delivery date by December 2023
 - Geographically diverse sites with preferred capability 25–125 MW per site
- Power Purchase Agreements (PPAs) ranging from 15-25 years (take-and-pay)

<u>Milestone</u>	<u>Due Date</u>
RFP Published	June 5
Standard PPA Form Published	June 19
Last Date for Respondents to submit questions	July 13
Responses Provided by Santee Cooper	July 20
RFP Submission (electronic)	July 30 (2 PM ET)
PPA Negotiation / Finalization (Expected)	Sep – Nov 2020

**Mark Bonsall &
Charlie Duckworth**

Review of Results

Mission: Transform Santee Cooper into a modern utility that lives up to its strong legacy and lead Santee Cooper through the Act 95 process and beyond.

Results By Goal:

- Complete & effectively communicate new business assumptions and business forecast
 - Within two months of arrival, produced a new Business Forecast with a leaner and greener generation mix that would retire Winyah, add 1,000 MW of solar power and other modern generation, and use savings to hold prices stable for at least five years.
 - This business forecast served as a new base case for the Department of Administration Act 95 process.

- Complete & effectively communicate new Santee Cooper Reform Plan
 - Within two more months, produced a Reform Plan that built on the business forecast, extending price stability another two years and paying off an average of \$1 billion in debt every five years. The Reform Plan increased solar to 1,500 MWs and prioritized flexibility and low risks with modular, incremental increases in generation.
 - Put a team together to fulfill the thousands of information requests and questions submitted by other bidders in the Act 95 process.

Review of Results



- Create and execute corporate structure to support new business priorities
 - Reorganized Santee Cooper to facilitate a reduced headcount, while building on customer focus, flexibility, and improved capabilities in innovation, resource planning and energy pricing.
 - Reduced size of management team (Director & above) while improving diversity.
 - Paid off \$365 million of debt and refinanced another \$163 million for savings.

- Other Accomplishments

- The Santee Cooper workforce has been energized and focused on a new brighter future.
- Settled the Cook lawsuit and related litigation, providing assurances of Santee Cooper's ability to continue to serve its customers and the State.
- Established new team who has begun the work of improving relationships with Central, our largest customer.
- Maintained strong focus on employee safety as Santee Cooper again received first place in the APPA Safety Award competition.
- Led Santee Cooper's response to the pandemic, prioritizing the mitigation of risk to employees and customers while preserving our ability to provide critical water and electricity.

- Other Accomplishments (Con't)
 - When the pandemic curtailed legislative discussion of Santee Cooper's future, worked with legislators to provide Santee Cooper the capabilities set forth in "Section 11."
 - Working with Central, issued an RFP last month for 500 MWs of new solar, jump-starting the power supply transformation outlined in the Reform Plan – within limits set by the General Assembly.
 - Entered into operating efficiency agreements with Southern and Dominion, beginning the process of identifying and executing cost savings for our customers.
 - Developed a 2020 strategic work plan to maintain focus on continuous improvement of the organization, meet the requirements of the Cook settlement and address the challenges created by the pandemic.

Contract Extension Terms



Mark Bonsall

- Contract End Date Extended from January 9, 2021 to July 9, 2021
- No Change in Compensation:
 - Annual Base Salary of \$1,100,000
 - Eligible to receive up to \$250,000 in additional compensation annually based upon performance metrics to be determined by the Board
 - Automobile Allowance and Annual Leave Benefits

Charlie Duckworth

- Contract End Date Extended from January 9, 2021 to July 9, 2021
- No Change in Compensation:
 - Annual Base Salary of \$560,000
 - Eligible to receive up to \$165,000 in additional compensation annually based upon performance metrics to be determined by the Board
 - Automobile Allowance and Annual Leave Benefits

Legal Update

Board of Directors Meeting
June 22, 2020

V.C. Summer 2 & 3 Class Actions



Cook

Glibowski

Turka

	<i>Cook</i>	<i>Glibowski</i>	<i>Turka</i>
Date Filed	August 22, 2017 (Central's Cross-Claims on February 28, 2018)	January 31, 2018	April 15, 2019
Court	South Carolina Court of Common Pleas, Greenville County	United States District Court, District of South Carolina, Beaufort Division	United States District Court, District of South Carolina, Charleston Division
Summary	Class action filed on behalf of individuals served directly or indirectly by Santee Cooper, arising out of decisions to construct and suspend V.C. Summer 2 & 3	Purported class action consisting of parties served directly or indirectly by Santee Cooper and arising out of decisions to construct and suspend V.C. Summer 2 & 3	Purported class action filed on behalf of Santee Cooper mini-bond purchasers alleging risks associated with V.C. Summer 2 & 3 were minimized
Claims	Declaratory judgment, breach of duties (against Board), breach of contract, unconstitutional taking, violation of due process, negligence, unjust enrichment, constructive trust, equity	Unconstitutional taking, violation of RICO, RICO conspiracy claims	Violations of Section 10(b), Rule 10b-5, and 20(a) of the Exchange Act
Status	Settled at mediation in February and preliminarily approved by Court on March 17	Resolved at mediation in February as part of <i>Cook</i> settlement	Pending (discovery phase)
Upcoming	<ul style="list-style-type: none"> • <u>Deadline to Object</u>: July 1 • <u>Deadline for Pls to File Motion for Final Approval</u>: July 10 • <u>Final Approval Hearing</u>: July 20 	Consent motion to dismiss with prejudice will be filed if <i>Cook</i> settlement is approved	<ul style="list-style-type: none"> • <u>Complete Discovery</u>: October 19 • <u>Trial</u>: on or after February 21, 2021

Other Legal Matters Related to V. C. Summer Units 2 & 3

Westinghouse v. Santee Cooper

- **Date Filed:** April 15, 2019
- **Court:** United States Bankruptcy Court for the Southern District of New York
- **Summary:** Adversary proceeding filed in the United States Bankruptcy Court for the Southern District of New York; WEC claims ownership of certain equipment located at the V.C. Summer Site. Santee Cooper filed counterclaims to declare it the rightful owner.
- **Status:** The parties agreed to settle this matter at mediation and are working to finalize an agreement. A status conference is scheduled for June 25, 2020.

Santee Cooper v. Westinghouse et al.

- **Date Filed:** May 14, 2019
- **Court:** United States District Court for the District of South Carolina, Charleston Division
- **Summary:** Quiet title and declaratory judgment action filed against WEC, Brookfield Business Partners, and all other unknown persons who may claim an interest in VCS 2&3 equipment
- **Status:** Complete. Santee Cooper dismissed WEC without prejudice due to the similar matter pending in SDNY Bankruptcy Court; Brookfield Business Partners was dismissed after stipulating it had no interest in the equipment; the remaining defendants were in default and a judgment against them was entered on March 11, 2020.

2020 Strategic Workflows

**President's Report to
Santee Cooper Board of Directors
June 22, 2020**

- **2020 Workflows have been developed to insure that we meet the requirements of the Cook Settlement and recent legislation while adapting to on-going and changing conditions under the pandemic.**

Development of Workflows



Identified 35 workflows that fall into five strategic areas of focus

– Corporate Competitiveness

- Produce updated power supply roadmap in coordination w/Central
- Revise 2020 Budget & Develop 2021-2023 Budget/Financial Plan

– High Performing Workforce

- Formally establish and effectively manage a workforce transition plan for Winyah Generating Station
- Reestablish a formal Succession Planning process

– Customer Value

- Develop and manage an improved Central Member Outreach & Communication Program
- Establish/Implement AMI Program

– Institutional Advancement

- Establish ORS Interface and effectively manage compliance
- Define and develop an innovation pipeline

– Pandemic Management

- Establish “Return to Workplace” phases and develop metrics that initiate each phase
- Develop and utilize scenario planning to manage potential risk associated with changes associated with pandemic

Workflow Implementation & Management



- C-Staff Sponsors have been identified for each strategic category
- Teams have been established for each defined work plan
- Teams have initially been asked to:
 - Develop a statement of work / Objectives
 - Define specific deliverables
 - Establish a timeline, including key milestones and reporting results
- Program Managers working with teams to monitor progress and report regularly to C-Staff
- Necessary modifications of workflows will be monitored to address changing conditions

City of Goose Creek and Century Aluminium Litigation

City of Goose Creek v. Santee Cooper

- **Date Filed:** April 13, 2020
- **Court:** South Carolina Supreme Court
- **Summary:** Goose Creek filed a petition asking the Supreme Court to exercise its original jurisdiction to consider a case originally filed in the Court of Common Pleas (Berkeley County); Goose Creek seeks a declaration it has the right and authority to provide electric service to Century Aluminium's Mt. Holly Plant. In response, Santee Cooper explained it has a statutory right and obligation to serve Mt. Holly and cited authority for the same.
- **Status:**
 - Briefing is complete. The Court can decide to exercise its original jurisdiction and hear the case (by granting Goose Creek's Petition) or refuse to hear it (by denying the Petition).
 - Several non-parties filed amicus briefs encouraging the Court to exercise its original jurisdiction.
 - On April 30, 2020, Santee Cooper filed a Motion to Stay the Court of Common Pleas case pending a decision on the by the South Carolina Supreme Court on Goose Creek's Petition for Original Jurisdiction. A hearing on the Motion to Stay is scheduled for June 22.

City of Goose Creek v. Santee Cooper

- **Dates Filed:** March 16, March 30, and April 23, 2020
- **Governing Agency:** Federal Energy Regulatory Commission
- **Summary:** Goose Creek a complaint and two applications; the complaint asks FERC to issue a mandatory wheeling order requiring Santee Cooper allow Goose Creek to tie-in to transmission service so it may serve Mt. Holly; the applications are related
- **Status:** Santee Cooper filed a Motion to Dismiss Goose Creek's complaint and responded to the applications; projected date of initial order of FERC in all matters is July 31

Century Aluminium v. Santee Cooper

- **Date Filed:** April 27, 2020
- **Court:** South Carolina Court of Common Pleas, Berkeley County
- **Summary:** Century asserts claims for unconstitutional taking, declaratory judgment, violation of due process, breach of Directors' statutory duties, tortious interference with prospective contract, violation of the Unfair Trade Practices Act, and injunctive relief.
- **Status:** Santee Cooper's response to the complaint is due on June 29, 2020.

Other Legal Matters

Hearn v. Santee Cooper

- **Date Filed:** August 16, 2017
- **Court:** South Carolina Court of Common Pleas, Horry County
- **Summary:** A purported ratepayer class action arising out of Santee Cooper's decisions to construct and cancel Pee Dee, a planned coal-fired generation plant in Florence County
- **Status:** Santee Cooper filed its answer on April 19, 2019 and discovery (including depositions) is ongoing

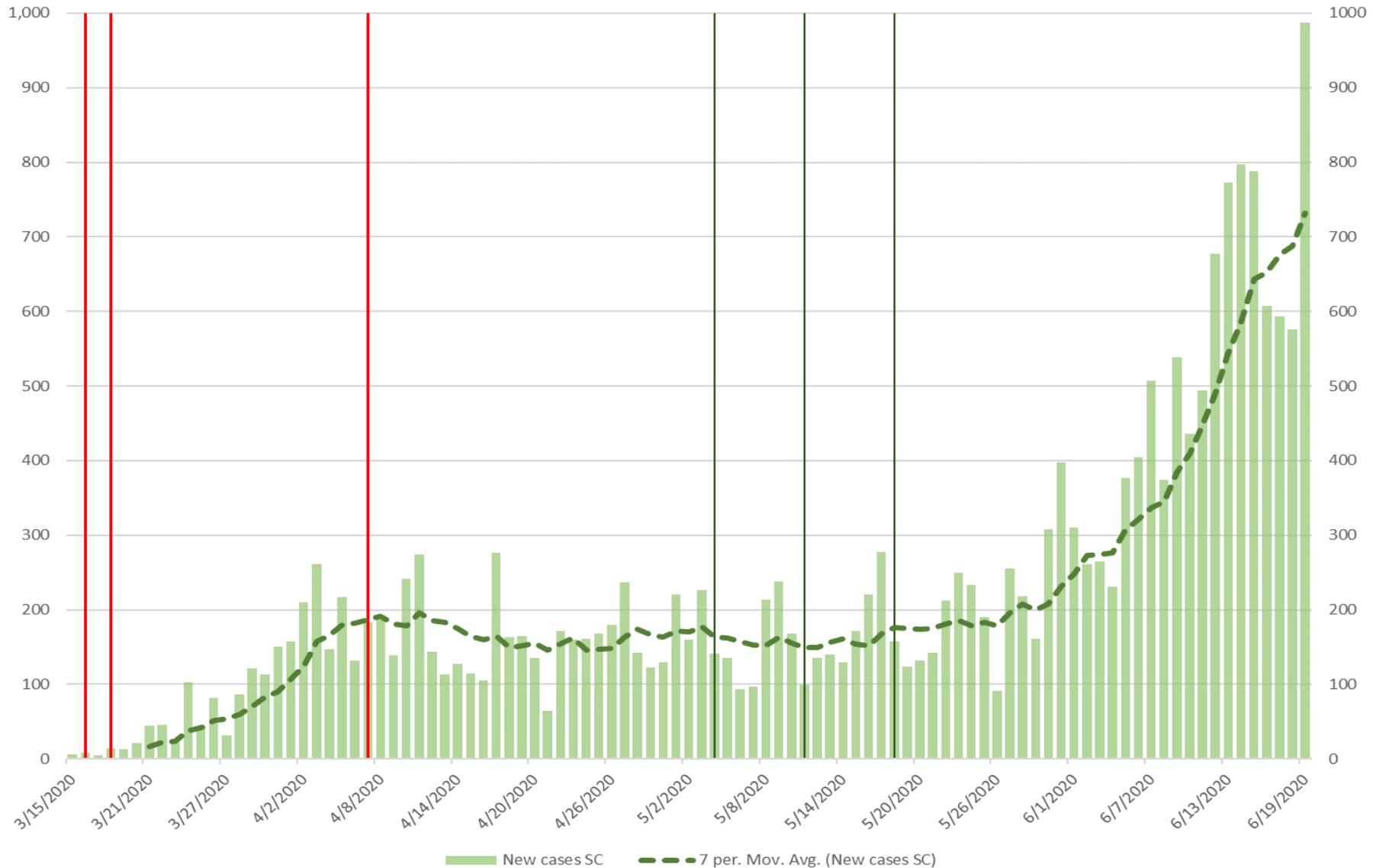
Santee Cooper v. CSX

- **Date Filed:** January 31, 2020
- **Court:** United States District Court District of Columbia
- **Summary:** Matter began as a putative class action filed in 2007 by rail shippers alleging four major railroads, including CSX, conspired to set artificially high rate-based fuel surcharges between 2003 and 2010. Class certification was denied in 2017 and affirmed on appeal in 2019. Santee Cooper subsequently filed its own complaint with the above-stated allegations.
 - Santee Cooper's prayer for relief includes compensatory damages, treble damages, and attorneys' fees
- **Status:** Discovery is ongoing, and a status conference is scheduled for September 9

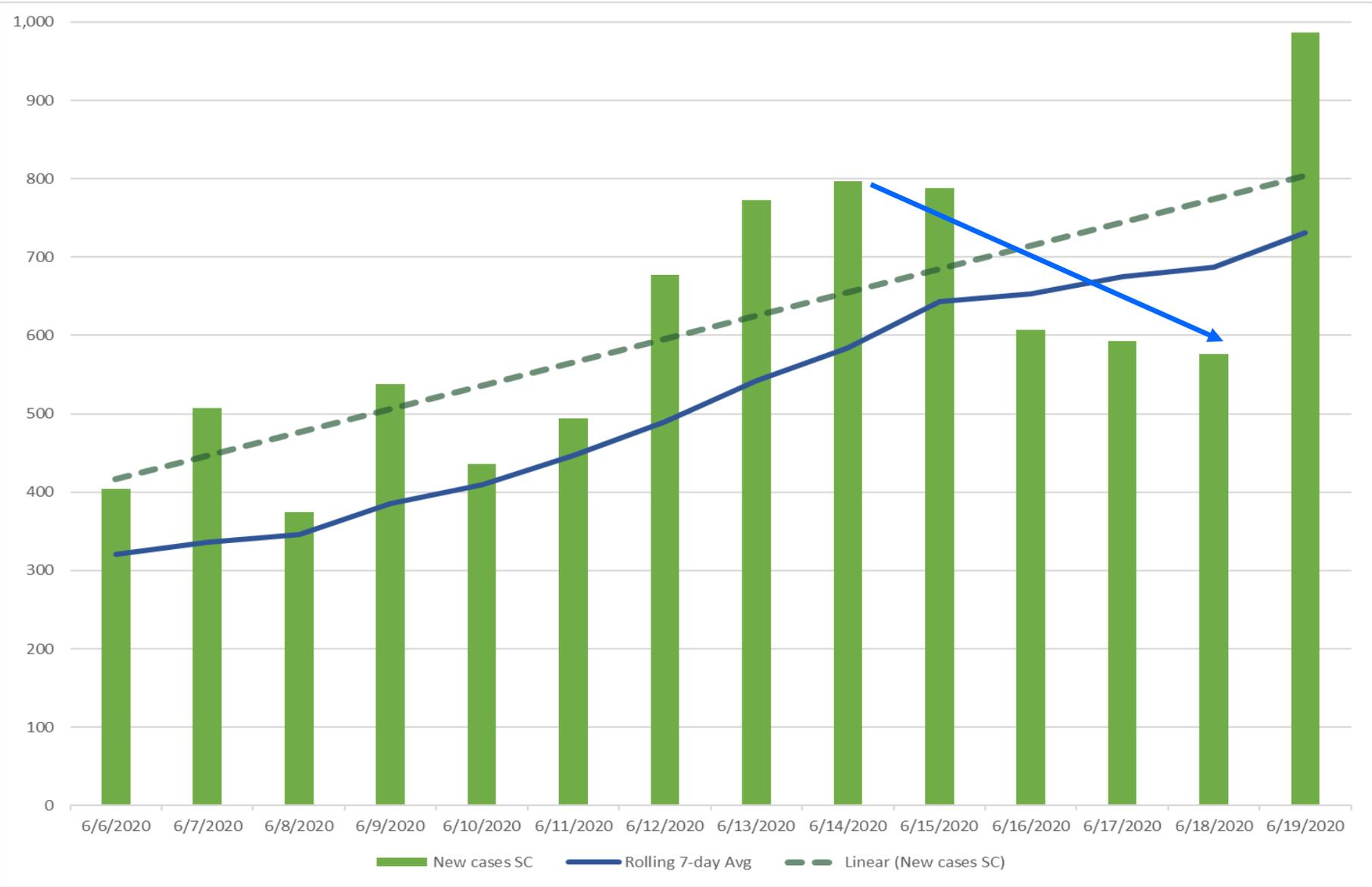
Pandemic Update

Board of Directors Meeting
June 22, 2020

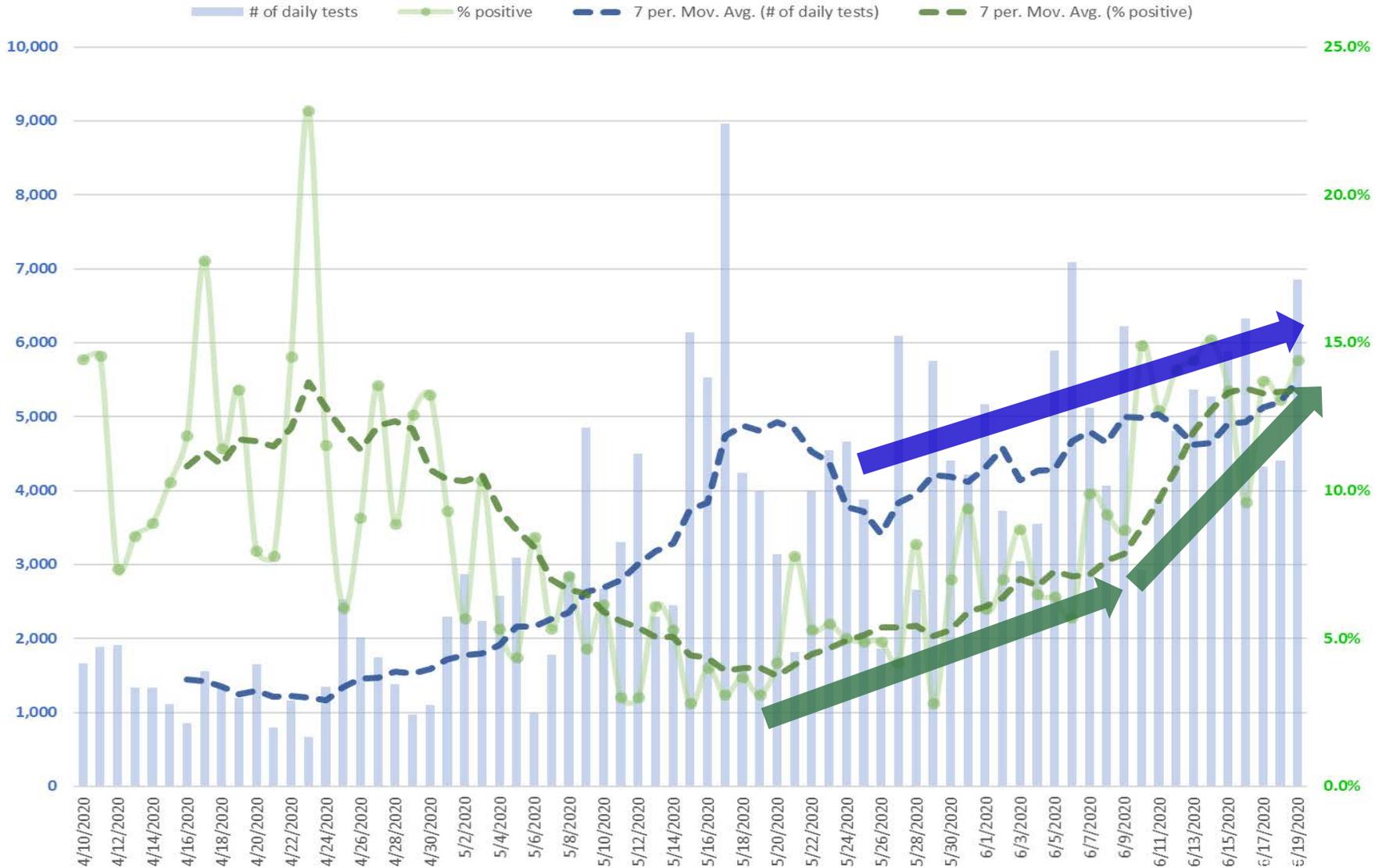
SC DHEC Reported New Cases



New Cases – Recent Trends



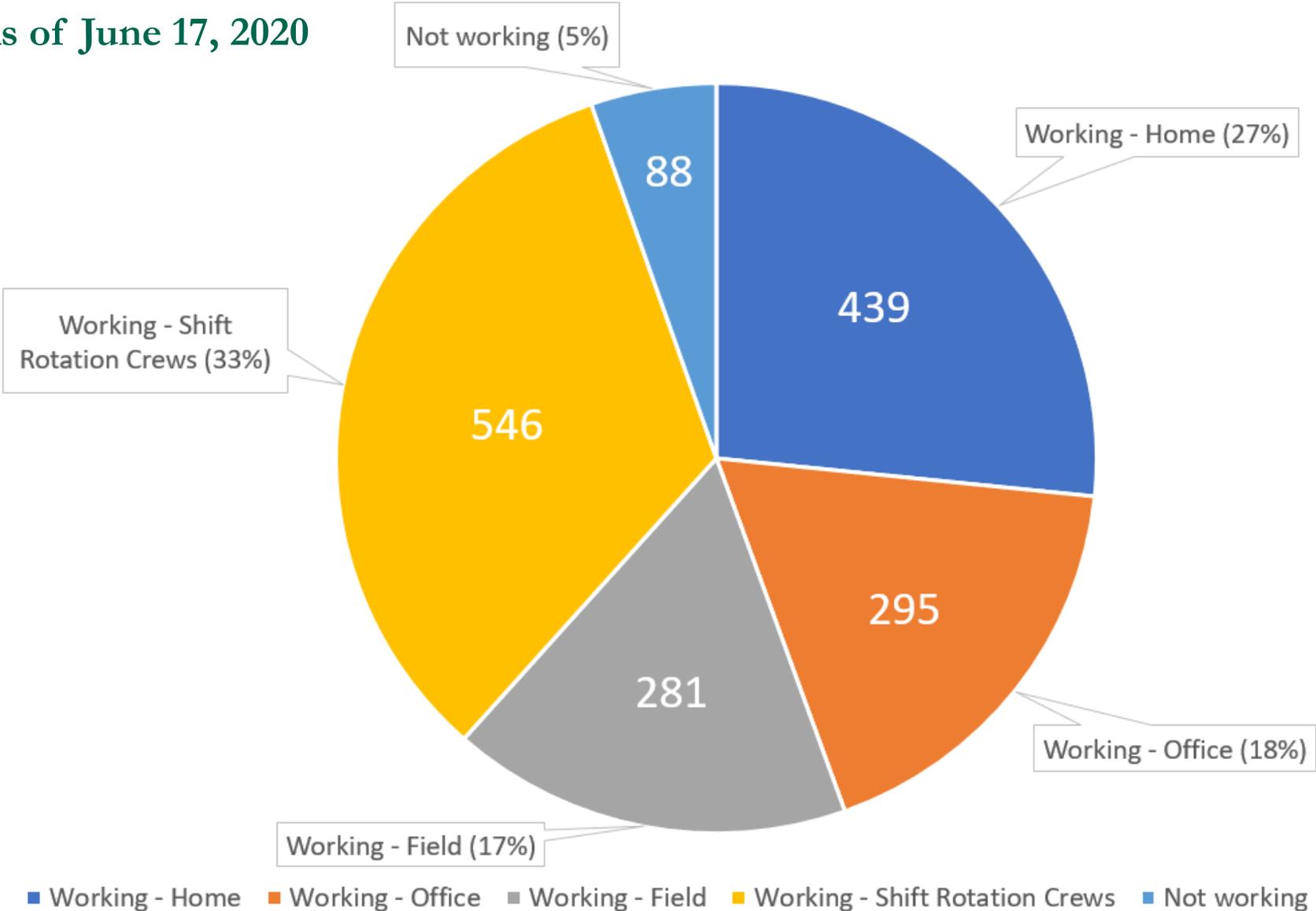
SC Covid-19 Test Results



Employee Status



As of June 17, 2020



Questions?

NEWS RELEASE

June 8, 2020

Media Contact:

Mollie Gore
Santee Cooper
843-312-8549
mollie.gore@santeecooper.com

Santee Cooper, Central begin process to add up to 500MW solar power

MONCKS CORNER, S.C. – Santee Cooper and Central Electric Power Cooperative have launched a bid process seeking to purchase up to 500 megawatts (MW) of new utility-scale solar power through several projects to be built across South Carolina.

Santee Cooper has sent a request for proposals (RFP) to nearly 30 solar developers. Santee Cooper and Central will work together to review bids and award contracts, and Central may choose to become a counterparty to one or more purchase agreements through this process. Contracts will target power projects of 25-125 MWs each, with the developers owning the projects and Santee Cooper and Central purchasing the electric output.

The process will be conducted in accordance with terms approved by the South Carolina General Assembly governing Santee Cooper through May 2021. The process includes an ongoing question-and-answer period through July 6, and bids are due July 30. Santee Cooper and Central will review the bids with a goal to wrap up negotiations with developers and begin awarding contracts later this year.

“This RFP signals Santee Cooper’s commitment to Central, and to all Santee Cooper customers, to transform our generation into a leaner, greener portfolio that increases sustainability and costs less,” said Santee Cooper President and CEO Mark Bonsall. “This is a market-driven process designed to produce the best prices and best benefits for our customers, and to do so in a manner that is open and transparent.”

The current resource plan for service of Santee Cooper’s customers includes the addition of up to 1,000 MW of new solar capacity placed into service by 2024 and an additional 500 MW added by 2031, all to be purchased from third-party providers and intended in part to replace some existing coal-fired generation.

Santee Cooper is South Carolina’s largest power provider, the largest Green Power generator and the ultimate source of electricity for 2 million people across the state. Through its low-cost, reliable and



environmentally responsible electricity and water services, and through innovative partnerships and initiatives that attract and retain industry and jobs, Santee Cooper powers South Carolina. To learn more, visit www.santecooper.com and follow #PoweringSC.

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June 4, 2020

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Powering Plaid Traditions the Green Way

From an appropriate social distance, of course

HILTON HEAD ISLAND, S.C. – For 12 years, the RBC Heritage Presented by Boeing has teamed up with Palmetto Electric Cooperative and Santee Cooper to power the state’s largest sporting event with 100% homegrown, environmentally sound Green Power.

The emergence of public health concerns related to COVID-19 delayed this year’s tournament. After some adjustments to protect public health, we’re proud to announce that the RBC Heritage – and its use of Green Power – are back on from June 18 to June 21, and the event will be televised. RBC Heritage will use Green Power, delivered by Palmetto Electric and generated by Santee Cooper, for the 2020 tournament, which plays at Harbour Town Golf Links on Hilton Head Island.

“Even though the event will not include spectators, it will still use energy, and we proudly use Green Power to power the RBC Heritage,” said RBC Heritage President and Tournament Director Steve Wilmot. “Tradition and environmental stewardship are important to us at the RBC Heritage, and we have worked hard to be a leader for sustainability in golf. We will continue to honor the environment during this year’s social distancing tournament.”

Santee Cooper generates Green Power from clean, renewable energy sources including landfill methane gas, solar power and wind power right here in South Carolina. In 2001, Santee Cooper became the first utility to generate Green Power and offer it for sale in South Carolina, and Palmetto Electric Cooperative signed on as one of the first cooperatives in the state to offer Green Power to its members.

“We’re thrilled that the RBC Heritage is going to take place this year. Palmetto Electric has worked with Santee Cooper and RBC Heritage tournament organizers to offset the power used at the event with renewable, certified Green Power,” said Palmetto Electric President and CEO Berl Davis. “Although it may be a little different this year, this is a big event for our state and using Green Power for the tournament is a big win for our state and our environment. The support of the RBC Heritage and others here has made Palmetto Electric a leader in Green Power sales in South Carolina.”

Santee Cooper began generating renewable Green Power when it opened the Horry County Landfill Generating Station, which produces electricity from methane gas created by naturally decomposing garbage. Santee Cooper now has six landfill methane gas stations in commercial operation, a wind power project, solar arrays generating power for the grid, and 29 demonstration solar projects at middle schools around the state including two in partnership with Palmetto Electric.

“I commend the RBC Heritage for committing to safely play the tournament this year. Being new to South Carolina, I am very impressed by the reach Green Power has across the state and thank Palmetto Electric for stepping up early in support. It is also commendable that the RBC Heritage made the commitment to sustainably power such a large sporting event,” said Mark Bonsall, Santee



Cooper President and CEO. “In fact, both The Heritage and Palmetto Electric should be applauded for their strong support of the environment.”

Customers of Santee Cooper and the state’s electric cooperatives can purchase Green Power each month through their electric bills. Green Power is Green-e Energy certified and meets the environmental and consumer-protection standards set forth by the nonprofit Center for Resource Solutions. Learn more at www.green-e.org.



About the RBC Heritage Presented by Boeing

Celebrating its 52nd year in 2020, the RBC Heritage Presented by Boeing is the only PGA TOUR event in South Carolina. Played over the Harbour Town Golf Links on Hilton Head Island since 1969, the event is now set for June 18-21, 2020. The Heritage Classic Foundation, a 501 (c)(3) nonprofit organization, is dedicated to supporting educational and charitable initiatives to enhance quality of life and economic vitality. Since it was founded in 1987, the Foundation has donated more than \$44.6 million to people in need. For information on how to "Get Your Plaid On!" call 843.671.2448, visit www.rbcheritage.com or Facebook (RBC Heritage) and Twitter (@RBC_Heritage).

About Palmetto Electric Cooperative, Inc.

Palmetto Electric Cooperative is a non-profit electrical distribution utility that is owned by the members it serves. The Cooperative serves over 74,000 consumers in southern Beaufort, Jasper and Hampton counties. Palmetto Electric’s mission is to provide diversified, innovative energy and related services to its members consistent with sound business practices, while always acting in a community-building leadership role. For more information, visit palmetto.coop or call 843-208-5551.

Palmetto Electric is also a member of Touchstone Energy, which is a national alliance of local, consumer-owned electric cooperatives providing high standards of service to customers large and small. More than 742 Touchstone Energy cooperatives in 46 states are delivering energy and energy solutions to approximately 40 million customers every day. Touchstone Energy cooperatives serve their members with integrity, accountability, innovation and a longstanding commitment to communities.

About Santee Cooper

Santee Cooper is South Carolina’s largest power provider, the largest Green Power generator and the ultimate source of electricity for 2 million people across the state. Through its low-cost, reliable and environmentally responsible electricity and water services, and through innovative partnerships and initiatives that attract and retain industry and jobs, Santee Cooper powers South Carolina. To learn more, visit www.santeecooper.com and follow #PoweringSC.

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Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: June 1 – 30, 2020
OTHER REQUESTED INFORMATION
Request: 1.13

Request:

Please provide a list of all lawsuits and claims involving Santee Cooper including docket number, jurisdiction, relative parties and current status that were filed during the Review Period.

Response:

No new material lawsuits or claims involving Santee Cooper were filed during the Review Period.