South Carolina Office of Regulatory Staff's Third 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, September 1, 2020**, to ORS at 1401 Main Street, Suite 900, Columbia, South Carolina, 29201. The time period to which these questions apply is July 1, 2020, through July 31, 2020.

Santee Cooper's responses to ORS's Third 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, Esquire [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 July 1, 2020 through July 31, 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.

<u>REQUESTS</u>:

PARAGRAPH 1

3.1 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

3.2 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

3.3 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

3.4 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

3.5 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

3.6 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

3.7 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

3.8 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

3.9 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

3.10 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

3.11 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

3.12 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.

3.13 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

August 17, 2020

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 1
Request: 3.1

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: July 1 – 31, 2020
PARAGRAPH 1
Request: 3.1

Date	Description of Action	Purpose of Action	Status	Provided By
1-July 28-July	Continued to hold internal meetings to discuss siting and technology requirements and permitting processes for generation resources necessary for system support for the planned retirement of Winyah Generating Station. No actions were taken.	Internal Coordination	On-going	Jane Hood
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@santeecooper.com

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

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: July 1-31, 2020
PARAGRAPH 1
Request: 3.1

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: 2020.08.28 12:40:40 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 2
Request: 3.2

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: July 1-31, 2020
PARAGRAPH 2
Request: 3.2

Date	Description of Action	Purpose of Action	Status
Various Dates	nFront Consulting responded to questions from bidders; drafting of responses coordinated with Santee Cooper & Central	Q&A	Completed
29-Jul	NDAs executed with select bidders as requested.	Ensure confidentiality	On-going
30-Jul	Electronic Responses received by nFront Consulting. (Hard copies due 8/5). Initial listing of respondents provided by nFront to Santee Cooper via email (no details).	Receive responses	On-going
31-Jul	Summary of Responses (# of respondents, projects, aggregate capacity, etc) received from nFront and forwarded to Central (attached)	Summarized responses	On-going
31-Jul	Board Meeting – Solar response summarized as part of President's Report (attached)		Completed
31-Jul	Initial Data Review RFP Proposals from nFront (attached)	Update Board	On-going

Provided by:

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

Reference Documents

3.2 QA_Sets_1_thru_4_Solar_RFPv2.pdf
3.2 RFP Responses.msg
3.2 President's Report.7.31.2020.pdf (including solar slides – pages 8-9)
3.2 Initial_Data_Review_RFP_Proposals_2020_07_31 CONFIDENTIAL
**This document is exempt from FOIA in its entirety pursuant to S.C. Code Ann. §§30-4-40(a)(1) & (5).*

All terms capitalized in this document have the meanings ascribed in the RFP. This document clarifies, updates, and expands on information provided in the RFP. Each Respondent should consider and comply with the following information in preparing its submittal as if the information were included in the RFP.

Set 1 - Response to questions received as of July 1, 2020

(Answers distributed on July 3, 2020)

Q1. Can you please confirm that in addition to submitting via email, we should respond in hard copy also? If I understand correctly, we are required to delivery one hard copy original of our submittal by 8/4/2019 by 5 pm EDT.

Answer to Q1:

Yes, in addition to conveying the RFP Submittal via email, Santee Cooper requests Respondents send two "hard" copies of their RFP Submittals to Santee Cooper and one hard copy to nFront Consulting at the following addresses by the date established in the Schedule section of the RFP. . So, each Respondent will need to prepare at least three hard copies.

*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:

*Please send **two** hard copies to:*	*Please send **one** hard copy to:*
Glenda Horne	*John F. Painter*
Santee Cooper	*nFront Consulting LLC*
1 Riverwood Drive	*2465 Southern Hills Ct*
Moncks Corner, SC 29461	*Oviedo, FL 32765*

Q2. Are any bid fees applicable to submissions?

Answer to Q2:

No bid fees are required by the terms of the RFP.

Q3. Are any performance assurances, or security postings required of RFP participants beyond those contained in the PPA? i.e. shortlist milestone or similar?

Answer to Q3:

The RFP does not address performance assurances or security postings. Santee Cooper anticipates any PPA entered into with a party as a result of the RFP will specify performance assurances and security provisions.

Q4. Existing projects or PPAs: Are projects with existing QF PPAs considered eligible to bid into the solicitation? If so, would an immediate transition be feasible from the existing PPA structure/rates onto the submitted bid rates, or should any bids of that type consider the expiration of active PPAs with Santee before the commencement of any new structure resulting from the RFP?

Answer to Q4:

Santee Cooper will consider proposals that involve transitioning an existing QF contract to which it is a party to a PPA through the RFP process.

Santee Cooper reserves the right, in its sole judgement, to identify factors and the weighting of those factors, to be considered in its evaluation of any such transition.

Q5. We will prioritize well-developed projects in our submission but wanted to clarify the minimum requirements for submission. Is there any minimum stage of interconnection, for example, required to bid?

Answer to Q5

Santee Cooper anticipates uncertainty in a Respondent's price level or potential to achieve COD by the date proposed, due to interconnection status or other factors, will be evaluated as Santee Cooper and Central consider each proposal. If Respondent desires to condition its price proposal on uncertainties, please clearly identify the contingency and potential price adjustments that may be required depending on the outcome of the contingency in response to Item 13 of RFP Form 2, which requires Respondents to "[c]learly indicate any conditions that pertain to the pricing Submittals ….." The milestones on which the uncertainty would be resolved should also be addressed in the project development plan provided in response to RFP Form 3.

Respondents are cautioned to propose realistic project completion schedules considering all interim milestones to be achieved.

If a project will be interconnecting to Santee Cooper's transmission system, the Respondent's project must be in Santee Cooper's FERC queue to be used as a basis for a

proposal submitted in response to the RFP. (See also answer to Q14.) The RFP does not to specify a minimum acceptable requirement as to interconnection status.

Q6. Energy storage - We noticed the guidance that Santee's capacity needs are driven by a winter peak, but is there any further guidance available for pricing battery storage as a part of the RFP? Any preference for commercial or technical structures?

Answer to Q6:

The primary goal of this RFP is to procure PPAs under which Buyer would purchase energy from solar facilities. Energy storage may be included in Respondent's project design or may be addressed as an option.

Energy storage capability may provide additional scheduling flexibility or provide some level of dependable capacity for meeting load in peak demand periods. Santee Cooper's annual peak demand for energy typically occurs during the hour ended 0800 during winter months. The winter peak is extremely "sharp" and is projected to be significantly greater than the summer season peak demand on the system.

Should a Respondent choose to include, or propose an option to include, energy storage devices in its project design, please clearly specify:

1. *capability of the energy storage in terms of hours of energy that may be stored;*
2. *maximum rates of energy storage and discharge;*
3. *limits, if any, on Buyer's frequency of use (i.e., duty-cycle);*
4. *price increment to be incurred if Buyer elects the energy storage option proposed by Respondent; and*
5. *any contingencies that pertain to the addition of energy storage devices to the project.*

Q7. Transmission - In the event of a project connected to a Central Electric radial line, do you have any specific pricing details for transmission service to a Santee POD? Central has indicated that no charges would apply outside those ongoing facilities charges in the IA with Central. Is that the meaning of the statement on RFP page 11?

Answer to Q7:

Santee Cooper interprets this question to pertain to the following statement on Page 11 of the RFP: "Santee Cooper expects Respondents would incur facilities charges for resources interconnected with facilities owned by Central."

For projects interconnected with facilities owned by Central, Sellers should expect to pay facility charges for the use of Central's radial transmission facilities. Seller would not be required to also pay Central or Santee Cooper a transmission service charge.

Q8. Although we understand that projects are expected to contract in the 25-125 MW range, we are considering bidding a 5MW project on a local co-op distribution grid. Assuming that any facilities charges for delivery to Santee are addressed, would a project of the type be eligible for the solicitation?

I understand Santee Cooper is not seeking projects over 125 MW this round-- will this hold true for the subsequent iterations/solicitations? I understand this would be in alignment with their resource plan, but given they intend to open the opportunity to other developers outside of those from the 2019 RFI, I was curious if the consistency would hold.

Answer to Q8:

The RFP provides on Page 10 that the "Preferred" Project Capability Range is from 25 to 125 MWac. It is not a requirement of the RFP that the project on which a proposal is based be within that range.

The upper end of the preferred size range has been specified to diversify location of solar capability on the system. Diversifying the locations of solar capability on the system is expected to reduce operating issues and costs associated with abrupt changes in local weather and provide other benefits.

Respondents should also note the following statement on page 11 regarding load side resources:

> *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.*

Santee Cooper and Central do not anticipate assigning any element of value to a load side project that would warrant accepting a price higher than prices for projects interconnected with the transmission system.

Q9. Please clarify if a project connected to the Central owned portion of the Integrated Transmission Network would incur "facilities charges" and provide a reference to how such charges are calculated. Is Seller expected to wear such charges and include the cost into the proposed PPA rate, or does Buyer wear such charges and factor them into the economic evaluation of the proposal?

Answer to Q9:

Seller would be responsible for any and all facilities charges due to Central. Respondents would determine applicable Central facilities charges by making a specific interconnection request to Central.

Q10. Please clarify if a project connected to the Central owned portion of the Integrated Transmission Network would need to obtain firm transmission service to transmit output to the Santee Cooper portion of the Integrated Transmission Network.

Answer to Q10:

If a project is interconnected to the Central-owned portion of the Integrated Transmission Network, Seller would be obligated to pay transmission facility charges to Central under Seller's interconnection agreement with Central but would not be charged by Central or Santee Cooper for transmission service. Please also see the response to Question 7.

Q11. Does the answer to Q9 or Q10 differ if a project submits an interconnection request to Central for interconnection to a transmission element owned by Santee Cooper and vice versa?

Answer to Q11:

If a project is to be interconnected to transmission facilities owned by Santee Cooper, the interconnection request must be made to Santee Cooper. If a project is to be interconnected to transmission facilities owned by Central, the interconnection request must be made to Central.

As provided on Page 11 of the RFP:

> *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. Seller would not be required to also pay Central a transmission service charge.*

Q12. Is there information available on what Central Electric transmission facilities are part of the Integrated Transmission Network?

Answer to Q12:

This information can be obtained as part of the pre-application process under Santee Cooper's OATT.

Q13. The RFP states that "Respondent's project must meet requirements of the OATT to qualify as a network resource for use by Santee Cooper…". Please clarify if a project must have submitted an interconnection request specifying NRIS or if ERIS is also acceptable. If ERIS is acceptable, would Santee Cooper intend to designate the project as a Network Resource

under its NITS agreement and is that option available anywhere on the Integrated Transmission Network or only on Santee Cooper owned elements of the ITN?

Answer to Q13:

Santee Cooper intends to designate each of Seller's projects as a Network Resource

Section 31.2 of the Santee Cooper OATT includes the following requirement of "Designation of New Network Resources".

> *.. Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load* ***or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.***

ERIS on the Santee Cooper system or a third party's system would not support the designation by Santee Cooper of the resource as a "Network Resource". Accordingly, Projects should request NRIS if connected to the ITN. If the project is not connected to the ITN, NRIS level of service on the third party's transmission system also would be required.

Seller will bear all costs and risks of third-party transmission service, including any basis difference-related charges, loss of revenue to Seller, or increase in costs to Santee Cooper due to interruption of third-party transmission service.

See also answers to Questions 7, 8, and 11.

Q14. Assuming a project has submitted an interconnection request to either Santee Cooper or Central for interconnection to the ITN, does it need to be in the FERC jurisdictional interconnection queue or the state jurisdictional interconnection queue to be eligible for the RFP and which option is most appropriate to enable Santee Cooper or Central to accept the output of the project in the most cost effective manner?

Answer to Q14:

Santee Cooper does not have a state jurisdictional interconnection queue. Although Santee Cooper is not FERC jurisdictional, we do maintain an OATT and, therefore, a FERC queue. If the project is interconnecting to Santee Cooper's transmission system, Respondent's project must be in Santee Cooper's FERC queue to be used as a basis for a proposal submitted in response to the RFP. For the purposes of queueing and studies, Santee Cooper must treat all projects (both RFP and non-RFP) on a first-come first-served basis.

Q15. Please provide any information available on Santee Cooper provided sites so potential bidders can evaluate for suitability and potential pricing.

Answer to Q15:

Santee Cooper will consider proposals with facilities located on Santee Cooper owned sites identified by the Seller to be suitable for solar projects.

Q16. Please clarify how Santee Cooper intends to manage the Q & A process. Will answers to all questions submitted by distributed to all potential Respondents?

Answer to Q16:

Santee Cooper intends to send responses to all questions that may be of general interest to all involved in the RFP process. The party posing the question will not be identified. Answers to questions unique to a particular Respondent's project or situation will be sent only to the applicable party.

Santee Cooper intends to supplement this document periodically as additional questions are received. Each Q&A document distributed will be cumulative in the sense that all questions posed to date will be addressed with new questions and answers identified and added to the cumulative document. Any modifications or corrections to prior answers will be clearly identified.

Q17. Has Santee Cooper considered delaying the RFP schedule in light of the recent up-tick in COVID-19 cases in South Carolina?

Answer to Q17:

Santee Cooper is aware of the uncertainty being created by COVID-19 in South Carolina and throughout much of the World and is constantly monitoring the situation. At this time, Santee Cooper plans to stay on the schedule published in the RFP.

Q18. Regarding the form of the NDA included with the RFP:

1. Is Santee Cooper open to consider changes?
2. Is the signed NDA due at the time of bid submittal?
3. Is it possible to receive a standalone MS Word version of the Confidentiality Agreement to provide a redline response?

Answer to Q18:

Answers to the above multi-part question are as follows:

1. *Santee Cooper will consider, but may not accept, changes suggested by a Respondent. Changes suggested by one Respondent will not be shared with all Respondents. Please transmit a proposed red-lined version of the NDA with appropriate discussion to Fred Haddad at FredHaddad@nFrontConsulting.com. Fred will coordinate with others to respond to your request.*

2. *Santee Cooper anticipates Respondents will be interested in having Santee Cooper and Central execute NDAs to protect Respondent's interests. Execution of an NDA is not a requirement of the RFP from Santee Cooper's perspective. Santee Cooper will endeavor to process all NDAs before the proposal submittal deadline but cannot assure that will occur because achieving that goal depends in part on each Respondent. Santee Cooper will continue to work with Respondents beyond the RFP Submittal deadline to finalize terms of an NDA but the deadline will not be extended pending finalization and execution of an NDA.*
3. *A standalone Word version of the Forms and NDA included with the RFP was transmitted to all potential Respondents on Friday, June 19. Please let us know if these documents were not received and we will re-transmit them.*

Set 2 - Response to questions received between July 1 and July 8, 2020

(Answers distributed on July 9, 2020)

Q19. For alternative proposals where the Buyer provides a suitable site, what land cost should the Respondent assume after the PPA period for the remaining asset life?

Answer to Q19:

For purposes of the RFP Submittal, please include zero in your evaluation for site costs for the post-PPA period. Until the specifics of the site, term of the PPA (e.g., 15-, 20-, or 25-years), and option to acquire the project are available, any other assumption seems too uncertain. If Santee Cooper decides to finalize a PPA based on the option of Santee Cooper providing the site for the project, PPA negotiations will address site costs for the post-PPA period in the event the project is not acquired by Buyer.

Q20. Should pricing for battery storage offers be in units of $/MWh or in units of $/kW-month?

Answer to Q2:

The primary goal of this RFP is to procure PPAs under which Buyer would purchase energy from solar facilities. Energy storage may be included in Respondent's project design or may be addressed as an option. Santee Cooper will consider pricing for battery storage in any form Respondent proposes. Most importantly, please specify the pricing very definitively, provide an example of the pricing if it's not very straightforward, and specify clearly storage capability and characteristics (e.g., battery storage capability and duration, losses, degradation, and assumed battery life and duty cycle) that would impact Buyer's payments for storage capability over the proposed term of the PPA. Respondents are reminded that, in addition to price level, Santee Cooper intends to consider price uncertainty in its evaluation of proposals. Accordingly, price formulations that provide more certainty as to the cost of storage to Buyer will be preferred when comparing proposals with similar projected price levels. Santee Cooper anticipates Respondents could propose, without limitation, any of the following pricing options for storage.

1. *Charge per unit of storage capability*
   a. *per kWh of energy that can be stored*
   b. *per kW-month of maximum storage discharge per hour*
2. *Charge per kWh of storage use – for instance, actual amounts of energy stored*
3. *Charge per kWh of the total energy available from the project (i.e., an increase in the average energy price proposed without storage)*
4. *Demand value based - Charge per kWh of energy delivered during certain summer and winter periods of peak system demand*

Set 3 - Response to questions received between July 9 and July 24, 2020

(Answers distributed on July 24, 2020)

Q21. Form 2, Item #16| PPA Delivery Point – The Delivery Point is defined in the PPA as the "*Seller's XX kV interconnection with the Integrated Transmission Network of by Santee Cooper and Central Electric Power Cooperative, Inc. ("Central"), as further identified in the Interconnection Agreement*". How should the Seller answer item #16 in Form 2 of the RFP submittal if an interconnection agreement has not been executed yet. Would the point specified in the project's interconnection request satisfy this question?

Answer to Q21

For projects connected to the ITN, the delivery point should be specified as the high-voltage side of the point of connection of the project with the ITN. If an interconnection agreement has not been finalized, Respondent may choose to make its price in some manner contingent on the final terms of the interconnection agreement. Any contingency should be specified clearly, including, if possible, an indication of how pricing may be affected by interconnection costs that may be higher than assumed in the proposed pricing.

Respondents are reminded that, in addition to price level, Santee Cooper intends to consider price uncertainty in its evaluation of proposals. Accordingly, price formulations that provide more certainty to Buyer will be preferred when comparing proposals with similar projected price levels.

Q22. Form 2, Item #20| Project Completion Guarantees Offered – Can Santee Cooper provide examples of anticipated guarantees Santee Cooper would expect to see in this section? Are they related to zoning and financing, or both?

Answer to Q22

Santee Cooper would expect to see a commitment to the commercial operation date, and some form of remediation (i.e., liquidated damages) in the event the commercial operation date is not achieved.

Q23. Form 2, Item #21| Availability Guarantees Offered – Is Santee Cooper looking for guarantees of the production of the energy and attributes that we agree to sell or is it referencing warranties for the equipment and things of that nature?

Answer to Q23:

Availability guarantees refers to the guaranteed availability of the facility (with respect to forced outages and scheduled outages of the facility). Availability guarantees are not related to guaranteed energy production nor do they refer to equipment warranties.

Q24. Form 3, Page 22, #7| Project Description – What is meant by guaranteed availability and performance? Would this be addressed by the warranty provided by the equipment?

Answer to Q24:

Please see response to Question No. 23.

Q25. Addendum 1 Form of Solar Power PPA – Can Santee Cooper please provide a form of the Interconnection Agreement to be used for the RFP?

Answer to Q21:

The form of Santee Cooper's standard interconnection agreement is available from OASIS. The form of Central's interconnection agreement may be obtained from Central directly.

Q26. Addendum 1 Form of Solar Power PPA, Section 2.1| Contract term – The form of PPA provided included a 5-year buyer's option to renew. Is it Santee Cooper's expectation that respondents include such buyer's option to extend in all of their proposals?

Answer to Q26:

The form of Solar PPA provided by Santee Cooper provides in Section 2.1:

> *Buyer shall have the option to extend the Contract Term by five (5) years (i.e., so that the Agreement will terminate at the end of the twenty-fifth (25th) year after the Service Commencement Date) by providing written notice to Seller no later than the eighteenth (18th) anniversary of the Service Commencement Date.*

The RFP provided on Page 14:

> *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.*

The reference to Section 2.1 of the PPA Form provides more clarity as to one approach to Buyer having "rights, but not obligations, to …. extend the transaction beyond the initial term."

Seller providing Buyer rights to extend the transaction for 5 years is not a requirement of the RFP.

Q27. We would like to submit an interconnection application to Santee Cooper. As you know we will submit an interconnection application fee that will accompany the application. In order

for us to create such a payment we need to collect details from Santee Cooper and set them up as a payee in our accounts payable system. While I do not think this is directly pertains to the RFP, I do not want to jeopardize our company's RFP bid if I contact Santee Cooper directly. Can you confirm that I can contact Santee Cooper directly for the purposes of an interconnection application and the accompanying interconnection application fees?

Answer to Q27:

On Page 6, the RFP provides:

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.

Contacts with Santee Cooper pertaining to interconnection applications should occur through normal channels established for transmission interconnection applications. So long as the contact does not involve promoting Respondent or Respondent's RFP Submittal, the contact would not violate the above quoted portion of the RFP and therefore would not jeopardize participation in the RFP.

Q28. Seller Credit Support (Section 9.2(b)) – For the duration of the Contract Term, Seller is required to provide either a Seller Guaranty or a Letter of Credit in an amount equal to $10 Million Dollars. In other words, Seller's Credit Support needs to be provided when the PPA is signed and maintained for the entirety of the term. We believe this level of security compared to those required by other Utilities in the state is onerous and out-of-market. We typically see credit support bifurcated between the Pre-COD and Post-COD periods – with a smaller amount posted during the Pre-COD period and, often, the amount of credit support required by Seller decreases over the span of the Post-COD period. Also, credit support is often contemplated on a per/MW basis, so that it is scaled amongst the various different projects

that an off taker will sign PPAs with. We have also seen that other forms of security such as surety bonds are used which reduces the cost to the seller and thus allows for lower PPA pricing. Is Santee Cooper open to seller proposing other alternatives in its proposal while showing the impact to PPA pricing?

Answer to Q28:

Yes, Santee Cooper encourages innovative alternatives that provide sufficient security and would reduce PPA pricing*, but one of those alternatives must be PPA pricing per the Credit Support provisions as specified in the draft PPA as referenced above.*

Q29. What is Santee Cooper's preferred format to electronically submit our RFP documents if they are too large to attach in an email? We look forward to hearing back from you.

Answer to Q29:

Your proposal will be received by an email system capable of receiving emails up to 150 MB in size. Accordingly, we do not expect a constraint on receipt of your email by nFront Consulting. If your proposal is very large, please send an email without the proposal notifying us the email has been or is being sent and asking us to confirm receipt.

Our intention is to log all proposals received and to send emails to all Respondents confirming Submittal receipt. Proposals delayed solely due to email issues will not be rejected.

If the proposal needs to be sent in multiple files/emails due to limits of sender's email system, please do so. Please add Email X of Y in the subject line.

Q30. Please explain how QF PPAs executed are eligible for consideration for this RFP? It is understood that those PPAs would have been accounted for in resource planning and thus the related capacity contribution considered for a term of 5 years. Parties who have executed PPAs thus could have an unfair advantage in terms of rates and structure. Would there be a penalty for canceling the PPA and would that penalty be included in the bid price in $/MWh.

Answer to Q30:

Please see answers to questions 53 and 54.

Santee Cooper has not anticipated solar resources would make a "capacity contribution" at the time of the system annual peak demand, which occurs during the hour ending 0800 during winter months.

Q31. The RFP is looking for 500 MWac this round, is it possible for Santee Cooper to procure more than 500 MWac this round if it were economical and best for Santee Cooper's consumers.

Answer to Q31:

Santee Cooper does not plan or expect to consider procuring more than 500 MWac as a result of this RFP.

Q32. Proposals containing sites greater than 125 MWac will still be considered correct? From the first round of questions in the Q&A it was noted they would be considered, and this was a standard guide.

Answer to Q32:

*At page 10, the RFP indicates the **Preferred** Project Capability Range is 25 to 125 MWac at each project site proposed. It is NOT a requirement that the project size be within this range, but rather a preference. (Emphasis added.)*

Q33. If a 30-year term can benefit Santee Cooper in terms of the price of the contract, can it be considered if it were to be submitted as an option?

Answer to Q33:

*At Page 10, the RFP indicates initial power delivery term proposed may range from approximately 15 years but not longer than 25 years in duration with respect to Initial Power Delivery Date and Delivery Term **Preferences.** The RFP delivery term may exceed 25 years. (Emphasis added.)*

Q34. Will sites that can be commissioned to be online in 2022 or early in 2023, be favorable to Santee Cooper? In other words, is it possible those will be scored higher?

Answer to Q34:

Santee Cooper's plans include solar PPAs in stages starting early in 2022. Depending on the proposals received and the pool of proposed CODs and PPA prices, an early Initial Power Delivery Date may receive preference in the qualitative screening of proposals and may impact Santee Cooper's choice among proposals closely ranked based on quantitative analyses.

Q35. Will technological features that enhance control of output of the project be considered in Santee Cooper's evaluation of the RFP Submittals?

Answer to Q35:

Below are excerpts from Pages 14 through 16 of the RFP that address this question:

"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 (Emphasis added.)*

…."

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

…

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)."*

"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:

1. *approaches that provide increased flexibility for buyer to curtail*[1] *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."

Q36. Santee Cooper expects all RECs, SRECs, and other project attributes to be included with the solicitation correct?

Answer to Q35:

That is correct. Paragraph 3 on Page 13 of the RFP states: "Buyer would be entitled to all, or a specific pro rata share of, … 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." Except for tax incentives, Buyer would be entitled to use and benefit from all attributes of the project over the term of the PPA.

Q37. Will Santee Cooper consider entering multiple PPAs with a single Respondent to the RFP? Providing multiple projects may involve economies of scale that could lower the price.

Answer to Q37:

The RFP clearly contemplates that Respondents may choose to propose multiple projects and to make pricing dependent on Santee Cooper choosing to execute multiple PPAs with

[1] 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.

*the Respondent. For instance, RFP Form 2, Section 12 titled "Pricing for Multiple Projects" states: "*Indicate pricing if Respondent is selected to provide multiple projects and PPAs."

Responses to Section 12 should clearly indicate the extent to which pricing would be lower if multiple PPAs were entered with the Respondent and the exact conditions on which the lower pricing would depend.

Q38. Respondent is considering storage on several sites. How many hours are needed for supply to hit the winter peak or summer peak if preferred? Would a 3 hour or 4-hour battery be preferred?

Answer to Q38:

Please see responses to Q6 and Q20.

Also, Santee Cooper's winter peak demand typically is of very short duration (an hour or less). Santee Cooper would not expect to dispatch solar normally to "hit" or "clip" peak demands. Santee Cooper expects to use storage to provide operating and planning reserves and lower energy costs.

Q39. Will Santee Cooper be the counterparty to any PPA that results from this RFP, or might Central Electric be a counterparty?

Answer to Q39:

Page 2 of the RFP states: 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. (Emphasis added.)

Q40. Is Santee Cooper open to storage proposals? Should Respondents provide information concerning benefits of storage, which could include enhanced ability to curtail or scheduled output? How will storage be evaluated by Santee Cooper?

Answer to Q40:

Please see responses to Q6, Q20, and Q38.

Q41. The liquidated damages amount in PPA Section 3.2(a) is extremely high relative to other PPAs recently approved by the state commissions in South and North Carolina and has no allowance for lesser liquidated damages amounts for temporary delays to COD. The PPA's reduction to the daily liquidated damages amount for the portion of the facility that is "installed and capable of commercial operation" is unlikely to apply since delays are more likely to affect the entire facility's capability, not just a portion of it. Would Santee Cooper be willing to consider an approach similar to what Duke Energy uses in its current (Tranche 2) CPRE offering, which was approved by the NCUC (See Section 20.5.1 et seq.)? There, Seller

provides a performance assurance upon execution of the PPA (e.g., a % of forecast project revenue), which it is liable to the Buyer for if it fails to meet the scheduled COD; provided, however, Seller may notify the Buyer beforehand to reschedule the COD up to 180 days later and pay a portion of the pre-COD performance assurance upfront, plus a per day pro rata share of the remainder of the pre-COD performance assurance for each day beyond the initial COD. If Seller fails to meet the second COD, the Seller is liable for the entire pre-COD performance assurance.

Answer to Q41:

Please see response to Q28.

Q42. Please confirm "Peak Output Capability" in Section 3.2(b) of the proposed PPA is the facility's capability to produce a given amount of Energy, not its actual performance during the contract term.

Answer to Q42:

Footnote 2 on Page 2 of the RFP states: "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.

On pages 3 and 7, respectively, the draft PPA provided by Santee Cooper defines "Contract Peak Output Capability" as the Facility's installed Peak Output Capability and "Peak Output Capability" as the capability of Facility's generating equipment to produce Energy, measured in megawatts, assuming maximum solar conditions at the Facility.

Q43. How and by whom is the Peak Output Capability in Section 3.2(b) of the proposed PPA certified?

Answer to Q43:

The definition of COD in and Appendix F of the PPA requires Seller to deliver to Buyer a report with the results of start-up and operational and performance testing conducted by Seller to demonstrate the attainment of Commercial Operation of the Facility. Seller is required by Exhibit F to certify to Buyer the Facility has demonstrated that it can safely and continuously produce and deliver the Facility's nameplate capacity of approximately [__] MW (AC) to the Delivery Point. Seller is required to perform its duties in accordance with Prudent Utility Practice. Seller and Buyer would agree to the details of performance testing through the Operating Committee.

Q44. How does the to-be-determined date in Section 3.2 (b) of the proposed PPA on which the facility must be capable of achieving the Peak Output Capability relate to the COD date?

Answer to Q44:

Buyer may terminate the PPA on the to-be-determined date in Section 3.2 (b) should the project not have achieved its COD by that date.

Q45. Please explain the intent of the requirement in Section 4.1 that the Seller deliver a percentage of the Products to the Buyer. It is unclear whether that is intended to specify the portion of the facility that is available for the RFP, or a performance requirement that the Seller deliver a given portion of the facility's output.

Answer to Q45:

The intent is to specify the proportion of the project to be "taken" by Buyer. Unless a portion of the project would be held by Seller or sold to another off taker, the percentage would be 100%.

Q46. If the former, please confirm that the PPA does not otherwise have a requirement that the facility meet a given output level during the contract term, which is common in most PPAs. Instead it appears the Seller's obligation is to deliver to Buyer all (or the percentage specified in Section 4.1) of "the energy that the facility is capable of generating at a given time" (Contract Energy), unless there is an excused reasons, as defined in Section 4.2.

Answer to Q46:

Santee Cooper expects to verify reasonableness of representations made by Seller as to output profiles and degradation. Santee Cooper anticipates Seller would have significant economic incentive to operate and maintain the project to produce the maximum output the project is designed to produce. Buyer is required under the PPA to pay only for energy available from the facility. Moreover, Seller is required by the PPA to perform in accordance with Prudent Utility Practice and fulfill insurance requirements. Santee Cooper reserves the right to propose additional provisions during PPA negotiation, if and as it may deem necessary, pertaining to continued operation, maintenance, and repair of the facility to produce the amounts of energy anticipated to be delivered under the PPA.

Q47. Does Section 6.1 require the Seller to pay the difference between charges for undelivered Contract Energy and the Replacement Price only if the Buyer actually purchases replacement energy to compensate for the Seller's unexcused failure to deliver, or does the payment apply regardless of the Buyer's actions?

Answer to Q47:

As a load serving entity, Santee Cooper would either generate or purchase energy from other resources should Seller fail to deliver energy. Seller should not assume it would not be excused for failure to deliver. The intention is that Seller should have no incentive not to deliver energy that can be made available from the project.

Q48. We have been attempting to discuss with the Santee Cooper Interconnection Team alternative fiber communications requirements, the same alternatives that are accepted by Dominion Energy South Carolina and/or Duke Energy within South Carolina, as we believe Santee Cooper Interconnection Requirements for OPGW are excessively burdensome. These alternatives could save the Project millions of dollars in interconnection costs, which can be passed directly onto Santee Cooper via a reduction in bid price. Can we base our interconnection cost assumption assuming we can use alternative fiber communications requirements?

Can we base our interconnection cost assumption assuming Santee Cooper will accept our use of alternative fiber communication requirements? The scope of Santee Cooper's fiber optic communication requirement is far beyond the alternatives widely accepted by other utilities such as Dominion South Carolina and Duke. The use of such alternatives would save our project millions of dollars of interconnection costs that could then be passed onto Santee Cooper via a reduced bid price. Thanks for your consideration.

Answer to Q48:

Santee Cooper's protection standards require dedicated and isolated optical fibers for protection system communications where the loss of the communications path would cause a primary protective trip function to fail to operate. This requirement can be found in Section 3.10.2 of Santee Cooper's Interconnection Manual posted to OASIS. Interconnection cost assumptions should be based on the interconnection requirements contained in the Interconnection Manual posted on Santee Cooper's OASIS.

Respondents may provide an alternative proposal regarding protection standards. The alternative should clearly describe variances sought in Santee Cooper's protection standards and the price, or impact on price, should Santee Cooper approve Respondent's proposed alternative protection standards.

Q49. Could you please provide the credit ratings for Central Electric Power?

Answer to Q49:

Page 3 of the RFP states: "Central's credit rating is investment grade as follows: S&P Global Ratings – A+"

Q50. When a project is submitted for the RFP, will they have to be designated for Santee Cooper or Central Electric Power explicitly or how will this be dealt with? Can a project that is submitted be designated as "only" for Santee Cooper or Central?

Answer to Q50:

See answer to Q39. Respondents should anticipate entering PPAs with Santee Cooper and/or Central as a result of the RFP.

Q51. What is the timeline for clarity on the future ownership of Santee Cooper?

Answer to Q51:

Pages 3 and 4 of the RFP state: "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 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.[2]

The May 18th legislation assured Santee Cooper could procure the solar PPAs sought under the RFP.

Q52. It appears that environmental attributes must be included in the PPA, but without an RPS in South Carolina, why must these attributes be included? Can offers be specifically designated as "energy only" submissions?

Answer to Q52:

See answer to Q36.

Q53. We expect to post the Initial Development Security (cash) and possibly the Development Security (surety bond) under the QF PPA before the execution of an RFP PPA. In the event of a transition from QF to RFP PPA, would security amounts already posted under the QF contract be refundable or otherwise transferable to the RFP award? Further, would the contract transition occur immediately or require any material delay following award?

Answer to Q53:

There would not be a transfer from one agreement to the other as implied in your question. Essentially, upon proper notification by Seller, the PURPA contract would be terminated and then, if no amounts are due and owing by the Seller to Santee Cooper, the Initial Development Security will be released. The parties should determine in negotiating any PPA as a result of this RFP the appropriate details (timing, etc.) concerning termination of the PURPA contract.

Q54. We also wanted to clarify how a project would be evaluated if it intends to complete a full PURPA term before commencing delivery under an RFP award. For example, if we submitted a bid for 25 yrs. commencing in 2026 to allow the completion of an initial QF PPA, would this bid be considered undesirable since it begins after 2023? Alternatively, would the bid be considered to exceed 25 yrs., since power sales would occur for several years under the QF

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

PPA before the RFP term? This longer period of contracted revenue would provide a certain benefit to the project, but we wanted to verify how you would treat such a proposal.

Answer to Q54:

At Page 10, the RFP indicates Santee Cooper prefers proposals for which Initial Power Delivery Dates are not later than January 1, 2024 and initial power delivery term proposed may range from approximately 15 years but not longer than 25 years in duration with respect to Initial Power Delivery Date and Delivery Term Preferences. These are not requirements but are preferences.

If a Respondent proposes to enter a new long-term PPA as a result of this RFP at the end of an existing shorter-term PURPA contract, the terms and conditions of the PURPA contract will be treated as a sunk cost/obligation in Santee Cooper's evaluation of the proposal and therefore not considered.

If a Respondent proposes to terminate its PURPA contract early and sell energy from its solar project to Santee Cooper under a PPA entered into as a result of this RFP, Santee Cooper will consider in its evaluation of the proposal resulting changes (positive or negative) to its net cost of power during the early cancellation period of the PURPA contract.

Q55. Has the date for submittal of responses to the RFP changed?

Answer to Q55:

No. The due dates remain as follows. See also answer to Q1.

RFP Submittal Delivered	
• By Email	7/30/2020 by 2 pm EDT
• Delivery of Original Copy	8/4/2019 by 5 pm EDT

Q56. How does Santee Cooper prefer to receive Excel documents such as the 8760 for the hardcopy submission? Also, regarding the 8760 documents, how does Santee Cooper prefer to receive the electronic 8760 files, as it would be most readable and accessible as an Excel file? We are happy to submit these as additional attachments to our RFP submittal. We look forward to hearing back from you.

Answer to Q56:

Please submit all data electronically in fully functioning Excel files with your email submittal. See also response to Q29 regarding managing large emails.

With the hard copy, please submit data files on a USB/thumb drive. It is not necessary to also submitted a printed copy of data files.

Set 4 - Response to questions received between July 24 and July 28, 2020

(Answers distributed on July 28, 2020. Answer to question 59 supplemented on 7/29.)

Q57. Is Santee Cooper interested in 1) sites located on the distribution or sub-transmission grid in the 25 MW range and 2) distributed generation sites for projects in the 5 MW AC range.

Answer to Q57:

Generally, this question has been addressed by the answer to Q8. Proposers are therefore referred to that Q&A. Santee Cooper's highest priority will be to add solar power at the lowest cost consistent with other key considerations explained in the RFP. Therefore, Respondents submitting proposals for small projects should anticipate needing to propose pricing within a competitive price range.

Q58. Regarding use of a Santee Cooper owned site, please address the following questions:

a. Size of the project we should assume;

b. Site conditions, for example is it farmlands, timber, slopes under 10%, any geo-tech completed to date;

c. Extent of development work completed;

d. Would Santee Cooper retain ownership of the site?

e. What should we assume about the interconnection costs?

Answer to Q58:

a. Please see answer to Q32;

b. Please assume a particular set of property characteristics and offer contingent pricing with a full explanation of characteristics assumed;

c. Please assume no development has been completed;

d. For purposes of the RFP Submittal, please include zero in your evaluation for site costs and state the increment of pricing that would result from at least one assumed level of lease cost. Please also see answer to Q19; and

e. Please assume an amount for interconnection costs and offer contingent pricing. Be clear about assumed interconnection cost and impact on pricing of variances in that assumed cost. See also answer to Q21.

Q59. From the RFP document, it is unclear what the award process is. Is there a shortlist process? If a project is awarded, what is the timeline to PPA execution from notification of award?

Answer to Q59:

An "award" in the context of this RFP would occur at the time of execution of one or more PPAs as a result of this RFP process, which is anticipated to occur in November or December.

At Page 8 under the heading ***Process and Outcomes****, the RFP states: "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." (Emphasis added.)*

Respondents are reminded that, on Page 2, the RFP states: "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." Santee Cooper and Central anticipate cooperating very closely to jointly identify the most favorable proposals, finalize PPAs with selected Respondents, determine whether Santee Cooper, Central or both should be counterparties, and seek approvals as necessary for execution of PPAs. See also answers to Q39 and Q50.

***

From: Dembla, Rahul
Sent: Friday, July 31, 2020 7:17 AM
To: Gerry Fleming; 'Jim C. Lamb'
Subject: FW: RFP Responses

Good Morning Gerry! As promised, below is some preliminary information regarding the depth of response, that I received last night.
We will keep you posted.

Rahul

From: Bradley Kushner <BradKushner@nFrontConsulting.com>
Sent: Thursday, July 30, 2020 9:08 PM
To: Dembla, Rahul <RAHUL.DEMBLA@santeecooper.com>; John Painter <JohnPainter@nFrontConsulting.com>
Subject: [EXTERNAL SENDER] RE: RFP Responses

WARNING: This e-mail is from an external sender. Use caution when opening attachments and clicking links.

Hi Rahul,

I just spoke with John, and he asked that I provide the summary below. We are working on the other material and will continue to do so throughout the night and get the information to you as quickly as we can to support tomorrow's schedule. Thanks.

Respondents:
21
Projects:
56
Min Capacity (MW-AC):
8
Max Capacity (MW-AC):
150
Cumulative Capacity (MW-AC):
3,575

Brad

Bradley Kushner
Executive Consultant
nFront Consulting LLC

Phone: 785-200-8989
Cell: 816-547-1637
Email: BradKushner@nFrontConsulting.com

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immediately by telephone and return the original message to us at the above address. Thank you.

President's Report

July 31, 2020

Cook settlement

- Addresses critical challenges
- Appropriate, and good for customers
- Thank you to Santee Cooper team for seeing it through

Camp Hall Honored

santee cooper®

Camp Hall named

7th Best Commerce Park in USA

(only park in Top 10 from Southeastern US)

-Business Facilities Magazine
July 29, 2020

SEEM

- 17 utilities currently exploring feasibility – nothing decided
- 15-minute energy market
- Improves current hourly bilateral trading
- Not an RTO but doesn't preclude RTO
- Helps integrate renewable resources
- Zero-cost transmission
- Voluntary
- Next steps: assess benefits, engage stakeholders

Budget Update

santee cooper®

- Completed review of 2020 and 2021 budgets
- Budgeting to forecast 8% COVID-19 load reduction
  - Actual through June better than expected, 6.4%
- Company-wide cost-cutting: team effort
  - Examples include holding to reduced headcount, idling Winyah Unit 4 at year-end, and fuel savings
  - Debt service coverage 1.27 in 2020, down slightly from Reform Plan's 1.33
  - Cash on hand improves to 167 days, compared to Reform Plan's 123 days
  - 2021: Debt service coverage consistent with Reform Plan at 1.34, cash at 134 days, compared to 123 in Plan

Fuel Savings

- To date, projected savings through 2024: approximately $120 million

- Includes
  - Coal transportation and commodity
  - Natural gas and heating oil

Coal Supply

Renegotiated and extended Railroad Transportation Contract with CSX

- Lower rail rates to both Cross and Winyah
- Eliminates liquidated damages for 2020 (latest projections indicated ~$10 million in liquidated damages this year)

EEMC provided approval to pursue contracts with four suppliers through the rate freeze period

- Provides diversity of fuel supply to mitigate risk of non-performance

Total savings projected to be ~$88 million

- Range of $52 million-$107 million

Solar: Preliminary Results

santee cooper

A preliminary review indicates a strong response to Central and Santee Cooper's joint request for solar procurement

Milestone	Target Due Date
✓ RFP Published	Jun 5
✓ RFP Submission (electronic)	Jul 30 (2 PM ET)
○ Joint Review and Analysis of RFPs and PPA mark-ups	Jul 30 – Sep 18
○ PPA Negotiation / Finalization (Expected)	Sep 18 – Nov 2020

Preliminary Results

- Number of Proposers: 21
- Projects: 56 projects ranging from 8 to 150 MW in diverse locations across SC
- Cumulative Capacity: ~3,600 MW
- Majority PPAs range from 15-25 years
- Pricing consistent with RFI results
- Proposals need to be analyzed quantitatively and qualitatively for comparison

Santee Cooper - Highly Sensitive Material

Solar: Key Next Steps

santee cooper®

- Timely execution of PPAs will provide savings and fuel price certainty (fixed price take-and-pay PPAs) during rate freeze years.
- Under the Coordination Agreement, Central has the right to opt-out.
  - The opt-out timing is lengthy and would not allow solar to be added per the plan.
  - Central understands the timing issue and we are continuing to work with them.
  - Were they to so choose, Central would directly bear the cost of a non-shared resources.
- Central is and will be fully involved in the joint evaluation of responses.

Hurricane Planning

- Goal: Restore power and reduce pandemic exposure risks
- Key challenges:
  - Limit cross-contamination
  - Adjust lodging, dining
  - Mutual aid considerations

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 2
Request: 3.2

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: 2020.08.28 13:36:19 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 3
Request: 3.3

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: July 1-31, 2020
PARAGRAPH 3
Request: 3.3

Date of action

July 12, 2020

Description of Santee Cooper action

Establish initial areas of discussion with Southern

Purpose of Santee Cooper action

Define initial objectives and internal staff team leaders

Status of action:

X	On going
	Completed

Term of the agreement(s)

N/A

Any changes from prior Review Period

The MOU with Southern set forth multiple areas to explore; we have narrowed the number of areas we will discuss initially. The Generation Technical Services and Asset Management teams held their initial calls with Southern staff before July 31. The Coal Combustion Products (CCP) team had previous discussions with Southern on this issue as part of preparing the Reform Plan in 2019. No plans or procedures have resulted from discussions so far. We have two observations on the process to date; the milestone dates for the teams are being revised and there is some overlap between team discussion areas.

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

2020 Southern Initial Five 7/12/20.pdf

2020 Southern MOU
Initial Five Focus Areas

Operational Functions

- **Demand Side Management Options, Metering**
  DSM/EE programs: Lead – Marty Watson
  - Review current programs and development/analytic methodology by 08/07/20
  - Identify/prioritize potential programs by 08/28/20 and include
    - At least one Demand Response program
    - At least one Automated Meter Information related program
  - Quantify potential programs 10/09/20
  - Implement programs
    - Demand Response program 12/14/20
    - AMI program 12/31/20
    - Other programs 3/31/21
- **Coal Combustion Products (CCP)**: Lead – Jane Hood
  - Review CCP practices at existing stations 07/31/20
  - Identify potential joint actions to reduce current or avoid future costs 08/28/20
  - Quantify/prioritize potential opportunities 10/09/20
  - Implement O & M measures 01/04/21
  - Implement measures requiring capital improvements 06/01/21
- **Generation Technical Services**: Lead - Tommy Curtis & Matt McCants
  - Review current maintenance practices at coal stations 8/14/20
  - Determine scope of potential joint activities 9/04/20
  - Identify opportunities 10/02/20
  - Present plan for new and modified activities 12/04/20

Commercial Opportunities

- **Long-term Power/Gas Supply**: Lead – Rahul Dembla & Marty Watson
  - Review generation expansion plans for both Parties 08/14/20
  - Identify potential joint development opportunities 09/11/20
    - Generation projects
    - Gas supply projects
  - Identify potential sites, quantify scope of joint action 12/04/20

Future Learning Opportunities

- **Utilization of Technology for Asset Management**: Lead – Dom Maddalone & Mike Brown
  - Review current asset management practices 8/14/20
    - Identify/define asset categories
  - Identify opportunities to enhance current practices 9/18/20
  - Quantify scope of work 10/30/20
  - Present plan for new actions 12/04/20

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-30, 2020
PARAGRAPH 3
Request: 3.3

Date of action

July 1, 2020 – July 30, 2020

Description of Santee Cooper action

Joint Vegetation Management Practices on Shared Corridors

1. Focus meeting held on 7/2/20 with operational personnel to discuss scope of pilot project. Utilities decided to conduct small pilot project associated with hazard tree cutting via helicopter and topping saw.

2. Executed Nondisclosure Agreement with Dominion on 7/7/20.

3. Focus meetings held on 7/8/20 and 7/13/20 to agree on which Utility would be responsible for cutting which trees on which corridor.
    - Santee Cooper agreed to cut hazard trees at 8 locations for Dominion on their R/W in the Chapin area.
    - Dominion agreed to cut an equal scope of trees on our R/W in the Aiken area.

4. Santee Cooper cut the 8 hazard tree locations accounting for 20 trees on Dominion R/W on 7/15/20 and 7/16/20. This hazard tree cutting was in conjunction with Santee Cooper hazard tree cutting in the same corridor.

5. Dominion cut 3 hazard tree locations accounting for 6 trees on Santee Cooper R/W on 7/23/20.

6. A secure FTP site for data sharing was created on 7/23/20.

7. Santee Cooper is continuing to reach out to Dominion to pursue additional pilot project opportunities like helicopter side trimming. Another focus meeting will be scheduled in August 2020 to discuss 2021 planned cycled maintenance on shared corridors to identify opportunities for joint execution next year.

Purpose of Santee Cooper action

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

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-30, 2020
PARAGRAPH 3
Request: 3.3

Status of action:

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

Reference Documents

3.3 jmposton 20200709 Fully Executed First Amendment for NDA

FIRST AMENDMENT TO MUTUAL NON-DISCLOSURE AGREEMENT

This First Amendment to Mutual Non-Disclosure Agreement (the "***Amendment***") is made and entered into as of the 7th day of July 2020 ("***Effective Date***"), by and between **DOMINION ENERGY SOUTH CAROLINA, INC.** ("***Dominion Energy***"), a South Carolina corporation with offices at 220 Operations Way, Cayce, SC 29033 and **SOUTH CAROLINA PUBLIC SERVICE AUTHORITY** ("***Santee Cooper***"), a South Carolina state agency located at One Riverwood Drive, Moncks Corner, SC 29461.

WHEREAS, the parties entered into a Mutual Non-Disclosure Agreement dated June 12, 2020 (the "***Agreement***");

WHEREAS, the parties wish to share with each other information identified as Critical Energy Infrastructure Information ("***CEII***") pursuant to the terms and conditions of the Agreement; and

WHEREAS, said information requires additional protection from disclosure and the parties desire to amend the Agreement between themselves to reflect the additional protection that will be afforded to CEII.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. Terms Unchanged

Unless otherwise expressly stated herein, the terms of the Agreement shall remain unchanged.

2. Section 1(a) of the Agreement titled "Confidential Information" is hereby replaced with the following:

SECTION 1 - Protection and Disclosure of Confidential Information

(a) Confidential Information Defined. 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 Agreement, 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. Confidential Information may include, without limitation: financial information; forecasts; plans; proprietary technical and business information; customer lists; trade secrets; intellectual property or proposed intellectual property of any kind (e.g., patent, copyright, trademark, etc.), whether or not applied for, registered, or unregistered, and including such applications or registrations; manufacturing processes or techniques; know-how; methods; apparatus; formulae; compositions; software; and any other information Disclosing Party or its Affiliate(s) deem confidential or proprietary. Confidential Information includes the existence and terms and conditions of this Agreement. For purposes of this Agreement, "***Affiliates***" (each an "***Affiliate***") means any parent or subsidiary of a Party, any company that has an ultimate parent company in common with a Party, any person or entity that holds, directly or indirectly, an ownership interest of more than

50% of a Party, any person or entity that controls or directs the management of a Party, any entity in which a Party holds, directly or indirectly, an ownership interest of more than 50%, or any entity with respect to which a Party controls or directs the management. To the extent applicable, all Confidential Information including CEII will be governed in accordance with the Critical Energy Infrastructure Information Addendum attached hereto as Exhibit A and incorporated by reference herein.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement as of the Effective Date.

DOMINION ENERGY SOUTH CAROLINA, INC.

By: Keller Kissam

Name: Keller Kissam

Title: President, Electric Operations

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

By:

Name: MARK BONSALL

Title: CEO

Alvis Bynum
Alvis Bynum (Jul 3, 2020 12:22 EDT)

SCPSA
LEGAL
APPROVED AS TO LEGALITY AND FORM
7-7-2020

EXHIBIT A

THIS CRITICAL ENERGY INFRASTRUCTURE INFORMATION ADDENDUM ("***Addendum***") is incorporated into the Mutual Non-Disclosure Agreement to which it is attached (the "***Agreement***"). Capitalized terms used but not defined in this Addendum have the meanings assigned them in the Agreement.

Data to be Disclosed (collectively, the "***CEII Data***"):
Various limited GIS datasets of Electric, Gas, Communication and/or other facilities, including Right-of-Ways ("ROW") and other landbase data, on an as-needed basis.

Purpose for Disclosure ("***Purpose***"):
Disclosure of CEII Data will allow supportive discussions between the Parties and assist with critical decision making regarding potential cooperation in the mutual operations of joint facilities, shared ROW management, meter installations, networks, territorial assignment, and any other potential projects that may be of mutual benefit.

The receiving party desires to receive the CEII Data from the disclosing party for the Purpose defined above. To fulfill the Purpose, the receiving party will share the CEII Data with its employees, agents, and consultants who have been approved by the disclosing party to receive CEII Data in accordance with the provisions of this Addendum, each of whom shall be considered a Representative.

The disclosing party hereby confirms that the CEII Data contain and/or constitute Critical Energy Infrastructure Information ***CEII***, the unauthorized release of which not only could irreparably harm disclosing party, but also could result in increased risk of economic loss, property damage, and deaths of and/or injuries to other persons if, for example, such information was disclosed to persons planning an attack on critical infrastructure. The term "***CEII***" includes specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that (a) relates details about the production, generation, transmission, transportation, or distribution of energy; (b) could be useful to a person planning an attack on critical infrastructure; (c) does not simply give the location of the critical infrastructure; and (d) is exempt from mandatory disclosure under state and federal Freedom of Information Acts.

Moreover, the receiving party hereby acknowledges that on October 11, 2001, in response to terrorist attacks on September 11, 2001, the Federal Energy Regulatory Commission ("***FERC***") issued certain policy statements removing from public access documents that detail the specifications of energy facilities, and later issued Order Nos. 630, 630-A, 643, 649, 662, 683, 683-A, and 702 establishing restrictions for access to CEII, or relating otherwise to CEII.

Accordingly, to safeguard the highly sensitive nature of the CEII Data, the disclosing party is willing to provide a copy of the CEII Data to the receiving party, for use only by the receiving party and its Representatives for the Purpose described above, on the condition the receiving party and its Representatives agree to strictly adhere to the terms and conditions stated herein.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Purpose and Use.

(a) Limited Purpose. These provisions govern all use of CEII Data provided to the receiving party and/or its Representatives. Neither the receiving party nor its Representatives shall use CEII Data for an illegal or non-legitimate purpose, nor for any reason or purpose other than in connection with the Purpose. In the event of a conflict between the terms and conditions of the Agreement and those of this Addendum, the terms and conditions of the Addendum shall control only with respect to CEII Data.

(b) Restricted Use. The receiving party and each Representative (a) shall only discuss the CEII Data with other recipients of the identical CEII Data and (b) shall not discuss CEII Data with, disclose CEII

Data to, sell CEII Data to, transfer CEII Data to, or allow use of CEII Data by, any persons not authorized under this Agreement.

2. Required or Unauthorized Disclosure.

(a) Legally Required Disclosure. If the receiving party or any Representative is requested or required by legal or regulatory authority to disclose any CEII Data, Receiving Party shall promptly notify the disclosing party of such request or requirement prior to disclosure, if permitted by law, so that the disclosing party may seek an appropriate protective order and/or waive compliance with the terms of this Addendum. In the event that a protective order or other remedy is not obtained, or the disclosing party waives compliance with the provisions hereof, the receiving party agrees to furnish only that portion of the CEII Data that it reasonably determines, in consultation with its counsel, is consistent with the scope of the subpoena or demand, and to exercise reasonable efforts to obtain assurance that confidential treatment shall be accorded such CEII Data.

(b) Unauthorized Disclosure. In the event of any unauthorized disclosure or dissemination of CEII Data, the receiving party shall immediately notify the disclosing party's in-house counsel identified below, follow up in writing at the address and contact information set forth below and in subparagraph 2(a) above, and shall take all actions required to recover such CEII Data, and to prevent any unauthorized use or dissemination of such material.

Dominion Energy South Carolina, Inc.
Legal Department
Mail Code C-222
200 Operation Way
Cayce, SC 29033
803.217.7887

South Carolina Public Service Authority
Michael Roy Johnson
Sr. Manager Transmission Line Operations
One Riverwood Drive
Moncks Corner, SC 29461
Office: 843.761.8000, ext. 5092
Cell: 843.822.7972

With a copy to:

B. Shawan Gillians
Director, Legal Services and Corporate Secretary
One Riverwood Drive, M603
Moncks Corner, SC 29461
843.761.7004

3. Document Marking. The parties shall mark all documents provided as CEII Data under this Addendum with a label in substantially the following form:

> This **CONFIDENTIAL** document contains sensitive Critical Energy Infrastructure Information (CEII) as that term is defined in 18 C.F.R. § 388.113(c). THIS DOCUMENT IS NOT SUBJECT TO MANDATORY DISCLOSURE UNDER STATE AND

FEDERAL FREEDOM OF INFORMATION ACTS. No person may review this document unless such person has been approved by the Disclosing Party.

4. Data Security.

(a) Secure Transmission and Storage. The receiving party and each Representative shall maintain all CEII Data in a secure place and manner, including without limitation the secure transmission of CEII Data and the secure protection of CEII Data at rest, including the use of encryption for the CEII Data, and shall not maintain any CEII Data using any form of cloud storage.

(b) Encryption. Minimum encryption standards for CEII Data are (i) file encryption using WINZIP (version 9 or higher), selecting AES 256-bit encryption, with a password (password provided separately), and (ii) transportation encryption using Secure FTP.

(c) Copies. The receiving party or a Representative may make copies of the CEII Data, but such copies shall also become CEII Data and subject to the procedures and restrictions set forth herein with respect to the CEII Data. The receiving party may make notes of the CEII Data, provided that such notes shall be treated as CEII Data.

(d) Compliance. Each Representative shall (i) uphold the secure receipt, handling, and maintenance of the CEII Data at all times (including without limitation in transit and at rest), including encrypting the CEII Data; (ii) keep the CEII Data strictly confidential and secure, including any information that might be derived directly or indirectly from the CEII Data by such Representative in the course of the Representative's work; (iii) maintain any and all data security measures and practices, including encryption, that may be required to preserve and maintain the integrity and confidentiality of the CEII Data; and (iv) comply with all governmental statutes, rules, regulations, and administrative orders regarding the security and confidentiality of the CEII Data.

5. Return or Destruction of CEII Data. The receiving party must return the CEII Data to the disclosing party or destroy the CEII Data by cross-shredding, incinerating, and/or digitally shredding the CEII Data within fifteen (15) days of a written request by the disclosing party to do so, except that notes relating to the CEII Data may be retained in accordance with Paragraph 4 above. CEII Data must be destroyed in a manner that renders the CEII Data non-retrievable and/or non-readable. Within such time period, the receiving party, if requested to do so, shall also submit to the disclosing party an affidavit stating that, to the best of their knowledge, all of the CEII Data have been returned to the disclosing party or destroyed, and that all notes have either been returned to the disclosing party or destroyed, or are otherwise being maintained by the receiving party in accordance with Paragraph 5.

6. Continuing Obligation. The receiving party remains bound by these provisions whenever it or any Representative has the CEII Data in its possession, unless the disclosing party rescinds these provisions, or a court of competent jurisdiction finds that the subject information does not qualify as CEII. Notwithstanding, the receiving party agrees to keep the CEII Data confidential beyond the termination or expiration of the Agreement.

7. CEII Data Ownership; Publishing. THE DISCLOSING PARTY HAS, AND AT ALL TIMES SHALL RETAIN, ANY AND ALL OWNERSHIP RIGHTS TO ITS CEII DATA. THE RECEIVING PARTY ACKNOWLEDGES THAT NOTHING IN THE AGREEMENT OR THIS ADDENDUM IS INTENDED TO GIVE OR DOES GIVE RECEIVING PARTY OR ANY REPRESENTATIVE ANY OWNERSHIP RIGHTS TO, INTEREST IN, OR LICENSE TO THE CEII DATA EXCEPT FOR THE LIMITED PURPOSE(S) EXPRESSLY SET FORTH IN THIS ADDENDUM. NEITHER RECEIVIGN PARTY NOR ANY REPRESENTATIVE SHALL PUBLISH ANY RESEARCH OR FINDINGS INVOLVING OR USING THE CEII DATA WITHOUT THE PRIOR WRITTEN CONSENT OF DISCLOSING PARTY, AND DISCLOSING PARTY RESERVES THE RIGHT, IN ITS SOLE

DISCRETION AND AT ITS COST, TO PARTICIPATE IN ANY SUCH PUBLICATION AND/OR PREPARATIONS FOR PUBLICATION.

8. Audit, Monitoring, and Training.

(a) Compliance Audit. The disclosing party may fully audit the receiving party's compliance with the terms and conditions of this Addendum.

(b) Monitoring. The disclosing party shall have the right, but not the obligation or responsibility, to monitor the security protocols established by the receiving party pursuant to this Addendum.

(c) Training. The disclosing party shall also have the right, but not the obligation or responsibility, to train the receiving party Representatives with respect to security protocols necessary to comply with the terms and conditions of this Addendum.

9. Violation. Violation of the terms and conditions of this Addendum may result in criminal or civil sanctions against the receiving party and/or Representatives. The disclosing party fully reserves its rights under the law to seek any such sanctions, or other available legal relief, in the event of a violation of this Addendum.

10. No Warranty. Neither party makes any warranty, express or implied, including, but not limited to, any implied warranty concerning the accuracy (or completeness) of any CEII Data provided by the disclosing party, or the fitness of any such CEII Data for any particular purpose. Without limiting the generality of the foregoing, any CEII Data provided pursuant to the terms of the Addendum is subject to change without notice, and are made available hereunder "AS IS," with all defects, errors, and deficiencies, and without any representation or warranty as to completeness or accuracy.

11. Compliance with Law.

(a) General. Receiving Party and each Representative shall comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to its receipt and use of the CEII Data.

(b) Export.

(i) Without limiting the foregoing, and to the extent applicable under this Addendum, Receiving Party and each Representative shall comply with all applicable U.S. export laws, including, but not limited to, the U.S. Department of Energy regulations on "Assistance to Foreign Atomic Energy Activities," as codified at 10 C.F.R. Part 810 ("***Part 810***"), the Export Administration Regulations, as codified at 15 C.F.R. Parts 730 to 774 ("***EAR***"), the International Traffic in Arms Regulations, as codified at 22 C.F.R. Parts 120-130 ("***ITAR***") and any other applicable U.S. export control laws and regulations ("***U.S. Export Laws***"), that prohibit, without first securing a license or authorization from the U.S. Government, the export or re-export, including the release within the United States to individuals who are not U.S. persons ("***Deemed Exports***"), of certain restricted or controlled goods, technology, software, information or data (collectively, "***Restricted Commodities***").

(ii) The receiving party shall be responsible for obtaining any export license, permit, or government authorization from the applicable U.S. government agencies that may be required for the exports, re-exports, and Deemed Exports of any Restricted Commodities, that may occur as a result of the receiving party's retransfer of Restricted Commodities to third parties or the receiving party's use of persons who are not U.S. Persons to receive the CEII Data.

12. Certification. The receiving party hereby certifies its understanding that access to the CEII Data is provided to it pursuant to the terms and restrictions of these provisions as set forth in the Agreement and

this Addendum, that it has been given a copy of and has read the Addendum, as confirmed by the initials on each page of the Addendum, and that it hereby agrees to be bound by these provisions and the Agreement. The receiving party understands that the contents of the CEII Data, any notes or other memoranda, or any other form of information that copies or discloses the CEII Data must not be disclosed to anyone in any form of communication, including oral, or transmission, other than to another person who has previously been granted access to these same materials by the disclosing party or by the FERC (upon demonstrating proof of such FERC approval for the disclosing party's verification) for purposes of the Agreement.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 3
Request: 3.3

Date of action

July 20, 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 ("without market case"). The second study assumes a market is available to leverage based upon economics in addition to SC and DESC resources ("with market case").

Status of action:

	On going
X	Completed

Term of the agreement(s)

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

Any changes from prior Review Period

The joint dispatch modeling studies were completed in July. The studies determined that in both the "with market case" and "without market case", potential savings existed when transmission costs were not included to understand the theoretical potential value. Including the current transmission costs, however, negated the savings from the modeling runs.

Provided by:

Name	Marty Watson
Title	Director Supply & Trading
Phone	843-761-8000 x7072
Email	marty.watson@santeecooper.com

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 3
Request: 3.3

Reference Documents

3.3 jmposton summary JDA modeling_CONFIDENTIAL.docx 3.3 jmposton summary JDA modeling_Redacted.pdf 3.3 jmposton JDA study results CONFIDENTIAL.xlsx • This document 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.

Joint Dispatch Modeling Analysis

Santee Cooper and Dominion Energy South Carolina (DESC) have attempted to quantify the potential savings from a joint dispatch of their respective systems by working together with one of their modeling software providers on a joint dispatch analysis project. In the traditional utility structure, each utility serves its load with its own resources or through market opportunities; however, cost savings may occasionally be achieved when nearby systems work to serve their combined load with a combined portfolio of resources. Having more diversity in the resource options may allow more units to run in their optimal operating range for longer periods of time. In order to quantify whether Santee Cooper and Dominion would see potential savings from a joint dispatch of their systems, both organizations contracted with Power Costs, Inc. (PCI) to set up a model projection to dispatch the systems for the next 5 years both individually and jointly. Cost savings would theoretically be seen between the joint savings cases and the sum of the costs of the individual cases. PCI supplies modeling software to both utilities, has familiarity with both systems and has previously completed joint dispatch studies for these companies, as well as others.

PCI completed two modeling runs for the joint dispatch studies. Both runs did not include the cost of transmission in order to determine the maximum benefit provided by operating the generators as economically as possible. Transmission costs based on power flows were added later. The first run contained the projected savings opportunity with no outside market availability. For this scenario, the concept of not allowing the outside market demonstrated the maximum amount of savings possible that could be accrued with a joint system dispatch using just the highly correlated system input assumptions within the two systems. The second run contained the joint dispatch opportunity with market availability for Santee Cooper included, and it more closely mimicked Santee Cooper's current operating procedures in buying from the market. In both cases the individual systems are responsible for supplying their own reserves.

For the no market scenario, the potential savings opportunities ranged between approximately 30-4-40(a)(1) [redacted] combined for both companies. Because the with market costs lowered the estimated production costs of Santee Cooper, the opportunity savings 30-4-40(a)(1) [redacted] combined for both companies.

There were significant amounts of power flow from DESC to Santee Cooper in both scenarios. The power flows from Santee Cooper to DESC were less significant, but they did occur. These dispatches included no limits or costs on transmission. Translating these flows into transmission costs based on Santee Cooper's transmission rates and Dominion's discounted day ahead rates resulted in the savings being negated. The no market scenario came closer to showing a savings with the transmission costs added; however, the case with the market was more in line with our current operations.

Ultimately the analysis shows there are likely to be some savings in a joint dispatch environment between Santee Cooper and DESC if the issue of transmission costs could be overcome.

Bilateral Trading Efforts

In addition to these modeling efforts, Santee Cooper and DESC have worked to find more opportunities to interact in the bilateral market. Santee Cooper relies upon The Energy Authority (TEA) to explore market opportunities to reduce their overall system costs. DESC and Santee Cooper have established a process where both parties supply bid and offer information to TEA in a timely manner to examine potential opportunities in both the real-time and day ahead markets. TEA utilizes their market intelligence to trade bilaterally between these parties when it is economical versus other market opportunities.

While there have not been any day ahead opportunities identified to date, the parties have successfully completed several hourly transactions in which DESC has supplied energy to Santee Cooper at a cost below other market opportunities. These hourly transactions have proven beneficial to both parties, where DESC is selling at a price above their costs and Santee Cooper has purchased energy at a rate below their costs.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 3
Request: 3.3

Date of action

July 1, 2020 through July 31, 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, to capture some portion of the theoretical value identified in the PCI study by working together more effectively.

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. The goal is to capture a portion of the theoretical value identified in the PCI study by working together more effectively.

Status of action:

X	On going
	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

Continued to improve processes with Dominion and were able to complete a few deals in July. Eight transactions were executed for the month totalling 565 MWh's priced below system incremental cost.

Provided by:

Name	Marty Watson
Title	Director Supply & Trading
Phone	843-761-8000 x7072
Email	marty.watson@santeecooper.com

Reference Documents

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 3
Request: 3.3

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: 2020.08.28 16:15:01 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 4
Request: 3.4

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: July 1-31, 2020
PARAGRAPH 4
Request: 3.4

Date of action

July 14, 2020

Description of Santee Cooper action

Reached agreement on a new coal supply agreement with Alliance Coal, LLC. Annual contract volume is [redacted] tons with the right to nominate +/- [redacted] in a given quarter. The contract was half executed in the requested time period but was awaiting final signature from the counterparty at the end of July.

Purpose of Santee Cooper action

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

Status of action:

✓	On going
	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

$3.2 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: July 1-31, 2020
PARAGRAPH 4
Request: 3.4

Email	marty.watson@santeecooper.com

Reference Documents

3.4 jwatson alliance coal supply contract CONFIDENTIAL 3.4 jwatson alliance 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

Alliance Coal, LLC
1717 S. Boulder Ave.
Ste. 400
Tulsa, OK 74119

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COAL SUPPLY AGREEMENT

THIS AGREEMENT ("Agreement"), effective as of January 1, 2022, and dated as of July 14, 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 Alliance Coal, LLC with its principal office located in Tulsa, Oklahoma (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 +/- 20 percent of the total volume to be delivered for the quarter. Buyer shall notify Seller 30 days 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 Sources are 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 actually 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. 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 36 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 (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 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 [redacted] 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:

$ Downward Adjustment/Ton* = [redacted] (% Ash minus % 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 [redacted] 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 [redacted] per one-tenth of one percent. The Sulfur Adjustment Formula is:

$ Downward Adjustment/Ton = [redacted] % Sulfur minus % 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 [redacted] 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:

$ Downward Adjustment/Ton* = [redacted] Guaranteed HGI minus 3 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 four (4) Shipments within a sixty day period or ten (10) 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 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 written notice to Seller of failure to comply with one or more of the guaranteed specifications in Appendix C, fifty (50%) percent of the Coal shipped fails to comply with any of the guaranteed specifications that were previously exceeded and were the subject of the written notice, 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, exercisable by notice to Seller within three (3) business days of Buyer's receipt of the Proximate Analysis, 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. If Buyer fails to exercise its rejection rights under this Section 3.6 as to a Shipment on a timely basis, Buyer shall be deemed to have waived such rights to reject with respect to that Shipment only. 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 provided that Buyer gives written notice to Seller of its election within three (3) Business Days after Buyer's notice of rejection of the Shipment:

Moisture Adjustment	-	[redacted] for each one (1) percent or any fraction thereof above the rejection limit
Ash Adjustment	-	[redacted] for each one (1) percent or any fraction thereof above the rejection limit
Btu Adjustment	-	[redacted] for each 100 Btu's or fraction thereof below the rejection limit
Sulfur Adjustment	-	[redacted] for each one-tenth of each one (1) percent above or below the rejection limits
Fines Adjustment	-	[redacted] 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 commercially reasonable judgment, that utilization of the Coal results in a degradation of Buyer's generating plant(s) operational performance, provided Buyer has not changed its blending or operational procedures resulting in such degradation. 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, including that Seller shall have the option to provide substitute Coal which meets the revised Coal quality specifications under this Agreement at the current equivalent delivered price on a cents/MMBtu basis. 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 outside NIST Handbook 44, Specifications Tolerances, an equitable adjustment in Price or settlement shall be promptly made by Buyer or Seller to the allowable NIST Handbook 44, Specifications Tolerances, 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 increasing 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 July 14, 2020 regardless of whether or not Seller is actually in compliance with all such Government Impositions as of that date. It is recognized that effective July 14, 2020, 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 July 14, 2020 to Government Imposition; (2) requirements of entirely new Government Impositions which are enacted or promulgated after July 14, 2020; or (3) final judgments, orders or decrees issued after July 14, 2020 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 July 14, 2020, 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 July 14, 2020 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.

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; roof falls, rib falls, roof and floor intrusions, geologic pressure which traps mining equipment, underground flooding, aquifers, buildup of methane gas or any other mining conditions beyond Seller's reasonable control which cause unusual or material dangers or unsafe working conditions at a Mine or extraordinary changes in Coal seam characteristics at a Mine; 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, Buyer shall promptly notify Seller in writing of such act, law, ordinance, rule, regulation, judgment or order. Buyer shall undertake commercially reasonable efforts to secure relief from such governmental rule and/or make any equipment or operations changes, which, in its sole discretion, are appropriate and economically justified, in order to continue utilizing the maximum quantity of Coal within the existing Coal quality specifications. If Buyer cannot materially comply with such government rules, environmental laws and/or regulations, it 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 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 commercially reasonable judgment, 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 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

(a) Except as excused by force majeure, in the event that Buyer or Seller fails to accept delivery or deliver at least 75% of the total quantity of Coal during any period of three (3) consecutive Months per the agreed upon schedule, unless excused by Force Majeure or the other Party's failure to perform, it shall be determined to be an event of default, and the non-defaulting Party shall have the right to immediately terminate this Agreement. The non-defaulting Party 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 of such an early termination, the non-defaulting Party shall be entitled to recover all damages, including replacement cost and transportation, and pursue all remedies set forth for buyers or sellers, as applicable.

(b) Except as excused by Force Majeure or due to Buyer's failure to perform, 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, 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 - 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

Except as otherwise provided herein, 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

Date 7-28-20

SCPSA
LEGAL
APPROVED AS TO LEGALITY AND FORM
A.D.D.
7/21/2020

Seller: **Alliance Coal, LLC**

By _____

Title SVP - Sales + Marketing

Date 8/5/20

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. **<u>The Base Annual Tonnage Obligation shall be:</u>**

[redacted] 30-4-40(a)(1) [redacted]

[redacted] 30-4-40(a)(1) [redacted]

[redacted] 30-4-40(a)(1) [redacted]

3. **<u>As Needed – As Available Tonnage or "Extra Tonnage":</u> 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 Illinois/Indiana coal rate district:

[redacted] 30-4-40(a)(1) 30-4-4

Freight allowed under the Coal Origin shall be from [redacted] 30-4-40(a)(1) [redacted] 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 [redacted] 30-4-40(a)(1)

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

[redacted] 30-4-40(a)(1) [redacted]

Furthermore, any source of coal that has delivered coal to the Stations within ninety (90) days of the proposed substitution shall be an approved Substitute Source 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

As Received Basis	Guaranteed	Suspension[1]	Rejection
Minimum Btu/pound	[redacted]	[redacted]	[redacted]
Maximum Ash (%)	[redacted]	[redacted]	[redacted]
Maximum Moisture (%)	[redacted]	[redacted]	[redacted]
Maximum Sulfur (%)	[redacted]	[redacted]	[redacted]
Minimum Sulfur (%)	[redacted]	[redacted]	[redacted]
Minimum grindability (HGI)	[redacted]	[redacted]	
Minimum volatiles (%)	[redacted]	[redacted]	
Minimum fixed carbon (%)	[redacted]	[redacted]	
Maximum nitrogen (%)	[redacted]	[redacted]	
Minimum ash fusion temp. (initial deformation, °F reducing)	[redacted]	[redacted]	
Maximum size (inches)	[redacted] 3	[redacted]	
Maximum % fines (1/4"x0")	[redacted]	[redacted]	[redacted]
Maximum Arsenic	[redacted]	[redacted]	
Maximum Mercury	[redacted]	[redacted]	

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 [redacted] will [redacted].

APPENDIX D

CONTRACT PRICE

Base Prices and Adjustments

D.1 **Base Price.**

[redacted]

APPENDIX E

NOTICES

In the case of the Seller:

Company:	Alliance Coal, LLC
Address:	1717 South Boulder Avenue, Suite 400 Tulsa, OK 74119 Attn: Assistant General Counsel
Phone:	918-295-7610
Email:	tyson.schwerdtfeger@arlp.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@santeecooper.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"):

Car type	110-car Min/tns
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:

Test	Test Number
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).

Alliance Coal, LLC — Contract/Grant Number

Printed Name Timothy J. Whelan

Signature Timothy J. Whelan — Date 8/7/20

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 4
Request: 3.4

Date of action

July 15, 2020

Description of Santee Cooper action

Completed execution of the amendment to our coal transportation contract with CSX Transportation, Inc.

Purpose of Santee Cooper action

This amendment was provided in response to the June Request for Information; however, the amendment was only half executed as of June 30, 2020 as we were awaiting final signature from the counterparty. On July 15, 2020 the counterparty fully executed the agreement.

Status of action:

	On going
✓	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

Previously reported in response to June Request for Information

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: July 1-31, 2020
PARAGRAPH 4
Request: 3.4

Reference Documents

Documents below were provided in response to the June Request for Information: 3.4 jwatson coal transportation contract amendment CONFIDENTIAL 3.4 jwatson coal transportation contract amendment REDACTED

AMENDMENT 8 to CONTRACT CSXT-C-C85104

PURSUANT TO 49 U.S.C §10709

SOUTH CAROLINA PUBLIC SERVICE AUTHOIRTY ("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 herby 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]
[redacted]	[redacted]
[redacted]	[redacted]
[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 [redacted] 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

SCPSA
LEGAL
APPROVED AS TO LEGALITY AND FORM
ADD
6/30/2020

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

[redacted]

Rate Conditions*:

1. Rates apply to 286,000 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 [redacted] 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: July 1-31, 2020
PARAGRAPH 4
Request: 3.4

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: 2020.08.28 14:10:08 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 5
Request: 3.5

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: July 1-31, 2020
PARAGRAPH 5
Request: 3.5

Date

July 7, 2020

Description of Santee Cooper action

Entered heating oil hedge positions for 1 contract (42,000 gallons) per month in 2021.

Purpose of Santee Cooper action

Secured heating oil pricing below the Reform Plan pricing assumptions. Santee Cooper hedges heating oil as a proxy for retail diesel, which is the basis for CSX's fuel surcharge when transporting coal to Cross and Winyah.

Status of action:

	On going
✓	Completed

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

January 2021 – December 2021

Savings realized as a result of the renegotiated or new agreement

$293,102

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: July 1-31, 2020
PARAGRAPH 5
Request: 3.5

Reference Documents

3.5 jwatson new heating oil positions CONFIDENTIAL 3.5 jwatson new heating oil positions REDACTED 3.5 jwatson heating oil savings CONFIDENTIAL *The Heating Oil 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.*

DR	STRATEGY	COMPANY_KEY	MONTH	COUNTERPARTY	DEAL KEY	TRADE_DATE	BEGIN_DAY	END_DAY	COMMODITY	DEAL_TYPE	VOLUME	DELTA VOLUME	PRICE	MARKET PRICE	MARKET VALUE	COMMISSION	OPT PREMIUM	OptType	Multiplier	PUT_CALL	STRIKE PRICE	STRIKE_TYPE	POINT	SOURCE	BROKER ACCOUNT ID	MARKET VALUE BEGIN	CONTRACT VALUE	LEIF	T and Clearing
BUY	NonCash	NYMEX BH Fo ws d	1/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap	[redacted]					NYMEX BH Fo ws d	[redacted]		FINANCIAL		[redacted]		NY Ha bo	7/01/2020	[redacted]			CSR Ra i Cont act	[redacted]
BUY	NonCash	NYMEX BH Fo ws d	2/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	3/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	4/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	5/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	6/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	7/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	8/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	9/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	10/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	11/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	
BUY	NonCash	NYMEX BH Fo ws d	12/1/2021	ADMIN	4867961	7/7/2020	1/1/2021 12:01	1/1/2021	Refined P oducts	Exchange Swap						NYMEX BH Fo ws d			FINANCIAL				NY Ha bo	7/01/2020				CSR Ra i Cont act	

30-4-40(a)(1)

30-4-40(a)(1)

30-4-40(a)(1)

30-4-40(a)(1)

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 5
Request: 3.5

Date

July 7, 2020

Description of Santee Cooper action

Secured the basis price for 20k MMBtu/day of our 80k MMBtu/day pipeline capacity at a price below what was budgeted for the winter period of November 2020 – March 2021.

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 25% of that baseload volume.

Status of action:

	On going
✓	Completed

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

November 2020 – March 2021

Savings realized as a result of the renegotiated or new agreement

$125,330

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: July 1-31, 2020
PARAGRAPH 5
Request: 3.5

Reference Documents

3.5 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: July 1-31, 2020
PARAGRAPH 5
Request: 3.5

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: 2020.08.27 13:25:01 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 6
Request: 3.6

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: July 1 - 31, 2020
PARAGRAPH 6
Request: 3.6

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
Various	Conducted transmission system assessments associated with different generation planning scenarios being considered. These assessments form the basis for cost estimates of transmission system improvements which are then used in the generation planning process to determine the most viable generation planning scenarios. No actions were taken 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@santeecooper.com

Reference Documents

None

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 6
Request: 3.6

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: 2020.08.27 13:28:22 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 7
Request: 3.7

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: July 1-31, 2020
PARAGRAPH 7
Request: 3.7

Date of action

7/1/2020 through 7/31/20

Description of Santee Cooper action

Continued to monitor pricing of purchase power supply during rate freeze in up to 150 MW blocks. No action has been taken towards entering agreements.

Purpose of Santee Cooper action

To determine opportunities to hedge against purchase power assumptions, volume and rate, from Reform Plan

Status of action:

x	On going
	Completed

Term of the power purchase agreement

Any changes from prior Review Period

N/A

Provided by:

Name	Marty Watson
Title	Director, Supply and Trading
Phone	843-761-8000
Email	marty.watson@santecooper.com

Reference Documents

N/A

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 7
Request: 3.7

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: 2020.08.27 13:26:46 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 8
Request: 3.8

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: July 1-31, 2020
PARAGRAPH 8
Request: 3.8

Date of action

July 1-31

Description of Santee Cooper action

Santee Cooper received JP Morgan term sheet in July. Please find the documents named 3.8 shritter_JP Morgan term sheet.pdf and 3.8 shritter_JP Morgan term sheet_redacted.pdf. Santee Cooper has now received all three term sheets related to the bank facility renewal. Santee Cooper had conversations with PFM, our financial advisor, about the proposals and any terms we wanted to negotiate. Santee Cooper executed an amendment to the JP Morgan agreement for one year in early August and continues to work with other banks to renew agreements.

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:

X	On going
	Completed

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.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 8
Request: 3.8

Provided by:

Name	Suzanne Ritter
Title	Treasurer
Phone	843-761-8000 ext 4071
Email	shritter@santeecooper.com

Reference Documents

3.8 shritter_JP Morgan term sheet CONFIDENTIAL.pdf 3.8 shritter JP Morgan term sheet redacted.pdf

Santee Cooper

JPMORGAN CHASE BANK, N.A. CREDIT FACILITY STRUCTURE OPTIONS

July 2020

Disclaimer

This proposal is intended only as an outline of certain material terms of the facility described herein (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 proposal is not a commitment. It represents a willingness on the part of JPMorgan Chase Bank, N.A. and/or its affiliate(s) ("JPMorgan") to seek approval to provide the commitment indicated herein and consummate a transaction based upon the terms and conditions outlined in this proposal and is subject to final credit approval, absence of any material adverse change in the financial condition, operations or prospects of South Carolina Public Service Authority ("Santee Cooper"), or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the sole discretion of JPMorgan, such additional due diligence as JPMorgan may require, and agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).

Santee Cooper acknowledges and agrees that: (i) JPMorgan has not assumed any advisory or fiduciary responsibility to Santee Cooper with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether JPMorgan or any of its affiliates has provided other services or is currently providing other services to Santee Cooper on other matters); (ii) JPMorgan has no obligations to Santee Cooper with respect to the transaction contemplated hereby unless and except to the extent expressly stated in this proposal; and (iii) Santee Cooper has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

This proposal from JPMorgan to provide credit is entirely independent from any proposal or other agreement from any other affiliate of JPMorgan to provide other services.

Suzanne Ritter
Treasurer
South Carolina Public Service Authority
suzanne.ritter@santeecooper.com

Dear Ms. Ritter:

On behalf of JPMorgan Chase Bank, N.A. ("JPMorgan" or the "Bank"), I am pleased to submit a summary of changed terms and updates that we recommend for updating and extending the current revolving line of credit as well as this proposal for direct-pay letters of credit (the "LOC" or the "Facility") to support South Carolina Public Service Authority's ("Santee Cooper") commercial paper program. JPMorgan has preliminary credit approval to provide up to $250,000,000, plus applicable interest, for a term of up to three (3) years in the form of the current bank facility structure or direct-pay letters of credit to provide credit enhancement and liquidity support for Santee Cooper's commercial paper program. Should there be other credit structures that Santee Cooper would like to consider, please let us know and we would be happy to look into if we can offer them.

While the revolving line of credit may offer a lower cost option for committed funds, JPMorgan understands commercial paper may be an attractive alternative to a revolving credit facility, depending on market conditions. Should Santee Cooper determine to proceed with securing direct-pay letters of credit from the Bank, we anticipate documentation of any such facility will be relatively streamlined as the terms and conditions of this proposal endeavor to conform to the existing revolving line of credit, as applicable. Our firm greatly values its long-standing relationship with Santee Cooper and looks forward to the prospect of continued partnership on the extension of the existing line of credit or replacement thereof with direct pay letters of credit.

Please note that this proposal is subject to normal due diligence, credit approval, satisfactory documentation and agreement on terms and conditions. Nothing expressed or implied herein constitutes any commitment of JPMorgan, or any of its affiliates, to lend or provide any other financial services in connection with the transaction; such obligations would arise only under separate written agreement(s) mutually acceptable to the Santee Cooper and JPMorgan. Although this is not a formal commitment, if JPMorgan is mandated, we will seek credit approval promptly and expect no issues meeting Santee Cooper's financing timetable.

Should you have any questions or would like to discuss further, please do not hesitate to contact me at 30-4-40(a)(2) or Stephen Hearn at 30-4-40(a)(2). Thank you again for this opportunity and we look forward to continuing working with Santee Cooper and its financing team.

Yours sincerely,

30-4-40(a)(2)

Heather Talbott
Executive Director
Public Finance Credit Origination
JPMorgan Chase Bank, N.A.
30-4-40(a)(2)

Cc: Kevin Plunkett, *Executive Director*, J.P. Morgan Securities LLC
Mark Widener, *Executive Director*, J.P. Morgan Securities LLC
Stephen Hearn, *Associate*, JPMorgan Chase Bank, N.A.
Taylor Stordahl, *Analyst*, JPMorgan Chase Bank, N.A.

1. Revolving Line of Credit Summary of Amendments

SECTION I. DESCRIPTION OF THE FACILITY:

Borrower: South Carolina Public Service Authority ("Santee Cooper").

Commitment Amount: Up to $250,000,000.

Security: Secured by a lien upon and pledge of Revenues junior to the lien and pledge securing (i) Revenue Obligations, (ii) expenses of operating and maintaining the System, and (iii) payments into the Lease Fund, but prior to the payments into the Capital Improvement Fund.

SECTION II. AMENDMENTS TO THE REVOLVING LINE OF CREDIT:

Facility: Revolving line of credit (the "Facility").

Facility Provider: JPMorgan Chase Bank, N.A. or one of its affiliates ("JPMorgan" or the "Bank").

Facility Amount: Up to $250,000,000.

Facility Term: Santee Cooper may choose a one (1), two (2), or three (3) year tenor for the Facility upon acceptance of this proposal (the last day of which being the "Stated Expiration Date").

Closing Date: August [7], 2020

Commitment Fee & Applicable Spread: Commitment Fee and Applicable Spread will correspond to the Facility Term chosen by Santee Cooper.

Facility Term	Commitment Fee	Tax-exempt Applicable Spread	Taxable Applicable Spread
1 Year	30-4-40(a)(1)	[redacted]	[redacted].
2 Years	[redacted]	[redacted]	[redacted]
3 Years	[redacted]	[redacted]	[redacted]

Libor Floor: [redacted].

Pricing Grid: For the avoidance of doubt, Level 1 would initially apply as of the effective date of the amendment.

The Commitment Fee will be calculated on the Available Commitment on the basis of a 360 day year and actual days elapsed, initially using the fee set forth in the chart above for the Facility Term selected by the Authority. The Commitment Fee will be increased upon a reduction in the Rating, on a cumulative basis, for each Level of reduction of the Rating, as set forth in the chart below, by the amount in the column captioned "Commitment Fee Increase". The Commitment Fee will be payable quarterly in arrears, on the first Business Day of each January, April, July and October (for the period from and including the Closing Date to

including the last day of the Facility Term) occurring prior to the Termination Date and on the Termination Date.

In the event Santee Cooper elects to terminate the Facility or otherwise permanently reduce the principal amount of the Facility prior to its stated expiration date, Santee Cooper will be required to pay JPMorgan a termination or reduction fee equal to 30-4-40(a)(1) of the Facility Fee for the 30-4-40(a)(1) Facility term or 30-4-40(a)(1) of the Facility Fee for the 30-4-40(a)(1) Facility term which would have accrued on the Facility Amount, or in the case of a reduction, the amount being permanently reduced, from the date of termination or reduction through the stated expiration date.

"Applicable Spread" means, initially, for the Taxable LIBO Rate, number of basis points set forth in the in the chart above for the Facility Term selected by the Authority and, initially, for the Tax Exempt LIBO Rate, number of basis points set forth in the in the chart above for the Facility Term selected by the Authority, each which is subject to maintenance of the current Rating (as defined below). In the event of a reduction in a Rating, the Applicable Spread shall be increased for each Level of decrease in the Rating (determined as provided below) as set forth in the Chart below:

Level	Moody's Rating	S&P Rating	Fitch Rating	Commitment Fee Increase	Tax-exempt LIBO Rate	Taxable LIBO Rate
1	A3 or above	A- or above	A- or above	30-4-40(a)(1)	[redacted]	[redacted]
2	Baa1	BBB+	BBB+	[redacted]	[redacted]	[redacted]
3	Baa2	BBB	BBB	[redacted]	[redacted]	[redacted]
4	Baa3	BBB-	BBB-	[redacted]	[redacted]	[redacted]

The term *"Rating"* as used above shall mean the long-term rating assigned to the senior debt of the Authority payable from the Revenues by any of Moody's, S&P or Fitch. In the event of a split rating (i.e., one or more of the Rating Agencies' ratings is on a different Level than the rating of one or more of the other Rating Agencies), the Applicable Spread and the Commitment Fee shall be determined by reference to the Level in the chart above on which the lowest Rating appears. Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of an on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as determined by the Rating Agencies on the Closing Date and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as in effect on the Closing Date.

Tax Allocation: [50]% reserved for tax-exempt draws, and the remaining [50]% reserved for taxable draws. JPMorgan is able to revise this allocation in the amendment to the agreement as Santee Cooper deems appropriate.

Minimum Draw Requirement: None. The existing draw requirement of at least 1.0% of the Commitment Amount will be removed.

Documentation: Documentation for this Facility will be similar to the existing Revolving Credit Agreement (the "Existing Agreement") between the Bank and Santee Cooper. In addition to the terms otherwise set forth herein the Facility terms will include:

- The Bank's standard LIBOR replacement provisions that will provide for the establishment of an alternate interest rate index.
- Disclosure to the Bank in connection with closing of all pending and threatened material litigation involving Santee Cooper, including the status of any settlement agreements related to such litigation.
- Ongoing disclosure of all pending or threatened litigation involving Santee Cooper and any settlement agreements with respect thereto.
- Ongoing disclosure of the occurrence of any material adverse change with respect to Santee Cooper.
- Termination Fees, amendment fees and drawing fees similar to those provided in the Existing Agreement and the related fee letter.
- Events of Default will include the enactment into law of any legislation directing the sale or transfer of Santee Cooper or of all or a material portion of its property or any other sale or transfer of Santee Cooper or of all or a material portion of its property.

2. Direct Pay Letter of Credit Term Sheet

SECTION I.	DESCRIPTION OF THE NOTE ISSUE:

Note Issuer: South Carolina Public Service Authority ("Santee Cooper").

Notes: Revenue Notes, Series [To be determined], (collectively the "Notes").

Principal Amount of Notes: Up to $250,000,000.

Security: Consistent with the current agreement between the Bank and Santee Cooper, the Notes, as well as all obligations owed to JPMorgan, are secured by a lien upon and pledge of Revenues junior to the lien and pledge securing (i) Revenue Obligations, (ii) expenses of operating and maintaining the System, and (iii) payments into the Lease Fund, but prior to the payments into the Capital Improvement Fund.

SECTION II.	STRUCTURE OF THE LETTER OF CREDIT:

Facility: Direct-Pay Letter of Credit to provide credit enhancement and liquidity support for the Notes ("LOC" or "Facility").

Facility Provider: JPMorgan Chase Bank, N.A. ("JPMorgan" or the "Bank").

Facility Amount: Up to $250,000,000 (including applicable interest coverage).

Facility Term: Santee Cooper may choose a one (1), two (2), or three (3) year tenor for the Facility upon acceptance of this proposal (the last day of which being the "Stated Expiration Date").

Closing Date: August [7], 2020

Upfront Fee: None.

Facility Fee Rate: The Facility Fee payable by Santee Cooper for the Facility will depend upon the initial term of the Facility selected by Santee Cooper. The Facility Fee will accrue from and including the effective date of the Facility, to and including the Stated Expiration Date or termination date of the Facility (calculated on the basis of a 360 day year and actual days elapsed). The Facility Fee shall be payable quarterly in arrears and on the Stated Expiration Date or termination date of the Facility.

Facility Term	Facility Fee Rate [1]
1 Year	30-4-40(a)(1)
2 Years	[redacted]
3 Years	[redacted]

[1] *Indicative rates are as of the date of this proposal and assumes a long term rating of A2/A/A-. Pricing is subject to market conditions and adjustments outlined in "Pricing Grid."*

Pricing Grid: The Facility Fee shall be increased upon a reduction in the Rating for each Level of reduction of the Rating, as set forth in the chart below, by the amount in the column captioned "Facility Fee Rate".

Level	Moody's Rating	S&P Rating	Fitch Rating	Facility Fee Rate
1	A3 or above	A- or above	A- or above	30-4-40(a)(1)
2	Baa1	BBB+	BBB+	[redacted]
3	Baa2	BBB	BBB	[redacted]
4	Baa3	BBB-	BBB-	[redacted]

The term *"Rating"* as used herein shall mean the ratings assigned by each of Moody's, S&P or Fitch to the long-term unenhanced senior debt of the Authority payable from Revenues. In the event that Moody's, S&P and Fitch do not assign equivalent ratings to such debt of the Authority, the lowest Rating assigned (that which corresponds to the highest Facility Fee Rate) shall be used to determine the Facility Fee Rate. Any change in the Facility Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect.

If at any time an Event of Default shall occur and be continuing (whether or not such Event of Default is declared and whether or not waived by the Bank), the Facility Fee, computed as described in this Section, shall be immediately increased, without notice, to a Facility Fee Rate which is [100] basis points higher than the Facility Fee Rate then in effect for so long as the circumstance or event constituting such Event of Default is continuing.

Draw Fee: [redacted] per drawing under the Facility.

Amendment Fee: 30-4-40(a)(1) plus reasonable fees and expenses of counsel, for each amendment, supplement, or modification to the Facility (or any related transaction document requiring the consent of the Bank). Extensions to the term of the Facility alone will not require the payment of the Amendment Fee, but shall include reasonable fees and expenses of counsel.

Termination / Reduction Fee: In the event Santee Cooper elects to terminate the Facility or otherwise permanently reduce the principal amount of the Facility prior to its stated expiration date, Santee Cooper will be required to pay JPMorgan a termination or reduction fee equal to 30-4-40(a)(1) of the Facility Fee for the 30-4-40(a)(1) r Facility term or 30-4-40(a)(1) the Facility Fee for the three (3) year Facility term which would have accrued on the Facility Amount, or in the case of a reduction, the amount being permanently reduced, from the date of termination or reduction through the stated expiration date. Santee Cooper will not be required to pay the termination or reduction fee if the Facility is terminated due to a short-term ratings downgrade of JPMorgan by two of the three rating agencies, below P-1 by Moody's, A-1 by S&P, or F1 by Fitch. Additionally, should Santee Cooper elect to refinance its commercial paper program in full via a long-term fixed rate refinancing, no termination fee will be due. All Facility Fees

and any other amounts owed to the Bank will be due and payable prior to the effectiveness of any such termination or reduction, as applicable.

Amortization of Liquidity Drawings: Each drawing under the Facility used to pay the principal of Notes on a date when a like principal amount of Notes is not issued on such date shall constitute a "Liquidity Drawing." Subject to no Event of Default having occurred and being then continuing under the Facility and the continued accuracy of Santee Cooper representations and warranties, each Liquidity Drawing shall be payable to the Bank on the earlier of the Stated Expiration Date of the termination of the facility.

Notwithstanding the above, the portion of each Drawing used to pay accrued interest on the Notes shall be due and payable on the date of the Drawing and, if not paid when due, shall bear interest at the Default Rate (as defined below).

Interest Rate on Liquidity Drawings: Liquidity Drawings will bear interest at a rate per annum (the "Bank Rate") equal to: (A) through and including the first 90 days after the date of such drawing, the Base Rate (as defined below); B) from and including the date 91 days after the date of such drawing and to and including the date 180 days next succeeding the date of such drawing, the Base Rate; and C) from and including the date 181 days after the date of such drawing and thereafter, the Base Rate plus 1.0% p.a.

Base Rate means the highest of 30-4-40(a)(1) [redacted] (the "Base Rate").

Default Interest: Default Interest will accrue at the Base Rate + 3.0% p.a. (the "Default Rate"). The Default Rate shall apply automatically upon the occurrence and during the continuance of any Event of Default under the Facility.

Calculation and Payment of Interest: Interest on Drawings will be calculated on the basis of the actual number of days elapsed in a 365-day year and shall be payable monthly in arrears and upon repayment of the drawing (whether at scheduled maturity or otherwise).

Default Interest will be calculated on the basis of the actual number of days elapsed in a 365-day year and shall be payable on demand.

Clawback Amounts: Documentation will include customary interest rate recapture ("clawback") language allowing the Bank to recover interest in excess of any maximum interest rate imposed by law.

Conditions Precedent to Funding Under Facility: Timely delivery of conforming of a Drawing Certificate.

Conditions Precedent to Issuance of Facility: Those customary and usual for a transaction of this nature to include, but not be limited to, completion of satisfactory legal documentation and delivery of satisfactory opinions of counsel.

Bank Note CUSIP: The Bank will also require, as a condition precedent to closing, the delivery of a Bank Note CUSIP number and the assignment of a rating not less than investment grade assigned to such CUSIP number.

Documentation: Documentation will include, inter alia, (i) a Letter of Credit and Reimbursement Agreement (the "Agreement") between JPMorgan and Santee Cooper, and (ii) a Fee Letter between JPMorgan and Santee Cooper. The Agreement will include, but not be limited to, the terms and conditions outlined herein, in the Existing Agreement, in Part 1 of this term sheet as well as JPMorgan's standard provisions with respect to representations and warranties, covenants, events of default, remedies, indemnification (gross negligence standard), waiver of jury trial, right of set-off, waiver of sovereign immunity, OFAC and anti-corruption, and full protection against increased costs and changes in capital adequacy requirements (including, without limitation, in connection with the Dodd Frank Act and Basel III).

Financial Reporting: Same as those required in Section 5.01 of the existing Revolving Credit Agreement, including, but not limited to, the annual audit report, quarterly financial statements, annual and quarterly certificates of no default by an Authorized Officer, and various notices.

Participations: JPMorgan reserves the right to sell participations to other banks, with any costs associated with the sale to be borne by JPMorgan. Santee Cooper will not have to deal with any bank other than JPMorgan.

Credit Approval: Please note that this proposal is subject to final credit approval by JPMorgan. We would reasonably expect to receive final credit approval within 30-4-40(a)(1) [redacted] of obtaining all required information from the Santee Cooper to complete our credit approval process.

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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: _____

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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.

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PARAGRAPH 9
Request: 3.9

Date of action

Various

Description of Santee Cooper action

Discussions with opposing party's representatives

Purpose of Santee Cooper action

Finalization of settlement

Status of action:

X	On going
	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@santeecooper.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.

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Request: 3.9

Date of action

Various

Description of Santee Cooper action

Discussions with opposing party's representatives

Purpose of Santee Cooper action

Finalization of settlement, including court approval

Status of action:

	On going
X	Completed

Any changes from prior Review Period

Final approval of settlement

Provided by:

Name	B. Shawan Gillians
Title	Director, Legal Services & Corporate Secretary
Phone	843.761.7004
Email	shawan.gillians@santeecooper.com

Narrative

On July 17, 2020, the Authority filed a Memo in Support of the Plaintiffs' Motion for Final Approval of Class Action Settlement in the matter of Cook v. Santee Cooper, et al. On July 20, 2020 the Authority attended a hearing on the Plaintiffs' Motion for Final Approval of Class Action Settlement. A final order approving the class action settlement, as amended, was entered by the Court on July 31, 2020. Orders attached.

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Request: 3.9

Reference documents

3.9 bgillian Order – Approval of Cook Settlement.pdf 3.9 bgillian Cook Consent Order.pdf

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	THIRTEENTH JUDICIAL CIRCUIT
COUNTY OF GREENVILLE	)	
	)	
Jessica S. Cook, Corrin F. Bowers & Son, Cyril B. Rush, Jr., Bobby Bostick, Kyle Cook, Donna Jenkins, Chris Kolbe, and Ruth Ann Keffer, on behalf of themselves and all others similarly situated,	)	CASE NO. 2019-CP-23-06675
Plaintiffs,	)	
v.	)	**AMENDED FINAL ORDER AND JUDGMENT**
South Carolina Public Service Authority, an Agency of the State of South Carolina (also known as Santee Cooper); W. Leighton Lord, III, in his capacity as chairman and director of the South Carolina Public Service Authority; William A. Finn, in his capacity as director of the South Carolina Public Service Authority; Barry Wynn, in his capacity as director of the South Carolina Public Service Authority; Kristofer Clark, in his capacity as director of the South Carolina Public Service Authority; Merrell W. Floyd, in his capacity as director of the South Carolina Public Service Authority; J. Calhoun Land, IV, in his capacity as director of the South Carolina Public Service Authority; Stephen H. Mudge, in his capacity as director of the South Carolina Public Service Authority; Peggy H. Pinnell, in her capacity as director of the South Carolina Public Service Authority; Dan J. Ray, in his capacity as director of the South Carolina Public Service Authority; David F. Singleton, in his capacity as director of the South Carolina Public Service Authority; Jack F. Wolfe, Jr., in his capacity as director of the South Carolina Public Service Authority; Central Electric Power Cooperative, Inc.; Palmetto Electric Cooperative, Inc.; South Carolina Electric & Gas Company; SCANA Corporation, SCANA Services, Inc.,	)	
Defendants.	)	

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This matter is before the Court pursuant to Rule 23(c) of the South Carolina Rules of Civil Procedure upon Class Counsel's Motion for Final Approval of Class Action Settlement ("Final Approval Motion") and Application for Reimbursement of Expenses and a Contingency Fee Award ("Fee Petition"). These matters were argued on July 20, 2020. The Court entered its Final Order and Judgment on July 21, 2020. Objector Century Aluminum of South Carolina, Inc. filed a Motion for Reconsideration on July 29, 2020. The Century motion has been resolved by Consent Order granting in part and denying in part the requested relief. For the reasons set in the Consent Order, the Court hereby enters this Amended Final Order and Judgment granting Plaintiffs' Final Approval Motion and Fee Petition.

INTRODUCTION

This settlement arises out of a highly contested and extensively litigated case involving the failed construction of two nuclear reactors at the V.C. Summer site in Jenkinsville, South Carolina ("the Project") by Defendants South Carolina Electric & Gas ("SCE&G") and South Carolina Public Service Authority ("Santee Cooper") (collectively "Defendants").[1] On July 31, 2017, Defendants announced they would stop construction of the Project. Shortly thereafter, Class Counsel filed two lawsuits against Santee Cooper on behalf of a class of Santee Cooper direct and indirect customers ("the Customer Class"): *Cook v. South Carolina Public Service Authority*, Case No. 2017-CP-25-348 (Hampton Cty. Ct. Com. Pl., filed Aug. 22, 2017); and *Kolbe v. South Carolina Public Service Authority*, Case No. 2017-CP-08-2009 (Berkeley Cty. Ct. Com. Pl., filed

[1] Other Defendants in this action include Santee Cooper Directors W. Leighton Lord, III, William A. Finn, Barry Wynn, Merrell W. Floyd, J. Calhoun Land, IV, Stephen H. Mudge, Peggy H. Pinnell, Dan J. Ray, David F. Singleton, and Jack F. Wolfe, Jr; Central Electric Power Cooperative, Inc.; Palmetto Electric Cooperative, Inc.; SCANA Corporation; and SCANA Services, Inc. Unless otherwise stated, reference to "Defendants" means Santee Cooper and SCE&G.

Aug. 23, 2017). The cases were later consolidated and SCE&G and SCANA Corporation were added as parties.[2]

Class Counsel amended their complaint as the case progressed so that a Fifth Amended Complaint was filed on July 25, 2019. The other parties updated their responsive pleadings, and Central Electric asserted cross claims against Santee Cooper and the Director Defendants. Palmetto Electric asserted cross claims against Santee Cooper, the Director Defendants, SCE&G, and SCANA. Santee Cooper asserted cross claims against SCE&G, Central Electric, and Palmetto Electric.

Plaintiffs alleged that after conception of the Project in 2005, and execution of a multi-billion dollar Engineering Procurement and Construction contract ("EPC") with Westinghouse Electric Corporation in 2008, the Project was overrun by inefficiencies and gross mismanagement. *See* Fifth Am. Compl., ¶¶ 19-80. Plaintiffs contended Defendants knew years prior to abandonment that the Project was over-budget and no longer feasible. As set forth in Plaintiffs' Fifth Amended Complaint, despite this knowledge, Defendants continued to collect copious sums of money from members of the Customer Class through advanced financing, which covered the Project's debt, executive salaries, and bonuses. *Id*.

After more than two and a half years of litigation, and concluding a two-day mediation, during the early morning hours of February 20, 2020, the parties reached a preliminary settlement, only two months before trial was scheduled to begin. In reaching that critical juncture, Class Counsel withstood numerous challenges and cleared many procedural hurdles, including:

1. Multiple motions to dismiss;

[2] On March 23, 2018, Class Counsel consolidated *Kolbe* into *Cook* by filing a Fourth Amended Complaint in *Cook*.

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2. Multiple motions to compel arbitration;

3. A petition in the original jurisdiction of the Supreme Court of South Carolina and a corresponding motion to stay the case;

4. Class Counsel's motion for class certification;

5. Santee Cooper's motion for declaratory relief and to expedite the hearing;

6. Removal to the district court for the District of South Carolina;

7. SCE&G's appeal to the Fourth Circuit of the district court's order remanding the case to the South Carolina circuit court and a corresponding motion to stay the case; and

8. Motions to decertify the Class and to exclude future damages.

In addition to the extensive motions and appellate practice, Class Counsel also engaged in immense discovery, including:

1. Over forty depositions of fact, corporate, and expert witnesses;

2. Extensive review of over sixty batches of documents totaling more than 2.5 million pages;

3. Issuance of third-party subpoenas to independent project contractors, auditors, and consultants;

4. Review of documents produced via subpoena *duces tecum*;

5. Numerous motions to compel production based upon alleged deficient production;

6. Extensive review and conferral regarding the production of numerous privilege logs; and

7. Motions to compel documents identified from the various privilege logs.

Through discovery and extensive document review, Class Counsel developed the argument that Defendants should have ceased the Project's construction by April 2012 because it was no longer reasonable to proceed. Specifically, the EPC provided Defendants a mechanism to stop construction without significant economic ramifications to the utilities, and in turn to the

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customers, before signing the "Full Notice to Proceed." *See* Final Approval Motion, p. 5-6. Recognizing the import of this contractual milestone, Class Counsel developed their litigation strategy around this event and targeted discovery around their theory. *Id*.

As part of these efforts, Class Counsel pursued multiple depositions of SCE&G's top executives. Among those executives, Jeff Archie (former Chief Nuclear Officer), Jimmy Addison (former Chief Financial Officer), Steve Byrne (former Chief Operating Officer), and Kevin Marsh (former Chief Executive Officer) invoked their Fifth Amendment right against self-incrimination. In addition, Class Counsel deposed Santee Cooper's current and former officials, whose testimony Class Counsel alleged demonstrated that, far from a passive or uninformed Project partner, Santee Cooper knew very early on that (1) there was no need for additional generation from the two new units, and (2) SCE&G was not equipped to manage construction of the Project. *See* Final Approval Motion, p. 6.

Though Plaintiffs contended their arguments were well supported by the discovery in this case, Defendants vigorously denied liability. Two main defenses emerged. Santee Cooper argued the utility was legally obligated to collect rates from the Customer Class sufficient to cover Project debts, regardless of whether there was any negligence in incurring those debts. Meanwhile, SCE&G contended there was no duty owed to the Customer Class in the absence of a utility or contractual relationship. Additionally, Defendants aggressively challenged venue, subject matter jurisdiction, standing, class certification, and damages.

On February 18, 2020, the parties agreed to mediation for a fourth time—the second with this Court presiding.[3] The parties agreed to a settlement amount of $520 million, representing a

[3] The parties previously agreed to mediation in October 2019 with this Court presiding. Additionally, the parties mediated in February 2019 and June 2019 with the Honorable Joseph F. Anderson, Jr., Senior District Court Judge.

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96% recovery of costs incurred by the Customer Class from Full Notice to Proceed through Project abandonment. *See* Aff. of John Alphin, ¶ 4 (Ex. 2 to Fee Petition). In addition, Class Counsel secured a four-year freeze on rate increases by Santee Cooper, the value of which is estimated to total roughly $510 million of additional benefit to the Customer Class.[4] *Id*. at ¶ 7.

On March 17, 2020, this Court heard Class Counsel's unopposed motion for preliminary approval. In finding probable cause existed to approve the settlement, this Court recognized the extraordinary efforts of all counsel, but particularly of Class Counsel, and ordered notice of the proposed settlement be sent to the Class. *See* Order Granting Prelim. Approval of Class Action Settlement, filed March 17, 2020.

On May 29, 2020, Class Counsel filed their Fee Petition seeking a 15% fee on the net present value of the cash components of the settlement[5] (the "Common Benefit Fund") and making no request from the $510 million future benefit. On July 10, 2020, Class Counsel filed their Final Approval Motion.

OVERVIEW OF CLASS NOTICE

The United States Supreme Court has determined that the class representative, through Class Counsel, is responsible for providing class members the best practicable notice. *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 173-77 (1974); *see also Krakauer v. Dish Network, LLC*, 925 F.3d 643, 655 (4th Cir. 2019) (observing that notice "is designed to secure judgments binding all class members save those who affirmatively elect to be excluded" (quoting *AmChem Products, Inc. v. Windsor*, 521 U.S. 591, 614-15 (1997))).

[4] It was not lost on this Court that while the parties were engaged in their final mediation, counsel were continuing their forward progress toward trial, preparing for depositions even as their counterparts at the mediation were signing the settlement terms.
[5] *See* Fee Petition, at n. 58.

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Based on this requirement, Class Counsel, in conjunction with defense counsel, undertook rigorous efforts to ensure the most widespread notice possible, including:

1. Class Counsel worked with Santee Cooper's and Central Electric's counsel to identify 1,660,263 current and former customers that fit the Class definition.

    a. On May 1, 2020, notice was sent by e-mail to the 641,696 Class members for whom e-mail addresses were available, which resulted in 650,864 notices sent via e-mail due to some Class members having multiple e-mail addresses.

    b. On May 1, 2020, notice was sent by mail to 998,478 Class members.

    c. On May 15, 2020, notice was sent by mail to 17,488 Class members with initially invalid mailing addresses that were able to be corrected.

    d. On May 21, 2020, notice was sent by mail to 125,715 Class members whose e-mailed notice was returned as undeliverable.

    e. As of June 26, 2020, notice has been sent to 131,670 Class members whose addresses were corrected after the initial mailed notice was returned as undeliverable.

2. Notice was published in the *Columbia State*, *Greenville News*, *Charleston Post & Courier*, *Aiken Standard*, *Beaufort Gazette / Bluffton Island Packet Combo*, *Rock Hill Herald*, and *Myrtle Beach Sun News*. These seven papers cover the state, providing extensive supplemental notice to the direct notice detailed above.

3. Class Counsel established a settlement website and toll-free line to provide additional information to the Customer Class. As of June 26, 2020, there had been 18,199 unique visitors to the website and 28,860 website pages presented, and there had been 9,621 calls to the toll-free line representing 35,364 minutes of use.

4. Class Counsel also ran internet banner ads totaling approximately 12.3 million impressions on Google Display Ad Network and Facebook.[6]

[6] *See* Declaration of Cameron R. Azari, Esq., Director of Legal Notice, Hilsoft Notifications, attached as Exhibit 1 to Final Approval Motion.

Notice has been e-mailed or mailed to 1,653,078 unique Class members, with notice to just 15,241 unique Class members currently known to be undeliverable. The individual notice has therefore reached more than 98.6% of the Class members.[7] Individual notice has been supplemented with publication notice and internet banner ads.

As previously approved in the March 17, 2020 Preliminary Approval Order, all forms of the notice that were distributed as described above identified the benefits of the settlement, including the Common Benefit Fund payments that will be made and the Rate Freeze, as defined in the Settlement Agreement. The Rate Freeze was described in the notice as being consistent with the rates projected in the Reform Plan submitted to the South Carolina General Assembly. The notice of the Rate Freeze and additional details about the frozen rates were posted in full on the settlement web site. This robust notice effort satisfies Rule 23(c), SCRCP, and all due process obligations.

FINAL SETTLEMENT APPROVAL

I. INTRODUCTION

Whether to grant final approval of a class action rests in the trial court's discretion, "which should be exercised in light of the general judicial policy favoring settlement." *Robinson v. Carolina First Bank, NA*, Case No. 7:18-cv-02927-JDA, 2019 WL 2591153, *8 (D.S.C. June 21, 2019) (quoting *In re Sumitomo Copper Litig*., 189 F.R.D. 274, 280 (S.D.N.Y. 1999).[8] Ultimately, the Court must determine whether the proposed settlement is fair and adequate. *In re Jiffy Lube.*

[7] *Id*. ¶ 35.

[8] Rule 23, SCRCP, is similar to Rule 23, FRCP, and the district courts confront class action issues much more frequently than South Carolina state courts. In these circumstances, the Supreme Court of South Carolina has determined it is appropriate to "look to the construction placed on the Federal Rules of Civil Procedure." *Gardner v. Newsome Chevrolet-Buick, Inc*., 304 S.C. 328, 330, 404 S.E.2d 200, 201 (1991).

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Sec. Litig., 927 F.2d 144, 159 (4th Cir. 1991) (outlining factors considered by district courts in the Fourth Circuit).

In analyzing fairness, this Court is tasked with considering "(1) the posture of the case at the time the settlement was proposed, (2) the extent of discovery that had been conducted; (3) the circumstances surrounding the negotiations, and (4) the experience of counsel in the area of . . . class action litigation." *Id.*

In assessing adequacy, district courts in the Fourth Circuit have considered the following: (1) the relative strength of the Class claims on the merits; (2) the existence of any difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial; (3) the anticipated duration and expense of additional litigation; (4) the solvency of the defendants and the likelihood of recovery on a litigated judgment; and (5) the degree of opposition to the settlement. *In re Jiffy Lube*, 927 F.2d at 159; *In re: Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg., Sales Practices & Prod. Liab. Litig.*, 952 F.3d 471, 484 (4th Cir. 2020).

In addition to these matters, this Court is also being asked to approve attorneys' fees and costs, as well as service awards for Class representatives and named Plaintiffs, both of which sound in the discretion of this Court.

II. FAIRNESS

The fairness inquiry "serves to protect against the danger that counsel might compromise a suit for an inadequate amount for the sake of insuring a fee." *In re Mid-Atl. Toyota Antitrust Litig*., 564 F. Supp. 1379, 1383 (D. Md. 1983) (internal citations omitted). Typically, there is a "strong initial presumption that the compromise is fair and reasonable." *S.C. Nat'l Bank v. Stone*, 139 F.R.D. 335, 339 (D.S.C. 1991).

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At the outset, this Court finds the Fourth Circuit factors are an appropriate standard to assess the fairness of the proposed settlement. With that in mind, the Court now turns to each of those factors.

A. Posture of the Case at the time of Settlement

"Considering the posture of the case at the time of settlement allows the Court to determine whether the case has progressed far enough to dispel any wariness of 'possible collusion amongst the settling parties.'" *Brown v. Transurban USA, Inc.*, 318 F.R.D. 560, 571 (E.D. Va. 2016) (quoting *In re The Mills Corp. Sec. Litig.*, 265 F.R.D. 246, 254 (E.D. Va. 2009)). This Court finds that by the time of settlement, the parties had exchanged millions of pages of documents, taken dozens of substantive depositions, and engaged in extensive motions practice, including dispositive motions and motions related to discovery. Class Counsel survived numerous motions to dismiss and successfully defended against Santee Cooper's petition in the original jurisdiction, along with SCE&G's removal to federal district court. If the parties had not reached an agreement, the parties were prepared to proceed to trial.

The multiple adversarial proceedings throughout this litigation and the extensive discovery, in addition to the oversight by this Court and Judge Anderson at mediation, support a finding that the settlement was reached far into the litigation and without any hint of collusion. *Brown*, 318 F.R.D. at 572 (finding "[t]hese adversarial encounters dispel any apprehension of collusion between the parties" (quoting *In re NeuStar, Inc. Sec. Litig.*, No. 1:14-cv-885 (JCC/TRJ), 2015 WL 5674798, at *10 (E.D. Va. Sept. 23, 2015)).

B. Extent of Discovery at Settlement

Generally, consideration of discovery and its status at the time of settlement provides insight into the parties' appreciation of "the full landscape of their case when agreeing to enter into

[a settlement]." *In re The Mills Corp.*, 265 F.R.D. at 254; *see also Singleton v. Domino's Pizza, LLC*, 976 F. Supp. 2d 655, 679 (D. Md. 2013) (noting that where the parties had exchanged initial discovery and fully briefed a motion to dismiss, which the court denied, "all parties had a clear view of the strengths and weaknesses of their respective positions, and sufficient information about the claims and defenses at the time they began exploring the possibility of settlement").

At the time of settlement, the parties had been engaged in thorough and extensive discovery for more than a year and a half. This included more than forty depositions being taken, the exchange of numerous sets of interrogatories and requests for production, and the production and review of more than 60 batches of responsive documents totaling over 2.5 million pages. At the time of settlement, the parties had entered the final stages of pre-trial discovery and were scheduled to conduct an additional forty depositions of individual cooperative representatives, defense experts, and remaining fact witnesses. For these reasons, this Court finds the parties fully appreciated the landscape of the case and were deeply familiar with the potential strengths and weaknesses of their various positions.

C. Circumstances Surrounding Settlement Negotiations

The record demonstrates the settlement was the product of good faith negotiations. By mediating this matter four times throughout the litigation—twice with this Court at the request of the Parties—it was particularly evident that the parties were not desperate to settle.[9] Rather,

[9] The other two mediations were overseen by Honorable Joseph F. Anderson, Jr. Oversight by this Court and Judge Anderson further demonstrates the absence of collusion. *See Jones v. Singing River Health Servs. Found.*, 865 F.3d 285, 295-96 (5th Cir. 2017) (noting that a strong presumption against collusion exists whenever the settlement is overseen by a reputable mediator); *see also Brown*, 318 F.R.D. at 571 (noting the assistance of a professional mediator in a formal mediation settlement can be a factor weighing in favor of fairness).

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counsel were dedicated to zealously advocating their positions. Because of the parties' earnest willingness to try the case, the negotiations were intricate and concessions were made sparingly.

After three unsuccessful mediation attempts, the final mediation was initiated following the case's remand to state court after SCE&G's November 2019 removal to federal court. Upon agreement by all parties, this Court presided over the final mediation. This high level negotiation occurred following several months of significant settlement discovery and analysis surrounding: (1) the amounts expended by the Customer Class during the Project, (2) Defendants' abilities to pay, and (3) the long-term economic impact of any judgment or settlement on the Customer Class. The resulting settlement represents a significant return of funds expended during the interim of the Project to the Customer Class, as well as additional rate relief to benefit the Class over the next four years.

Given this Court's familiarity with the case and the nuanced procedural posture and substantive law, this Court attests the settlement is not the product of collusion. Rather, the settlement is a hard-fought resolution among competent adversaries dedicated to client advocacy.

D. Experience of Counsel

Counsel's experience supports the fairness of the settlement. Class Counsel collectively have over two centuries of experience litigating complex matters and class action cases. Further, they have been champions of novel issues and possess significant appellate experience. Similarly, Defendants were represented by premier firms hailing from South Carolina and across the country with tremendous complex litigation experience. Defense counsel rigorously defended this case during its pendency and would have continued to do so at trial.

There is no evidence that this settlement was the product of anything other than arms' length negotiations. Accordingly, this Court finds the settlement in this case is fair.

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III. ADEQUACY

Having found the proposed settlement is fair, this Court must now consider whether the settlement is adequate. This prong hinges on the value of the settlement in light of the damages, and the respective merits of the claims and defenses. *In re: Lumber Liquidators*, 952 F.3d at 485 (upholding the district court's finding of adequacy where the court was familiar with the strengths and weaknesses of the claims and the "existence of difficulties of proof or strong defenses"); s*ee also In re Jiffy Lube*, 927 F.2d at 159.

As with fairness, this Court finds the Fourth Circuit factors are an appropriate standard to assess the adequacy of the proposed settlement. With that in mind, the Court now turns to each of those factors.

A. The Relative Strength of the Class Claims on the Merits Versus the Value of the Recovery

Class Counsel developed an argument that Defendants should have ceased construction in April 2012, instead of signing off on the Full Notice to Proceed. Advancing this theory through all forms of discovery, Class Counsel estimated customers were assessed $540 million in advanced financing costs from Full Notice to Proceed through stopping construction.[10] By procuring $520 million in cash, Class Counsel recovered 96% of the costs at the core of Class Counsel's theory of recovery. Furthermore, the settlement represents more than 70% of the total amount estimated to have been assessed to the Class from the Project's inception to stopping construction. Additionally, Class Counsel secured a four-year Rate Freeze constituting an additional $510 million benefit to the Class. This Court finds the substantial recovery and significant future relief weigh in favor of adequacy.

[10] *See* Aff. of John Alphin, ¶ 4 (Ex. 2 to Fee Petition).

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B. The Existence of Difficulties of Proof or Strong Defenses Plaintiffs Were Likely to Encounter at Trial

While Class Counsel strongly believed in the merits of their arguments, liability in this case was nevertheless highly contested. Throughout the case, Santee Cooper maintained that its Enabling Act requires it to collect rates sufficient to cover indebtedness, even if the debt was incurred in a negligent manner. No matter how this novel issue was decided by this Court, it would have been ripe for appellate review, creating further risk of delay in finality for the parties and potential non-recovery.

Separately, SCE&G asserted that it owes no duty to the Class. While the Honorable John C. Hayes, III, had previously denied SCE&G's motion to dismiss on this issue, this Court had not resolved this issue.[11] Rather, the Court indicated the question of duty was a mixed question of law and fact for the jury to decide. Regardless of the outcome, it is certain this issue also would have been appealed.

In the background of these two formidable defenses is a broader nuclear landscape in which lawsuits across the country seeking recovery for failed nuclear construction have been dismissed.[12] Because of the nuance and uncharted path, it is even more likely that an appeal would occur if the case proceeded to trial. For these reasons, this Court finds when balanced against the proposed settlement amount, the substantial risk of an adverse result at trial or a complex appeal from a successful result weighs in favor of adequacy.

[11] *See* Order Den. Def. SCE&G's Mot. to Dismiss filed May 20, 2019.

[12] A trial court in Mississippi dismissed such a claim just prior to the inception of this lawsuit. *Biloxi Freezing & Processing, Inc., v. Miss. Power Co.*, C.A. No. A2491-2016-00077 (Miss. Cir. Ct. June 23, 2017). A Florida federal court had dismissed a similar action a year earlier. *Newton v. Duke Energy Fla., LLC*, No. 16-CV-60341-WPD (S.D. Fla. 2016).

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C. Anticipated Duration and Expense of Additional Litigation

Despite the significant discovery that had occurred, sizable and costly discovery remained. Specifically, more than forty depositions remained to be taken, including depositions of corporate representatives for each electric cooperative and a majority of Defendants' experts.

This Court scheduled a three-week trial in Greenville, South Carolina. In connection with trial, Class Counsel have indicated that a number of Class Counsel would be present, which would invite sizable logistical costs, as well as costs associated with witnesses, including travel, lodging, and billable time. Class Counsel would also incur significant expense related to final trial preparation.

In addition, inevitable costs of appeals would flow from a trial of this complexity and magnitude, as well as the costs related to SCE&G's pending appeal to the Fourth Circuit of the district court's remand order. The potential Fourth Circuit decision reversing remand, in addition to changing the case's trajectory, would have exponentially increased costs. Specifically, Class Counsel would have funded final trial preparation in state court, including Class notice, before having to pivot to district court.

Accordingly, this Court finds the anticipated duration and expense of additional litigation had the parties not reached this settlement weighs in favor of adequacy.

D. Solvency of Defendants and the Likelihood of Recovery on a Litigated Judgment

As acknowledged in the Final Approval Motion, from inception of this case, concerns existed about Defendants' financial circumstances. During the litigation, SCANA merged with Dominion Energy and became known as Dominion Energy South Carolina. In addition, Santee Cooper's financial circumstances, shaped in part by the public political debate surrounding the Project's demise, required a thorough understanding of Defendants' abilities to pay.

The record evidences Class Counsel's laborious efforts to study and understand Defendants' respective financial positions to maximize the resolution for the Class. This includes engaging expert consultants and learning Defendants' accounting principles, rate making, and ability to pay. In so doing, Class Counsel was focused on balancing a maximum recovery against unanticipated economic consequences for the Class.

This Court finds that through these efforts, Class Counsel's decision to enter into a settlement was informed by the potential that Defendants would be unable to satisfy a judgment obtained at trial. Such an outcome would equate to a Pyrrhic victory for the Class without actual relief. For these reasons, this Court finds the proposed settlement adequately compensates members of the Customer Class, taking into account Defendants' finances.

E. Degree of Opposition to the Settlement

Finally, in its analysis on final approval this Court may consider "[t]he attitude of members of the class, as expressed directly or by failure to object, after notice, to the settlement[.]" *Flinn v. FMC Corp.*, 528 F.2d 1169, 1173 (4th Cir. 1975). Even where opposition exists, a settlement will not be disturbed if the court finds fairness and adequacy exist. *Id.* at 1174; *see also In re: Lumber Liquidators*, 952 F.3d at 485-86 (concluding that 94 opt-outs and 12 objections among 178,859 class members supported a finding of adequacy).

Notice was sent to more than 1.65 million Class members, published in newspapers whose collective circulation covers the entirety of the State, and supplemented with internet banner ads totaling approximately 12.3 million impressions. The notices directed Class members to the settlement website and toll-free line for additional inquiries and further information. After this extensive notice campaign, only 78 individuals (0.0047%) have opted-out, and only nine (0.00054%) have objected. The Court finds this response to be overwhelmingly favorable. *See In*

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re Wachovia Corp. ERISA Litig., No. 3:09cv262, 2011 WL 5037183, at *4 (W.D.N.C. Oct. 24, 2011) (noting "the relatively few number of objections demonstrates the satisfaction of Class Members with the settlement result, as well as their implicit approval of its terms, including the requested fee award").

In *Jones v. Dominion Resource Services, Inc.*, the class sent individual notice to almost 25,000 class members. There, only one class member pursued an objection. The court explained:

> [T]his very low incidence of objections, especially in light of the success of the direct notification, not only demonstrates the Class Members' satisfaction with the settlement result, but also ***shows their implicit approval of its terms***, including the attorneys' fee provision. ***Because such a high percentage of the class was directly notified of the attorneys' fee provision, and almost none of them objected to that provision, I consider the Class Members to have demonstrated approval of the instant fee request and agreement to pay such an amount.*** I FIND that the "clients" approval of the attorneys' fee request supports the reasonableness of the requested fee award.

601 F. Supp. 2d 756, 763 (S.D.W. Va. 2009) (emphasis added); *see also In re The Mills Corp.*, 265 F.R.D. at 262 (noting that two objections from 128,000 class members "enforces the reasonableness of that [fee] request in the Court's eyes").

Based upon the factors set forth herein, as well as the favorable response by the Class to the terms of the proposed settlement, this Court finds the settlement is fair, adequate, and in the best interests of the Customer Class.

IV. ATTORNEYS' FEES

Having determined the proposed settlement is fair and adequate, the Court next turns to the consideration of attorneys' fees and costs. Class Counsel has requested 15% of the Common

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Benefit Fund payable following the effective date of the settlement consistent with the terms of the Settlement Agreement.[13]

A. The Nature of this Case Supports an Award of Reasonable Attorneys' Fees from a Common Fund

The United States Supreme Court has long recognized that an award of attorneys' fees may be derived from a common fund. *See generally Cent. R.R.& Banking Co. of Ga. v. Pettus*, 113 U.S. 116, 127-28 (1885) (recognizing the common fund doctrine for the first time); *Mills v. Elec. Auto-Lite Co.*, 396 U.S. 375, 392 (1970) (noting the existence of a judge-created exception allowing for an award of attorneys' fees and expenses where a plaintiff, usually on behalf of a class, maintains an action that benefits a group of others in the same manner as himself); *see also Robinson*, 2019 WL 2591153, at *13 ("[I]t is well settled that, [w]hen a class settlement results in a common fund for the benefit of class members, reasonable attorney's fees may be awarded from the common fund." (citations omitted)).

With respect to the common fund doctrine, the United States Supreme Court has found lawyers who recover a common fund are entitled to reasonable attorneys' fee from the fund as a whole. *Boeing, Co. v. Van Gemert*, 444 U.S. 472, 478 (1988). In discussing the common fund doctrine, the *Boeing* Court explained:

> The doctrine rests on the perception that persons who obtain the benefit of a lawsuit without contributing to its cost are unjustly enriched at the successful litigant's expense. Jurisdiction over the fund involved in the litigation allows a court to prevent this inequity by assessing attorney's fees against the entire fund, thus spreading fees proportionately among those benefitted by the suit.

Id. at 478 (citations omitted).

[13] The Settlement Agreement is attached to the March 17, 2020 Order Granting Preliminary Approval of Class Action Settlement.

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Similarly, the Supreme Court of South Carolina has found that courts may award reasonable attorneys' fees from a common fund to a party who, at its expense, "successfully maintains a suit for the creation, recovery, preservation, or increase of a common fund or common property." *Matter of Estate of Kay*, 423 S.C. 476, 489, 816 S.E.2d 542, 549 (2018) (quoting *Layman v. State*, 376 S.C. 434, 452, 658 S.E.2d 320, 329 (2008)); *see Petition of Crum*, 196 S.C. 528, 531, 14 S.E.2d 21, 23 (1941) (finding that the basis for the common fund doctrine is to allow one who preserves or protects a common fund for herself and others to share in the expenses of preserving the fund with those so benefitted).

In *Layman*, the Supreme Court of South Carolina recognized that "when awarding fees to be paid from a common fund, courts often use the common fund itself [rather than a lodestar] as a measure of the litigation's 'success.'" 376 S.C. at 452-53, 658 S.E.2d at 330. Accordingly, "[t]hese courts consequently base an award of attorney[s'] fees on a percentage of the common fund created, known as the 'percentage-of-the-recovery' approach." *Id*. (citing *Edmonds v. United States*, 658 F. Supp. 1126, 1144 (D.S.C. 1987) (expressing a preference for the percentage-of-the-recovery method when awarding fees from a common fund)).

This Court finds that the common fund doctrine, and percentage-of-the-recovery method, is an appropriate way to determine attorneys' fees and costs. This finding is based on the complexity and duration of the litigation and Class Counsel's success in numerous motions in state and federal courts, asserting and withstanding tremendous pressure in discovery, and negotiation of a significant recovery for the Customer Class.

B. <u>Application of the factors set forth in Jackson v. Speed supports an award of attorneys' fees of 15% from the Common Benefit Fund</u>

In assessing a percentage-of-the-recovery, the Court must consider what constitutes a "reasonable" award, given the specific circumstances of the case. The Supreme Court of South

Carolina has previously directed courts to look to the factors set forth in *Jackson v. Speed* to determine reasonableness. 326 S.C. 289, 486 S.E.2d 750 (1997). These factors include: (1) the nature, extent, and difficulty of the case; (2) the time necessarily devoted to the case; (3) the professional standing of counsel; (4) contingency of compensation; (5) beneficial results obtained; and (6) customary legal fees for similar services. *Id*. at 308, 486 S.E.2d at 760; *see Condon v. State*, 354 S.C. 634, 638, 583 S.E.2d 430, 432 (2003) (upholding a circuit court's award of attorneys' fees of 28% of the common fund plus costs).

1. *The nature, extent, and difficulty of the case*

Lawyers often turn to prior cases for legal blueprints to mirror their pleadings, legal arguments, and discovery requests. Confronted with landmark issues, Class Counsel became founding architects in seeking recovery for failed nuclear construction and forced advanced cost recovery by customers. Through their efforts they advanced novel theories of liability and bore all risks associated with attempting to address unsettled and unknown areas of law. In their Fee Petition, Class Counsel provide ample information showing that experienced South Carolina lawyers declined to litigate these issues because of the inherent risks and purported inability to succeed.[14]

Even as Class Counsel pushed ahead, they were acutely aware of rulings throughout the country precluding any recovery for customers under similar circumstances.[15] As the *Cook* litigation progressed, the Eleventh Circuit found "that utilities . . . should be able to recoup from their customers the costs associated with a project for the construction of a nuclear power plant, and that they should not have to return funds received even if the project is not completed."

[14] *See* Aff. of Vincent Sheheen (Ex. 13 to Fee Petition).
[15] *See supra*, n.11.

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Newton v. Duke Energy Fla., LLC, 895 F.3d 1270, 1276 (11th Cir. 2018). Despite a dreary foreshadowing, Class Counsel persisted.

Such effort must be recognized. As Judge Anderson noted in *Montague v. Dixie National Life Insurance Co.*, "the riskier the case, the greater the justification for a substantial fee award." 3:09-00687-JFA, 2011 WL 3626541, at *3 (D.S.C. Aug. 17, 2011); *see also In re Foreign Exch. Benchmark Rates Antitrust Litig.*, 13 CIV 7789 (LGS), 2018 WL 5839691, at *3 (S.D.N.Y. Nov. 8, 2018) (finding that the risks of litigation "should be considered as of when the case is filed").

This Court finds that a settlement representing 96% of the funds Class Counsel would seek at trial is a monumental achievement. Coupled with the substantial risk of litigation and the national trend of non-recovery in similar cases, this recovery is extraordinary. For these reasons, the Court finds this factor supports Class Counsel's fee request.

2. *The time necessarily devoted to the case*

There is no doubt that this case usurped significant amounts of time from Class Counsel. An accounting of hours would be feckless in a circumstance like this one given the duration and complexity of the litigation. *See generally In re Thirteen Appeals Arising out of San Juan Dupont Plaza Hotel Fire Litig.*, 56 F.3d 295, 307 (1st Cir. 1995) (noting that "the [percentage-of-fund] method in a common fund case enhances efficiency, or, put in the reverse, using the lodestar method in such a case encourages inefficiency").

For more than two and a half years, Class Counsel tirelessly dedicated themselves to litigating this case. At inception, Class Counsel had to familiarize themselves with the intricacies of utility financing, accounting, and ratemaking; the Santee Cooper Enabling Act; the EPC contract; and the general vernacular of a construction mega-project. Class Counsel were met with monumental amounts of discovery and repeated challenges to the production of relevant material.

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And over the life of this case, Class Counsel litigated in multiple forums, including circuit court, the South Carolina Court of Appeals, the Supreme Court of South Carolina, federal district court, and the Fourth Circuit.

In assessing this factor, this Court has had a unique vantage point. Having been assigned as the presiding judge over this complex litigation and overseeing two mediations, this Court has extensive exposure and insight into the facts and legal issues. Although the case was being vigorously developed at the time of the October 2019 mediation, when mediation reconvened four months later, the liability theory had progressed tremendously through Class Counsel's seasoned techniques and trial preparation—progress that could only be achieved through laborious, time consuming efforts. Accordingly, this Court finds that the time necessarily devoted to this case supports Class Counsel's fee request.

3. *The professional standing of counsel*

Class Counsel has provided a substantial recitation of their efforts and achievements. Rather than recite every detail, the Court incorporates this portion of the Fee Petition by reference and finds Class Counsel are among the most accomplished at pursuing and prosecuting class action and complex litigation cases in the state of South Carolina. In addition, Class Counsel were met by equally able counsel representing all parties involved. Every party in this case was represented by premier firms from throughout the state of South Carolina and the nation. This case had no shortage of distinguished and able attorneys well-versed in litigation of this scope and magnitude. Accordingly, this Court finds the collective experience of Class Counsel and the formidable opponents defending this case weigh in favor of approval of Class Counsel's fee request.

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4. *Contingency of the compensation*

Class Counsel's representation stemmed from contingency agreements. As such, Class Counsel have received no compensation for their work spanning two and half years. Nor have they been compensated for the more than $1.5 million Class Counsel has advanced in costs. While Class Counsel's retainer agreements provide for contingency fees of 33.3% and 40% respectively,[16] Class Counsel seek an award of 15% of the Common Benefit Fund. Given these facts, this factor weighs in favor of Class Counsel's fee request.

5. *Beneficial results obtained*

"[T]he most critical factor in determining the reasonableness of a fee award is the degree of success obtained." *Farrar v. Hobby*, 506 U.S. 103, 114 (1992) (quoting *Hensley v. Eckerhart*, 461 U.S. 424 (1983)); *In re Abrams & Abrams, P.A.*, 605 F.3d 238, 247 (4th Cir. 2010). Often, in ascertaining the degree of success in a class action, courts look to what the class could reasonably expect to obtain at trial, not the total amount of alleged losses. *See generally Newberg on Class Actions*, § 13.51 (5th Ed.); *In re Adelphia Commc'ns Corp. Sec. & Derivative Litig.*, No. 03 MDL 1529 LMM, 2006 WL 3378705, at *2 (S.D.N.Y. Nov. 16, 2006), *aff'd*, 272 F.Appx. 9 (2nd Cir. 2008) (approving a settlement of 8% of the claimed damages, noting that the class could only realistically recover a much lesser percentage of the total claimed damages at trial).[17]

As set forth herein, and as supported by the Affidavit of John Alphin, a recovery of $520 million represents a nearly 96% recovery of the total amount estimated to have been paid by the

[16] *See* Affs. of Class Representatives Jessica Cook & Chris Kolbe (Exs. 19 & 20 to Fee Petition).
[17] As noted in the Fee Petition, many courts have approved settlements where the overall degree of success ranged anywhere from 20% to 50% of the purported damages, but have nevertheless qualified these cases as impressive results on behalf of the class. *E.g., In re Cardinal Health, Inc. Sec. Litig.*, 528 F. Supp. 2d 757, 764-65 (S.D. Ohio 2007) (finding recovery of 20% of the alleged losses constituted an "outstanding recovery").

Customer Class from Full Notice to Proceed until construction stopped, and a 70% recovery from Project inception to construction stopping. Further, this settlement includes an additional $510 million benefit for the Class in future rate relief.

The Court finds that the results achieved by Class Counsel will provide significant reimbursement to Class members for what they paid into the failed Project. Furthermore, the Court finds Class Counsel achieved what few have been able to in any class context by providing nearly full relief on what the Customer Class could reasonably expect to achieve at trial, as well as significant future relief. This degree of success supports Class Counsel's fee request.

6. *Customary legal fees for similar services*

Class Counsel's fee request is well-below previously approved percentage-of-the-recovery fees in common fund cases in South Carolina. For example, in *Condon*, the Supreme Court of South Carolina upheld the circuit court's award of a 28% attorneys' fee assessed from the common fund. 354 S.C. at 644, 583 S.E.2d at 435. In *Spartanburg Regional Health Services District,, Inc. v. Hillenbrand Industries, Inc.*, the Honorable Henry F. Floyd awarded a 25% fee of roughly $117 million on a total settlement of $486.6 million, comprised of $337.5 million paid in cash and an agreement by defendants to change future pricing for an additional benefit of $131.1 million. C.A. No 7:03-2141-HFF, 2006 WL 8446464, at *5, n.3 (D.S.C. Aug. 15, 2006). In finding that the fee was supported by the circumstances, Judge Floyd noted:

1. Class Counsel had been litigating for over two and a half years;
2. The settlement was on the higher end of what was expected;
3. The case involved "novel and difficult" legal and economic issues;
4. Other law firms had rejected joining the litigation given its risk; and

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5. Other class actions involving recoveries of more than $100 million included attorneys' fee awards between twenty and thirty percent for an average of 25.03% of the common fund.

Id. at *2-*4. Each factor considered by Judge Floyd is present in this case. Notably, here, Class Counsel seek a substantially reduced fee. In fact, if the Court accounted for the future benefit, Class Counsel's request would be 7.5% of the total recovery. Under either calculation, the percentage requested by Class Counsel is well below prior awards in large class action cases.[18]

Because of the limited number of class actions and fee awards in South Carolina, our courts have turned to other jurisdictions for guidance. *Condon*, 354 S.C. at 644, 583 S.E.2d at 435 (relying on similar cases in addressing the reasonableness of fees). Accordingly, in their Fee Petition, Class Counsel have included a recitation of class action cases where courts have upheld attorneys' fee awards of more than the 15% requested here.[19] In addition, Class Counsel have included multiple affidavits from lawyers across the state of South Carolina with vast experience in complex litigation, including class actions. All of these affidavits indicate that the 15% fee requested is reasonable given the results of this case and attorneys' fee awards in similar cases.

C. <u>RICO Counsel</u>

As set forth in the Fee Petition, several of the firms involved with Class Counsel in the federal RICO class action, *Glibowski v. SCANA Corporation*, No. 9:18-cv-00273-TLW (D.S.C.), were not counsel of record in this litigation. Nevertheless, Class Counsel agree that these RICO counsel contributed to the creation of the Common Benefit Fund through their efforts in the

[18] *See Montague*, 2011 WL 3266541, at *2 (noting "[a] total fee of 33 percent for all work performed in this case is well within the range of what is customarily awarded in settlement class actions" and finding "[a]n award of fees in the range of 33% of the fund for work performed in the creation of the settlement fund has been held to be reasonable by many federal courts").
[19] *See* Fee Petition, p. 28.

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Glibowski action. Moreover, the settlement in this action also settled the *Glibowski* action. The Court finds it appropriate to include these RICO counsel as Class Counsel and participants in the attorneys' fee award.

For these reasons, this Court finds Class Counsel's request for 15% of the Common Benefit Fund is well within the range of attorneys' fees awarded in similar cases and is appropriate in this case. Further, after conducting meetings with Class Counsel concerning the allocation of any fee award, this Court finds that the attorneys' fee award should be allocated among Class Counsel as set forth on Exhibit 22 to the Fee Petition.

V. CASE COSTS AND EXPENSES

It is within this Court's discretion to award reimbursement of reasonable costs from the Common Benefit Fund. *Condon*, 354 S.C. at 644, 583 S.E.2d at 435; *see Robinson*, 2019 WL 2591153, at *17 (noting that "courts generally permit recovery of costs advanced for litigation expenses, including document production, consulting with experts, and court and mediation costs" (citing *McClaran v. Carolina Ale House Operating Co., LLC*, C.A. No. 3:14-cv-03884-MBS, 2015 WL 5037836, *5 (D.S.C. Aug. 26, 2015))); *see In re Mills*, 265 F.R.D. at 265 (reimbursing counsel for costs including "expert fees, reproduction costs, mediation costs, and court costs"). Class Counsel request reimbursement of $1,543,893.08 in costs. Upon examination, this Court finds the costs incurred to be reasonable and approves reimbursement to Class Counsel from the Common Benefit Fund.

Class Counsel have also advised the Court that in addition to the costs of settlement administration to be paid from the Common Benefit Fund as set forth in the Settlement Agreement, costs not expected to exceed $60,000 will be incurred by two technology vendors, SEDC and National Information Solutions Cooperative (NISC), to provide cooperative customer billing data

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necessary for the settlement distribution allocation. *See* Aff. of James L. Ward, Jr. (Ex. 3 to Final Approval Motion). The Court finds that these costs will be incurred for the common benefit and should be paid by the Settlement Administrator from the Common Benefit Fund.

VI. SERVICE AWARDS FOR CLASS REPRESENTATIVES

It is within this Court's discretion to award the Class representatives and named Plaintiffs a service award in recognition of their participation in the prosecution of this case. As noted in *Robinson*, "[a]t the conclusion of a successful class action case, it is common for courts exercising their discretion, to award special compensation to the Class Representative in recognition of the time and effort they have invested for the benefit of the Class." 2019 WL 2591153, at *17 (approving a service award of $15,000). In considering whether to award a service award, factors include whether the representative aided in discovery and trial preparation or sat for a deposition. *Weckesser v. Knight Enters., S.E., LLC*, 402 F. Supp. 3d 302, 306-7 (D.S.C. 2019).

Here, Class Counsel seek service awards to be paid from the Common Benefit Fund of $10,000 for the two named Class representatives, Jessica Cook and Chris Kolbe, who assisted in discovery and were deposed, and lesser awards of $2,500 each for the other named Plaintiffs, Corrine F. Bowers & Son, Cyril B. Rush, Jr., Bobby Bostick, Kyle Cook, Donna Jenkins, and Ruth Ann Keffer, who were helpful in prosecution of the action, available to be deposed, and provided assistance in discovery. This Court hereby approves Class Counsel's request for individual service awards for the Class representatives and the named Plaintiffs.

VII. OBJECTIONS

As previously noted, the Court received three objections by nine Class Members. For the reasons discussed below, the Court finds none of the objections have demonstrated that the

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Settlement Agreement is inadequate or unfair so as to upend this Court's decision to grant final approval.

A. Joint Objection by Seven Class Members

Seven individual Class members filed a joint objection criticizing the manner in which the attorneys' fees are paid.[20] Specifically, the objection takes issue with the fact that the Class will be paid in two installments while Class Counsel is compensated entirely by the first installment. This Court finds allowing Class Counsel to receive their compensation from the first installment is fair to all parties and declines to disrupt that balance.

The equities require Class Counsel receive recompense, and that necessarily requires some expense to the Class. *See Layman*, 376 S.C. at 452, 658 S.E.2d at 329 ("The justification for awarding attorneys' fees in this manner is based on the principle that one who preserves or protects a common fund works for others as well as for himself, and the others so benefited should bear their just share of the expenses." (internal quotations omitted)). Class Counsel bore all the financial costs and risk as they labored through this case for two and a half years. Had they failed, the Class would owe no costs or fees. And the inclusion of attorneys' fees in this initial distribution does not enhance any financial risk to the Class. This Court is mindful that its overarching concern is fairness to the Class, but it finds no conflict in finally allowing Class Counsel their compensation. The Court is similarly unpersuaded by the objection's concern that Santee Cooper may never pay the second or third annual installments. This Court is well-apprised of the financial situation of Santee Cooper (and generally how markets may fluctuate). The Court notes that on the effective date of this Order, the Class members are no longer mere customers, but will also

[20] Significantly, the objectors specified that they took no issue with the amount to be awarded and believed Class Counsel deserved the 15% requested.

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retain the status as judgment creditors and will enjoy the benefit of this Court overseeing the administration of this settlement. This combination mitigates any risk voiced by the objection. To the extent the force of this Order is in doubt, this Court unequivocally directs Santee Cooper and Central Electric, to the extent it is responsible for ensuring the Customer Benefit Fund is distributed to the Indirect Customer Class Members, to comply with the provisions of the Settlement Agreement, including Santee Cooper's payment of each installment to the Common Benefit Fund. This Court's continued jurisdiction will ensure that deviations are corrected.

B. Pro Se Objection by Paul Spence

Mr. Spence raises a number of concerns in his objection that this Court already considered in granting preliminary approval or that have been addressed through the course of final approval.[21] As to the timeliness and quality of the notice, Mr. Spence received timely notice that was administered in accord with the Notice Plan approved when this Court granted preliminary approval of the settlement. This notice provided him with the necessary information to determine whether to participate in the settlement or opt-out. As he references the settlement website, he was adequately apprised of how to access the breakdown of the administrative costs and expenses, all of which have been fully considered in this Court's analysis of whether to grant final approval.[22]

[21] Some of the objection simply has no legal basis, including whether Class Counsel should have characterized the damages as something other than compensatory. The settlement is designed to refund the amounts paid by the Class members, so regardless of nomenclature, the damages are compensatory in nature.

[22] Additionally, many of his concerns are simply unfounded. This Court has considered the number of opt-outs, which is 78 out of over 1.65 million, so no appreciable amount of the Common Benefit Fund will be returned to Defendants. Finally, as this Court will retain jurisdiction to ensure the proper execution of the settlement, Mr. Spence's fear over the implementation and administration of the settlement should be ameliorated.

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C. Objection by Century Aluminum of South Carolina, Inc.

Century Aluminum filed an objection taking issue with the methodology utilized in allocating the settlement amongst the Class members, and the language of the release. Much of Century Aluminum's objection focuses on not knowing the manner of allocation and its perception that Santee Cooper enjoyed significant discretion in determining Class member allocation. However, as the motion for final approval explained, the methodology utilized was the result of a collaborative inquiry between Class Counsel, Santee Cooper, Central Electric, and the cooperatives. Class Counsel ultimately chose the methodology they believe best served the interests of the Class in receiving fair allocations.

The Court initially concluded that Century Aluminum offered no evidence that the Curtailable Supplemental Power rates were designed or calculated, even in part, to pay Project costs. However, in its motion for reconsideration, Century Aluminum points to Exhibit A to its Response to Motion for Final Approval, which is a Santee Cooper 2009 rate study. The rate study includes descriptions of both Interruptible and a rate known as L-09-SP (also referred to as "SP-09"). While several of the Curtailable Supplemental rates reflect the capture of costs from a hypothetical plant, the creation and design of the SP-09 rate, unlike the predecessor Curtailable Supplemental rates, was done at a time when the costs were actually being incurred for construction of the Project and includes a production demand component. This distinguishing reality disqualifies the predecessor rates from meeting the class definition while making it likely that payors of the SP-09 rate should be included in the class. After further analysis, Class Counsel agrees with respect to the SP-09 rate. The other parties—Santee Cooper, Dominion, and Central Electric—take no position on Class Counsel's determination, either now or in the administration

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of the Common Benefit Fund.[23] Thus, the Court finds that it is fair and reasonable for purchases under the SP-09 rate to be included in the refund methodology in the same manner as purchases under the Interruptible power rate. As explained above, the Court rejects Century Aluminum's contention that predecessor Curtailable Supplemental Power rates should be credited in the allocation methodology, because there is no evidence that those rates were calculated to pay the Project costs.

With the inclusion of the SP-09 rate, this Court finds that the methodology reasonably and fairly allocates the funds among the various Class members. Because not every ratepayer increase was attributable to the construction of the Project, and the amounts attributable differ between the types of customers receiving electricity from Santee Cooper, the refunds must reflect that.

Finally, Century Aluminum objects to the language of the release, suggesting it is ambiguous and could be utilized overbroadly. This Court disagrees and finds the release speaks for itself and approves it as currently drafted.

CONCLUSION

For the foregoing reasons, **IT IS HEREBY ORDERED THAT:**

1. This Court has jurisdiction over 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., Dominion Energy South Carolina, Inc.,

[23] Dominion has had no role in, and thus takes no position on, any aspect of the allocation plan associated with any proceeds from the settlement of this matter. As a consequence, Dominion takes no position on Century Aluminum's contention that the SP-09 rate should be included in the refund methodology, Class Counsel's conclusion with respect to this contention, or the resolution of the objection associated with this contention.

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f/k/a South Carolina Electric & Gas Company, Dominion Energy Southeast Services, Inc., f/k/a SCANA 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, James Micali, Kevin Marsh, Stephen Byrne, Jimmy Addison, Martin Phalen, Mark Cannon, Russell Harris, and Ronald Lindsay (collectively, "All Defendants") and all Class members (including all objectors), and the claims asserted in this action for purposes of the settlement.

2. The Settlement Agreement was entered into in good faith following arms' length negotiations and is non-collusive.

3. This Court **GRANTS** the Final Approval Motion and finds that the settlement and its planned implementation is in all respects fair, adequate, and in the best interests of the Class. Therefore, all Class members who have not requested exclusion are bound by this Order finally approving the settlement.

CLASS CERTIFICATION

4. The previously certified class set forth below (the "Class") is now finally certified, solely for purposes of this settlement, pursuant to South Carolina Rule of Civil Procedure 23(a) and (b)(3):

> All Santee Cooper residential, commercial, industrial, and other customers, both direct and indirect, who paid utility bills that included rates calculated, in part, to pay pre-construction, capital, in-service, construction, interest, and other pre-operational costs associated with the V.C. Summer Nuclear Reactor Unit 2 and 3 Project from January 1, 2007, through January 31, 2020.

5. The Court finds that certification of the Class solely for purposes of this settlement is appropriate in that (a) the Class is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Class that predominate over any questions affecting only individual Class members; (c) Plaintiffs' claims are typical of the Class; (d)

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Plaintiffs have fairly and adequately protected the interests of the Class and will continue to do so; (e) Class counsel is adequate; and (f) a class action is the superior method for the fair and efficient adjudication of this controversy.

6. Jessica Cook and Chris Kolbe are designated as representatives of the Class.

7. Speights & Solomons, LLC; McGowan, Hood & Felder, LLC; Strom Law Firm, LLC; Richardson Patrick Westbrook & Brickman, LLC; Savage, Royal & Sheheen, LLP; Bell Legal Group; McCullough Khan, LLC; Galvin Law Group, LLC; McCallion & Associates, LLP; Holman Law, PC; Janet, Janet & Suggs, LLC; and The Law Offices of Jason E. Taylor, PC are included as Class Counsel.

CLASS NOTICE

8. Notice of the settlement, including the Customer Benefit Fund and the relief via the Rate Freeze, was given to Class members by email and/or mail in accordance with the Settlement Agreement and this Court's preliminary approval order. The notice adequately informed Class Members of the Customer Benefit Fund and the Rate Freeze. The Class notice was also published in the *Columbia State*, *Greenville News*, *Charleston Post & Courier*, *Aiken Standard*, *Beaufort Gazette / Bluffton Island Packet Combo*, *Rock Hill Herald*, and *Myrtle Beach Sun News*. Class Counsel also ran internet banner ads totaling approximately 12.3 million impressions on Google Display Ad Network and Facebook. Finally, Class Counsel set up a settlement website and a toll-free line to provide additional information and to answer inquiries from Class members. These forms of Class notice fully complied with the requirements of Rule 23(c) and due process, constituted the best notice practicable under the circumstances, and were due and sufficient notice to all persons entitled to notice of the settlement of this lawsuit.

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OBJECTIONS AND OPT-OUTS

9. After the extensive notice provided to Class members as described above, including individual notice to over 1.65 million Class members, there have been only three objections to the settlement. Specifically, seven Class members—Lindsey F. Smith, Travis B. Renwick, Justin M. Tedder, Rusty Wannamaker, Caroline H. Robinson, William E. Robinson, and Peggy E. Dantzler—filed a joint objection to final approval; Paul Spence submitted an individual objection; and Century Aluminum of South Carolina, Inc. submitted an individual objection. These objectors represent less than 0.00054% of the Class. As discussed above, the Court has reviewed the objections and finds them to be without merit, except for Century Aluminum's contention that purchases under the SP-09 rate should be included in the refund methodology.

10. Seventy-eight Class members have opted out of the settlement. The Court recognizes that new customers who are not in the Class will join Santee Cooper and the electric cooperatives. The Rate Freeze benefit will be provided to all customers under the frozen rates.

AWARD OF ATTORNEY'S FEES AND COSTS

11. The Court has considered Class Counsel's Fee Petition and the joint objectors' objections to the proposed upfront payment of the full amount of attorneys' fees awarded to Class Counsel. The Court also heard extensive argument on Class Counsel's request for attorneys' fees at the fairness hearing on July 20, 2020, the record of which is incorporated by reference.

12. Class Counsel seek 15% of the Common Benefit Fund for their attorneys' fee award. Class Counsel also request reimbursement of expenses in the amount of $1,543,893.08. Defendants do not object to Class Counsel's request for attorneys' fees and costs. The Court has reviewed the joint objectors' challenge to Class Counsel's Fee Petition and finds it without merit.

13. The Supreme Court of South Carolina has recognized that the percentage-of-recovery method is the accepted way to award fees from a common fund. *See Layman*, 376 S.C. at 452-53, 658 S.E.2d at 330. The Court may also consider the following six factors when determining the reasonableness of attorneys' fees: "(1) the nature, extent, and difficulty of the case; (2) the time necessarily devoted to the case; (3) professional standing of counsel; (4) contingency of compensation; (5) beneficial results obtained; and (6) customary legal fees for similar services." *Jackson*, 326 S.C. at 308, 486 S.E.2d at 760. Applying these factors, the Court finds that the requested attorneys' fees of 15% of the Common Benefit Fund is fair and reasonable.

14. The Court hereby **GRANTS** Class Counsel's Fee Petition and awards attorneys' fees in the amount of 15% of the Common Benefit Fund and costs in the amount of $1,543,893.08. The attorneys' fees are to be paid in full consistent with the terms of the Settlement Agreement and distributed among Class Counsel as follows:

FIRM	**PERCENTAGE**
Bell Legal Group, LLC	5.25%
Galvin Law Group, LLC	4.0%
Holman Law, PC and McCallion & Associates, LLP	0.75%
Janet, Janet & Suggs, LLC and The Law Offices of Jason E. Taylor, PC	0.75%
McCullough Khan, LLC	5.25%
McGowan, Hood & Felder, LLC	18.5%
Richardson, Patrick, Westbrook & Brickman, LLC	14.75%
Savage, Royall and Sheheen, LLP	13.25%
Speights & Solomons, LLC	19.0%

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Strom Law Firm, LLC	18.5%

15. The Court also **GRANTS** Class Counsel's request for service awards for the Class representatives, Jessica Cook and Chris Kolbe, in the amount of $10,000 each, and for the named Plaintiffs, Corrine F. Bowers & Son, Cyril B. Rush, Jr., Bobby Bostick, Kyle Cook, Donna Jenkins, and Ruth Ann Keffer, in the amount of $2500 each. The Court finds that these payments are justified by the Class representatives' and named Plaintiffs' service to the Class.

16. The Court also finds that the costs to be incurred by SEDC and NISC in providing cooperative customer billing data necessary for the settlement distribution allocation will be incurred for the common benefit and should be paid by the Settlement Administrator from the Common Benefit Fund.

CLASS BENEFITS AND IMPLEMENTATION OF SETTLEMENT

17. The Parties to the Settlement Agreement shall carry out their respective obligations thereunder. The Settling Parties will cooperate with each other to the extent reasonably necessary to effectuate and implement the terms and conditions of the Settlement Agreement and settlement and will exercise their best efforts to accomplish the terms and conditions of the Settlement Agreement and settlement as described in this Order.

18. The Rate Freeze and process for annual compliance reporting as described by Santee Cooper and Central Electric complies with the Settlement Agreement and law. Customers have been appropriately notified of the Rate Freeze.

19. For customers other than Central Electric, the Rate Freeze will be effective for the customers subject to the frozen rates for all bills rendered on or after August 16, 2020, through all bills rendered on or before January 15, 2025. For Central Electric, the Rate Freeze will be effective

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for service rendered on or after August 1, 2020, through service rendered on or before December 31, 2024. The Rate Freeze will be implemented with respect to Santee Cooper's residential, commercial, lighting, and industrial customers by computing charges throughout the Rate Freeze period using rates and charges set forth in Santee Cooper's following rate schedules: RG-17, RT-17, GA-17, GB-17, GV-17, GT-17, GL-17, TP-17, TA-17, TL-17, MS-17, OL-17, L-17, L-17-I, and L-17-EP-O. The fuel, demand sales, and economic development sales adjustment clauses of the foregoing rate schedules will be suspended from adjusting during the Rate Freeze Period, and adjustment values will be frozen at the amounts specified in Schedule B of the Customer Settlement Agreement for the Rate Freeze Period. The fuel adjustment clause of the Authority's municipal customers whose rates are based on the Municipal Light and Power rate will be suspended from adjustment during the Rate Freeze Period, and the Rate Freeze will be applied to these customers by applying the fuel adjustment clause referenced in the rate schedule using levels set forth for the Schedule L-17 rate in Schedule B of the Customer Settlement Agreement; provided however, the Authority is permitted to participate in competitive bidding processes to retain its contracts with municipal customers upon their expiration. Similarly, frozen rates applicable to Central Electric are described in Schedule A of the Settlement Agreement. Santee Cooper's Board plans to consider a resolution approving the implementation of the Rate Freeze following approval of the settlement via entry of this Order. The draft resolution presented by Santee Cooper, and the implementation of the Rate Freeze as presented to the Court and in the draft resolution, comports with the Settlement Agreement and the law, including Santee Cooper's Enabling Act, S.C. Code Ann. § 58-31-10, *et seq*. The frozen rate schedules and Schedules A and B will be posted by Santee Cooper on its website.

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20. Class Counsel, Santee Cooper, and Central Electric have presented descriptions of the methodologies selected by Class Counsel to distribute the Customer Benefit Fund to the Class. Those methodologies are reasonable and fair to all Class members.

21. To comply with the Agreement, Santee Cooper and Central Electric will submit annual compliance reports addressing the topics as presented to the Court.

OTHER PROVISIONS

22. The Settlement Agreement and this Order are binding on and will have *res judicata* and preclusive effect in all pending and future lawsuits or other proceedings encompassed by the Released Claims maintained by or on behalf of the Releasors.

23. The claims in the Action, including all cross-claims, are hereby dismissed with prejudice and, except as expressly and explicitly provided for in the Settlement Agreement, without costs.

24. The Releasees are hereby discharged and released from all Released Claims.

25. The Releasors are hereby permanently barred and enjoined from instituting and prosecuting any and all of the Released Claims.

26. The Opt-Out List is hereby approved as a complete list of all persons who have timely and validly requested exclusion from the Class and, accordingly, will neither share in nor be bound by the Final Approval Order and Judgment.

27. The Settlement Agreement, settlement, and any proceedings taken pursuant thereto are not and should not in any event be offered or received as evidence of a presumption, concession, acknowledgment, or an admission of liability or of any wrongdoing by any Defendant or any Releasee or of the suitability of these or similar claims to class treatment for litigation, trial, or any other purpose except settlement.

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28. The Court hereby reserves continuing and exclusive jurisdiction over the settlement, including all future proceedings concerning the administration, consummation, and enforcement of the Settlement Agreement.

29. Neither the Settlement Agreement, preliminary approval order, this Order finally approving the settlement, nor any of their provisions, nor any of the documents, negotiations, or proceedings relating in any way to the settlement, shall be construed as or deemed to be evidence of an admission or concession of any kind by any person, including All Defendants, nor of the certifiability of any class other than the Class described herein, and shall not be offered or received in evidence in this or any other action or proceeding except in an action brought to enforce the terms of the Settlement Agreement or except as may be required by law or court order.

30. This Court retains jurisdiction for the purposes of enforcing the terms of the settlement and of this Final Judgment and Order.

AND IT IS SO ORDERED.

Dated:_____ By:_____

Jean Hoefer Toal
Chief Justice, Retired
Acting Circuit Court Judge

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Greenville Common Pleas

Case Caption: Jessica S Cook vs. Santee Cooper , defendant, et al

Case Number: 2019CP2306675

Type: Order/Approval Of Settlement

So Ordered

Jean H. Toal

ELECTRONICALLY FILED - 2020 Jul 31 12:53 PM - GREENVILLE - COMMON PLEAS - CASE#2019CP2306675

****** IMPORTANT NOTICE - READ THIS INFORMATION *****
NOTICE OF ELECTRONIC FILING [NEF]

A filing has been submitted to the court RE: 2019CP2306675

Official File Stamp:	07-31-2020 12:53:40 AM
Court:	CIRCUIT COURT Common Pleas Greenville
Case Caption:	Jessica S Cook vs. Santee Cooper , defendant, et al
Document(s) Submitted:	Order/Approval Of Settlement-Amended Final Ord & Judgment Order/Approval Of Settlement
Filed by or on behalf of:	Jean Hoefer Toal

This notice was automatically generated by the Court's auto-notification system.

The following people were served electronically:

Jamie A. Khan for Jessica S Cook
Clayton B. McCullough for Jessica S Cook
J. Emory Smith, Jr. for State Of South Carolina, Ex Rel Wilson, Attorney General
Margaret Nicole Fox for Steve Byrne
James L. Ward, Jr. for Jessica S Cook
Elizabeth Halligan Black for South Carolina Electric & Gas
James Mixon Griffin for Steve Byrne
Leah B. Moody for South Carolina Electric & Gas
J. Edward Bell, III for Jessica S Cook
Kevin Kendrick Bell for Central Electric Power Cooperative, Inc
Gabrielle Anna Sulpizio for Jessica S Cook
Donald Jay Davis, Jr. for Palmetto Electic Cooperative, Inc
William A. Coates for Jimmy Addison
Samuel W. Outten for Santee Cooper, South Carolina Public Service Authority
Robert Yates Knowlton, Sr. for South Carolina Electric & Gas
Daniel A. Speights for Jessica S Cook
Michael A. Molony for Palmetto Electic Cooperative, Inc
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Robert E. Stepp for Central Electric Power Cooperative, Inc
Vincent Austin Sheheen for Jessica S Cook
Frank Rogers Ellerbe, III for Central Electric Power Cooperative, Inc
Gregory Michael Galvin for Jessica S Cook
Benjamin Rush Smith, III for Santee Cooper, South Carolina Public Service Authority
Algernon Gibson Solomons, III for Jessica S Cook
William Coleman Hubbard for Santee Cooper, South Carolina Public Service Authority
John K. DuBose, III for Fairfield Electric Cooperative, Inc.
Allen Mattison Bogan for Santee Cooper, South Carolina Public Service Authority
Carmen Harper Thomas for Santee Cooper, South Carolina Public Service Authority
Ian Douglas McVey for Scottmadden, Inc. (Movant)
James Y. Becker for South Carolina Electric & Gas
Whitney Boykin Harrison for Jessica S Cook
Manton M. Grier for South Carolina Electric & Gas
Jasmine D. Wyman for Scana, South Carolina Electric & Gas
Steven James Pugh for Scana, South Carolina Electric & Gas

Jerry Hudson Evans for Jessica S Cook
Edward J. Westbrook for Jessica S Cook
Daniel Scott Haltiwanger for Jessica S Cook
James Edward Cox, Jr. for Century Aluminum Of South Carolina, Inc.
Terry E. Richardson, Jr. for Jessica S Cook
Joseph Preston Strom for Jessica S Cook
Wallace K. Lightsey for Century Aluminum Of South Carolina, Inc.
John R. Alphin for Jessica S Cook
Jessica Lerer Fickling for Jessica S Cook
Mario Anthony Pacella for Jessica S Cook
David Andrew Maxfield for Rusty Wannamaker, Justin M. Tedder, Travis B Renwick, Lindsey F Smith, Peggy E Dantzler, William E Robinson, Caroline Robinson
Ross A. Appel for Jessica S Cook

The following people have not been served electronically by the Court. Therefore, they must be served by traditional means:

The Electric Cooperatives Of South Carolina
Paul Spence

ELECTRONICALLY FILED - 2020 Jul 31 12:53 PM - GREENVILLE - COMMON PLEAS - CASE#2019CP2306675

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS THIRTEENTH JUDICIAL CIRCUIT
COUNTY OF GREENVILLE	)	
Jessica S. Cook, Corrin F. Bowers & Son, Cyril B. Rush, Jr., Bobby Bostick, Kyle Cook, Donna Jenkins, Chris Kolbe, and Ruth Ann Keffer, on behalf of themselves and all others similarly situated, Plaintiffs, v. South Carolina Public Service Authority, an Agency of the State of South Carolina (also known as Santee Cooper); W. Leighton Lord, III, in his capacity as chairman and director of the South Carolina Public Service Authority; William A. Finn, in his capacity as director of the South Carolina Public Service Authority; Barry Wynn, in his capacity as director of the South Carolina Public Service Authority; Kristofer Clark, in his capacity as director of the South Carolina Public Service Authority; Merrell W. Floyd, in his capacity as director of the South Carolina Public Service Authority; J. Calhoun Land, IV, in his capacity as director of the South Carolina Public Service Authority; Stephen H. Mudge, in his capacity as director of the South Carolina Public Service Authority; Peggy H. Pinnell, in her capacity as director of the South Carolina Public Service Authority; Dan J. Ray, in his capacity as director of the South Carolina Public Service Authority; David F. Singleton, in his capacity as director of the South Carolina Public Service Authority; Jack F. Wolfe, Jr., in his capacity as director of the South Carolina Public Service Authority; Central Electric Power Cooperative, Inc.; Palmetto Electric Cooperative, Inc.; South Carolina Electric & Gas Company; SCANA Corporation, SCANA Services, Inc., Defendants.	)	CASE NO. 2019-CP-23-06675 **CONSENT ORDER**

ELECTRONICALLY FILED - 2020 Jul 31 12:53 PM - GREENVILLE - COMMON PLEAS - CASE#2019CP2306675

This matter is before the Court pursuant to Rule 59(e) of the South Carolina Rules of Civil Procedure upon Century Aluminum of South Carolina, Inc.'s Motion for Reconsideration of the Final Order and Judgment entered on July 21, 2020 (the "Final Order"). With the Parties' consent to entry of this order, Century Aluminum's motion is granted in part and denied in part.

Century Aluminum filed an objection taking issue with the methodology utilized in allocating the settlement amongst the Class members and the language of the release.[1] Century Aluminum's objection as to the allocation methodology was narrowed to whether certain Curtailable Supplemental Power rates should be included. The Court ruled in the Final Order that the Curtailable Supplemental Power rates should not be included in the allocation methodology. This ruling is the subject of Century Aluminum's motion for reconsideration.

The Court initially concluded that Century Aluminum offered no evidence that the Curtailable Supplemental Power rates were designed or calculated, even in part, to pay Project costs. However, in its motion for reconsideration, Century Aluminum points to Exhibit A to its Response to Motion for Final Approval, which is a Santee Cooper 2009 rate study. The rate study includes descriptions of both Interruptible and a rate known as L-09-SP (also referred to as "SP-09"). While several of the Curtailable Supplemental rates reflect the capture of costs from a hypothetical plant, the creation and design of the SP-09 rate, unlike the predecessor Curtailable Supplemental rates, was done at a time when the costs were actually being incurred for construction of the Project and includes a production demand component. This distinguishing reality disqualifies the predecessor rates from meeting the Class definition while making it likely that payors of the SP-09 rate should be included in the Class. After further analysis, Class Counsel

[1] The Court denied the objection as to the release, and Century Aluminum does not seek reconsideration of that ruling. Moreover, Century Aluminum has agreed to waive its right to appeal the denial of its objection as to the release.

agrees with respect to the SP-09 rate. The other Parties—Santee Cooper, Dominion, and Central Electric—take no position on Class Counsel's determination, either now or in the administration of the Common Benefit Fund.[2] Thus, the Court finds that it is fair and reasonable for purchases under the SP-09 rate to be included in the refund methodology in the same manner as purchases under the Interruptible power rate. As explained above, the Court rejects Century Aluminum's contention that predecessor Curtailable Supplemental Power rates should be credited in the allocation methodology, because there is no evidence that those rates were calculated to pay the Project costs.

With the inclusion of the SP-09 rate, this Court finds that the methodology reasonably and fairly allocates the funds among the various Class members and further supports the Court's findings in the Final Order that the settlement is fair and adequate. The Court will enter an Amended Final Order and Judgment affirming that portion of Century Aluminum's objection that contends purchases under the SP-09 rate should be included in the refund methodology.

For the foregoing reasons, **IT IS HEREBY ORDERED THAT:**

1. Century Aluminum's motion for reconsideration is granted in so much as it requests that purchases under the SP-09 rate be credited in the allocation methodology in the same manner as purchases under the Interruptible power rate.

2. Century Aluminum's motion for reconsideration is denied in so much as it requests that purchases under predecessor Curtailable Supplemental Power rates should be credited in the

[2] Dominion has had no role in, and thus takes no position on, any aspect of the allocation plan associated with any proceeds from the settlement of this matter. As a consequence, Dominion takes no position on Century Aluminum's contention that the SP-09 rate should be included in the refund methodology, Class Counsel's conclusion with respect to this contention, or the resolution of the objection associated with this contention.

ELECTRONICALLY FILED - 2020 Jul 31 12:53 PM - GREENVILLE - COMMON PLEAS - CASE#2019CP2306675

allocation methodology, because there is no evidence that those rates were calculated to pay the Project costs.

3. Other than as specifically granted in this order, the fairness, reasonableness, and adequacy of all aspects of the Settlement as approved in the Final Approval Order on July 21, 2020 is hereby reaffirmed.

AND IT IS SO ORDERED.

Dated:_____ By:_____
Jean Hoefer Toal
Chief Justice, Retired
Acting Circuit Court Judge

WE CONSENT TO ENTRY OF THIS ORDER:

s/ *James L. Ward, Jr.*

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Attorneys for Objector Century Aluminum of South Carolina, Inc.

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Greenville Common Pleas

Case Caption: Jessica S Cook vs. Santee Cooper , defendant, et al

Case Number: 2019CP2306675

Type: Order/Consent Order

So Ordered

Jean H. Toal

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****** IMPORTANT NOTICE - READ THIS INFORMATION *****
NOTICE OF ELECTRONIC FILING [NEF]

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Official File Stamp:	07-31-2020 12:53:01 AM
Court:	CIRCUIT COURT Common Pleas Greenville
Case Caption:	Jessica S Cook vs. Santee Cooper , defendant, et al
Document(s) Submitted:	Order/Consent Order Order/Consent Order
Filed by or on behalf of:	Jean Hoefer Toal

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The Electric Cooperatives Of South Carolina
Paul Spence

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 9
Request: 3.9

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

Signature of Officer: Digitally signed by Pamela J. Williams
Date: 2020.08.30 17:33:57 -04'00'

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 10
Request: 3.10

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: July 1-31, 2020
PARAGRAPH 10
Request: 3.10

Date of action

Various

Description of Santee Cooper action

1. Corporate Incident Management Team, CIMT meetings and communication with employees
2. Added employees to Contact Tracing Team to assist Occupational Health with contact tracing. The new members completed the John Hopkins online Contact Training course.
3. Implemented hurricane plans for Hurricane Isaias.
4. Implemented mandatory facial covering policy at facilities.
5. Continued researching saliva testing options for critical employees.
6. Surveyed all supervision to determine if any issues regarding current schedules.
7. Expanded wellness checks to additional facilities

Purpose of Santee Cooper action

Manage COVID-19

Status of action:

X	On going
	Completed

Explain how these actions were prudent and consistent with good utility practice

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.

Any changes from prior Review Period

Mandatory facial coverings; added wellness checks at other facilities

Provided by:

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 10
Request: 3.10

Name	Michelle VanAllen
Title	Manager Records Mgt/CIMT Incident Commander
Phone	(843)761-8000 x5340
Email	Michelle.vanallen@santeecooper.com

Reference Documents

msvanall 20200707 CIMT Meeting Minutes.doc msvanall 20200714 CIMT Meeting Minutes.doc msvanall 20200721 CIMT Meeting Minutes.doc msvanall 20200728 CIMT Meeting Minutes.doc Expanded Wellness Checks (iNote)

CIMT
Committee Meeting
Meeting Minutes

Meeting Date: 7/07/2020
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	*	Mike Poston	*	Tommy Curtis
*	Ken Lott	*	Tracey Vreeland	*	Rebecca Roser	*	Mark Bonsall	*	Jane Hood
*	Lindsey Whitely	*	Victor Williams	*	Dom Maddalone	*	Will Stevick	*	Neil James
*	Pamela Williams	*	Stony Martin	*	Vicky Budreau				

Discussion Items

Leader: Marty **Recorder:** Benjamin

CIMT: Thanks to everyone for supporting the increased wellness checks. A lot of news and laws have been passed about facial coverings. An iNote will be sent out about facial coverings and Santee Cooper's stance on them. It will include guidelines and requirements for employees to follow or risk corrective action. You can find more info on the COVID-19 iPort page. Please remove old posters with the different phases on them. There will be exceptions for medical conditions and religious beliefs. Exceptions made by department managers should be documented. Greg Turbeville gave SCEMD updates; 46,247 positive cases in SC, 1670 new cases today, 19.3% positive, and 819 total deaths in SC. Currently 1,260 hospitalizations with hospitals. Testing done in July so far- 51,000. US doubling every 42 days; SC every 19 days.

Logistics: No new updates.

HR: No new updates.

OH: Company wide 8 employee and 1 contractor have tested positive. Currently 73 employees on quarantine list.

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: No new updates. Thanks to OH for working with us in the Operation Center.

Retail: No new updates.

Distribution: No new updates.

Other: CIMT can be reached at x6900 or CIMT@santeecooper.com

Contact Marty, then either Michelle or Bryan Lewis if needed.

Next meeting: 7/14/2020 @ 2 PM

Action Items for Follow Up

Outstanding Items	Responsible	Comments

Action Items Completed Since Last meeting

Items	Responsible	Results

CIMT
Committee Meeting
Meeting Minutes

Meeting Date: 7/14/2020
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:

*	Adrianne Driggers	*	Nicole Aiello	*	Jennifer Wadford	*	Mike Poston	*	Vicky Budreau
*	Dom Maddalone	*	Tracey Vreeland	*	Rebecca Roser	*	Victor Williams	*	Jane Hood
*	Monique Washington								

Discussion Items

Leader: Marty **Recorder:** Adrianne

CIMT: There will be an email going out to supervisor's tomorrow to survey how many direct employees are on quarantine, how many can work from home, etc. to get a feel for future pain points before they arise. Still working on testing options for critical/essential employees. Please give feedback from those areas that just started wellness checks and any feedback or concerns you have heard. Currently SC has 60,220 cases with 2205 new cases today, 993 deaths with 23 deaths today. Percent positive is 20.1% while national average is 8.1%. Month to date 107,000 tests have been performed. All numbers that are tracking are at all time highs. Horry and Charleston counties which have been hot spots have had numbers come down a little in last few days. Santee Cooper has 63 on quarantine list and 20 positive cases. Continue to be vigilant and use practice social distancing guidelines.

Logistics: No new updates.

HR: No new updates. Discussing leave and compensation.

OH: No new updates.

Supply Chain: No new updates.

Accounting: No new updates.

Generation: No new updates.

Technology Services: No new updates. Questioned if wellness check questions could be posted on iPort. Legal had advised against posting but have no problem if someone keeps questions up to date. Questioned clarification to noncompliance to facial coverings, answer still working on topic.

Corp Com: No new updates.

Facilities: No new updates.

Water Plants: No new updates.

Transportation: No new updates.

Law Enforcement: No new updates.

Transmission: No new updates.

Retail: No new updates.

Distribution: No new updates.

Other: CIMT can be reached at x6900 or CIMT@santeecooper.com

Contact Marty, then either Michelle or Bryan Lewis if needed.

Next meeting: 7/21/2020 @ 2 PM

Action Items for Follow Up

Outstanding Items	Responsible	Comments

Action Items Completed Since Last meeting

Items	Responsible	Results

CIMT
Committee Meeting
Meeting Minutes

Meeting Date: 7/21/2020
Meeting Time: 2 PM
Meeting Location: Teleconference/Oak Room
Project/Task: 123904/Pandemic Response

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*	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	*	Stony Martin	*	Neil James
*	Dom Maddalone	*	Tracey Vreeland	*	Rebecca Roser	*	Victor Williams	*	Jane Hood
*	Monique Washington	*	Mike Brown	*	Tommy Curtis	*	Mike Coker		

Discussion Items

Leader: Marty **Recorder:** Benjamin

CIMT: CIMT survey to supervisors was sent out and we have received 65% back. The deadline is Friday. Will Brown have been added to the Contact tracing team. Need to find someone in the HG area to add to the team. Still working on testing options for critical/essential employees. Will present idea to C-staff next Monday. Please give feedback from those areas that just started wellness checks and any feedback or concerns you have heard. Currently SC has 73,101 cases with 1800 new cases today, 1203 deaths with 59 deaths today. Percent positive is 22% while national average is 7.9%. Month to date 182,000 tests have been performed. All numbers that are tracking are at all time highs. Horry and Charleston counties which have been hot spots have had numbers come down a little in last few days. Continue to be vigilant and use practice social distancing guidelines.

Logistics: Started planning how to social distance while bringing outside crews for hurricanes. Some hotels have reached out to us about using their hotels during a storm.

HR: No new updates.

OH: 28 employees have tested positive. 87 employees on the quarantined list. 21 of those were added in the last two days.

Supply Chain: No new updates.

Accounting: Need to figure out how to do year end close out remotely and how to handle external auditing.

Generation: Decided to keep using teams through August. Then, will reevaluate.

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: No new updates.

Retail: No new updates.

Distribution: No new updates.

Other: CIMT can be reached at x6900 or CIMT@santeecooper.com

Contact Marty, then either Michelle or Bryan Lewis if needed.

Next meeting: 7/28/2020 @ 2 PM

Action Items for Follow Up

Outstanding Items	Responsible	Comments

Action Items Completed Since Last meeting

Items	Responsible	Results

CIMT
Committee Meeting
Meeting Minutes

Meeting Date: 7/28/2020
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	*	Mark Bonsall	*	Neil James
*	Dom Maddalone	*	Tracey Vreeland	*	Rebecca Roser	*	Victor Williams	*	Jane Hood
*	Mike Poston	*	Mike Brown	*	Tommy Curtis	*	Will Stevik		

Discussion Items

Leader: Marty **Recorder:** Benjamin

CIMT: Will Brown have been added to the Contact tracing team. Had identified two people in HG, Anna Strickland and Brandy Incorvia, they are training now. Still working on testing options for critical/essential employees (ECC, DCC, plant operators, etc.). Presented to C-Staff on Monday and received approval to move forward. These will be saliva-based testing measures with central collecting points on a weekly basis. We are working on the finishing touches of the plan and hope to have it implemented around August 15th. Please remind critical employees that testing does not allow them to let their guard down. Currently SC has 83,720 cases with 1573 new cases today, 1502 deaths with 52 deaths today. 10,00 new cases added since last meeting. Percent positive is 19.7% while national average is 7.9%. Month to date 438,000 tests have been performed. All numbers are trending down for the moment, but still higher than national average. Numbers of positive cases in SC are doubling every 42 days and nationally every 48 days.

Logistics: No updates.

HR: No new updates.

OH: 34 employees have tested positive. 55 employees on the quarantined list. Had 450 employees on the quarantine list since the start and only one potential work-related transmission. 99.9% are outside work.

Supply Chain: No new updates.

Accounting: Question related to P-Cards- They were open when COVID started and they are coming up to the expiration. Do we need to keep them open to emergency levels or let them shut down? Will talk about everyone's opinion next call.

Generation: No 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: No new updates.

Retail: No new updates.

Distribution: No new updates.

Other: SCEMD has talked about a tropical depression in the Atlantic.

Mark Bonsall- We need to have a common response to how we are going to respond to hurricanes in a COVID world. We need to manage expectations and how this is going to change our response.

CIMT can be reached at x6900 or CIMT@santeecooper.com

Contact Marty, then either Michelle or Bryan Lewis if needed.

Next meeting: 7/28/2020 @ 2 PM

Action Items for Follow Up

Outstanding Items	Responsible	Comments

Action Items Completed Since Last meeting

Items	Responsible	Results

From: iNotes
Sent: Wednesday, July 01, 2020 10:06 AM
To: iNotes
Subject: Expanded Wellness Checks

Follow Up Flag: Follow up
Flag Status: Completed

Due to South Carolina's dramatic increase in COVID-19 cases, wellness checks will begin at additional Santee Cooper facilities on Monday, July 6 (unless otherwise stated below). You are encouraged to work from home if you can, but if you need to work in the office, wellness checks are critical to ensure a safe and healthy work environment.
If you plan to work in one of our facilities, report directly to the appropriate wellness check when you enter the building and before your shift begins. Once checked, you will receive a sticker showing you've completed the wellness check. Sticker colors will differ daily. All employees in facilities must have a sticker visible. If an employee doesn't have a sticker, remind them to complete a wellness check.
Also, we are turning off card readers at some entrances. Employees should use main entrances.
These additional wellness checks will take place at:
Moncks Corner
* Main Building (enter through main entrance): Ground floor conference room, 7 a.m. to 3 p.m.
* Annex (enter through front Annex entrance): Atrium cubicle near Procurement, 7 a.m. to 10 a.m.
* Operations Center: Operations Center conference room, 6:30 a.m. to 9:30 a.m.
* Transportation/Crew Quarters/Warehouse: Transportation breakroom, 6 a.m. to 9:30 a.m. (as of June 29)
* If you arrive at any facility after the hours listed, report to the ground floor conference room until 3 p.m. or call Occupational Health at ext. 4090 for further instructions.
* Employees in Moncks Corner outlying areas should use one of the checkpoints in Moncks Corner.
HG
* Wellness checks are rotating between DCC and the nurse's office (as of June 29).
o 6 a.m. to 6:45 a.m., DCC/Customer Care Center area
o 7 a.m. to 7:30 a.m., HG Nurse's office
o 7:45 a.m. to 8:15 a.m., DCC/Customer Care Center area
o 8:15 a.m. until…, HG Nurse's office
* If you arrive after the hours listed, call Occupational Health at ext. 4090 for further instructions.
Additional Locations
* Conway Service Center, 7 a.m. to 9 a.m.
* Conway Transmission Crew Quarters, 6 a.m. to 7 a.m.
* Garden City Service Center, 6 a.m. to 9 a.m.
* Myrtle Beach Retail Office, 6 a.m. to 8:30 a.m.
* Myrtle Beach Service Center, 6 a.m. to 9 a.m.
* North Myrtle Beach Service Center, 7 a.m. to 9 a.m.
* If you arrive after the hours listed, call Occupational Health at ext. 4090 for further instructions.
We strongly encourage the use of face coverings in public areas. Do not come to work if you are not feeling well. If you have questions, contact Jason Fugate at ext. 4049.

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: July 1-31, 2020
PARAGRAPH 10
Request: 3.10

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: July 1-31, 2020
PARAGRAPH 11
Request: 3.11

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: July 1 – 31, 2020
PARAGRAPH 11
Request: 3.11

Date of action

July 1 – 31, 2020

Description of Santee Cooper action

Rate Freeze Implementation Preparation

1. Held two internal meetings to discuss rate freeze implementation.
2. Developed Board Resolution for implementing the rate freeze.
3. Presented to the Santee Cooper Board of Directors on changes to rate freeze implementation after the court approved settlement documents and presented Resolution for implementation of rate freeze.
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:

X	On going
	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

Rate Freeze Implementation – Santee Cooper Board FINAL – 7-31-2020.pptx

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Rate Freeze Implementation Update

Santee Cooper Board of Directors

July 31, 2020

Rate Freeze Definition (June 22)

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Rates for Santee Cooper's customers will be held to prescribed[1] 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 Sales 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

[1]Rate 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

Changes Since June 22

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- Freeze definition more closely aligned with Settlement Agreement
  - For Santee Cooper residential, commercial, lighting and industrial customers only rates listed on Schedule B will have frozen rate schedules AND frozen adjustment components
- Class counsel have designated several Municipal Customers as part of the Class
  - Georgetown, Bamberg and Seneca
    - Contractual rates based on the ML rate
  - ML is not listed on Schedule B; only “freeze” possible is to the fuel adjustment component, which is the same as the Industrial L rate

Freeze Implementation Timing

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Adjustments will transition to Settlement Agreement values at the next scheduled billing cycle change

Residential, Commercial, Industrial and Municipal Customers

- Bills rendered August 1 – 15, 2020 will be calculated using July fuel, demand sales and economic development sales adjustments
- Bills rendered August 16 through January 15, 2025 will be calculated using Schedule B values

Central

- Bills rendered for July usage will be calculated using rates derived from the July fuel, demand sales, and economic development sales adjustments
- Bills rendered for August usage through December 2024 usage will be calculated using Schedule A values

Board Resolution

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- Implementation of the Rate Freeze
  - Freeze Rate Schedules RG-17, RT-17, GA-17, GB-17, GV-17, GT-17, GL-17, TP-17, TA-17, TL-17, MS-17, OL-17, L-17, L-17-I, and L-17-EP-O for the Rate Freeze Period
  - Suspend operations of FAC-17, DSA-17 and EDR-17 for rates specified in Schedule B of the Settlement Agreement and FAC-17 for Municipal customers based on ML rate
    - Normally calculated values will be replaced by those from Schedule B
  - Freeze certain rate components for Central to those in Schedule B per the Settlement Agreement

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1-31, 2020
PARAGRAPH 11
Request: 3.11

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: July 1 – 31, 2020
OTHER REQUESTED INFORMATION
Request: 3.12

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:

3.12a. Attached presentations from July 31, 2020 Board of Directors Meeting:

- 3.12a bgillian CEO and Deputy CEO Add Comp
- 3.12a bgillian Rate Freeze Implementation
- 3.12a bgillian ORS Process
- 3.12a bgillian Resource Plan
- 3.12a bgillian President's Report.7.31.2020
- 3.12a bgillian Indemnification Process
- 3.12a bgillian Exec Session Detailed Perf Metrics
- 3.12a bgillian Exec Performance

3.12b. Attached minutes approved in July 31, 2020 Board of Directors Meeting:

- 3.12b bgillian Board Minutes June 22, 2020
- 3.12b bgillian ECP Minutes June 22, 2020
- 3.12b bgillian Audit April 17, 2020
- 3.12b bgillian Finance April 17, 2020
- 3.12b bgillian ECP Minutes April 17, 2020
- 3.12b bgillian Board Minutes April 17, 2020
- 3.12b bgillian Human Resources – March 23, 2020
- 3.12b bgillian Legal Affairs – January 27, 2020

3.12c. Attached EEMC Reports and Information:

- 3.12c jwatson June EEMC Meeting Minutes Final_CONFIDENTIAL
- 3.12c jwatson June EEMC Meeting Minutes Final_Redacted
- 3.12c jwatson July EEMC Meeting Documents CONFIDENTIAL
- 3.12c jwatson July 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: July meeting minutes are not yet published but will be provided in the month they are approved.

Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1 – 31, 2020
OTHER REQUESTED INFORMATION
Request: 3.12

3.12d. Attached Investor communications:

- 3.12d shritter Investor Communications
- 3.12d shritter_Santee EMMA posting – Century Aluminum Goose Creek
- 3.12d shritter_Final Order and Judgment-signed by J. Toal
- 3.12d shritter_Santee Cooper EMMA posting – Cook Case Final Order

3.12e. Attached related releases to media:

- 3.12e 20200730 Santee Cooper Preparing for Tropical Storm Isaias
- 3.12e 20200731 Santee Cooper freezes most customer rates

Santee Cooper

Proposed Performance Metrics for President & CEO and Deputy CEO & Chief Planning & Innovation Officer

July 31, 2020

Discussion Draft

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Willis Towers Watson

Background

- Santee Cooper has recently entered into employment agreement extensions for the President & CEO and Deputy CEO & Chief of Planning
  - Contract terms extend the agreements until July 9, 2021 with all prior provisions remaining intact, including the opportunity to receive additional annual compensation based on performance metrics to be determined by the Board

- This document presents for the Board's consideration a proposed Executive Incentive Plan (EIP) design for the President & CEO and Deputy CEO & Chief of Planning for the July 2020 – June 2021 performance period

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Current Compensation Market Competitiveness

- The table below presents the current compensation and max incentive opportunity, per the employment agreements, for each executive and the
- Competitive market variance for target total cash compensation is shown for each executive versus the market 50th percentile
  - Market data reflects a peer group (25 companies) of investor owned and public power utilities from Willis Towers Watson's Energy Services Industry Executive Compensation Database comparable in size to Santee Cooper
  - All compensation market data was aged to August 1, 2020
- Target total cash compensation for the President & CEO and Deputy CEO & Chief of Planning fall within the competitive range (+/-15% of defined market range) of the market 50th percentile

Executive	Current Santee Cooper Compensation			Target Total Cash Variance from Market 50th %ile
	Base Salary	Max Additional Comp Opportunity	Target Total Cash	
M. Bonsall	$1,100,000	$250,000	$1,350,000	-3%
C. Duckworth	$560,000	$165,000	$725,000	-9%

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2020 – 2021 Proposed Additional Compensation Plan Design

Details Summary

Plan Design Element	Plan Design Details
Eligibility	• President & CEO • Deputy CEO & Chief Planning & innovation Officer
Maximum Award Opportunity	• President & CEO: $250,000 • Deputy CEO & Chief of Planning: $165,000
Performance Period	• July 2020 – June 2021 (12 months)
Performance Measures	Assessment of performance against the goals listed below will be evaluated by and determined based on Board discretion: Mission: Execute a strategic work plan that maintains focus on continuous improvement of the organization, meets the requirements of the Cook settlement and addresses the challenges created by the pandemic 1. Reform Plan Implementation (65% weight) • Legislative Considerations • Financial Plan / Cook Settlement Management • Resource Plan & Power Supply Roadmap • Establish AMI/Meter Data Management System • Section 11 Compliance • Risk Management Initiative 2. Corporate Structure (15% weight) • Succession Planning and Targeted Skill Set Development • Inclusion and Diversity • Winyah Workforce Transition Plan 3. Core Values (20% weight) • Operational Reliability • Customer Satisfaction • Safety
Maximum Total Cost	• $415,000

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Rate Freeze Implementation Update

Santee Cooper Board of Directors

July 31, 2020

Rate Freeze Definition (June 22)

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Rates for Santee Cooper's customers will be held to prescribed[1] levels from August 2020 until the end of 2024;
adjustments for some customers will be "fixed" as well

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- Composed of a base fuel price (.03641 cents/kwh) and an adjustment

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- 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 Sales Adjustment (EDR-17)

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[1]Rate 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

Changes Since June 22

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- Freeze definition more closely aligned with Settlement Agreement
  - For Santee Cooper residential, commercial, lighting and industrial customers only rates listed on Schedule B will have frozen rate schedules AND frozen adjustment components
- Class counsel have designated several Municipal Customers as part of the Class
  - Georgetown, Bamberg and Seneca
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Freeze Implementation Timing

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Central

- Bills rendered for July usage will be calculated using rates derived from the July fuel, demand sales, and economic development sales adjustments
- Bills rendered for August usage through December 2024 usage will be calculated using Schedule A values

Board Resolution

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- Implementation of the Rate Freeze
  - Freeze Rate Schedules RG-17, RT-17, GA-17, GB-17, GV-17, GT-17, GL-17, TP-17, TA-17, TL-17, MS-17, OL-17, L-17, L-17-I, and L-17-EP-O for the Rate Freeze Period
  - Suspend operations of FAC-17, DSA-17 and EDR-17 for rates specified in Schedule B of the Settlement Agreement and FAC-17 for Municipal customers based on ML rate
    - Normally calculated values will be replaced by those from Schedule B
  - Freeze certain rate components for Central to those in Schedule B per the Settlement Agreement

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Act 135, Section 11
ORS Review Process

July 31, 2020

Section 11 Requirement

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- Santee Cooper is subject to monthly reviews by the Office of Regulatory Staff for actions taken under Subsection E.
- The requirements remain in effect through the earlier of May 31, 2021 or until an Act of the General Assembly expressly supersedes them.

ORS Process

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- ORS issued an RFI to Santee Cooper on June 17, 2020 for the period of May 18 – 31, 2020
- Santee Cooper responded July 1, 2020
- ORS anticipates issuing its report to the Oversight Committee on July 31, 2020
- Documents were uploaded to a secure password protected portal

Information

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- Actions taken under Subsection E
- Board Presentations related to Subsection E actions
- Board Meeting Minutes
- EEMC Reports
- Investor Communications related to Subsection E actions
- Releases to the media related to Subsection E actions
- Baseline information
  - Outstanding lawsuits and claims
  - Existing coal supply and transportation agreements
  - Hedge positions for natural gas and heating oil
  - Short-Term and Long-Term Debt outstanding

Information

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- Information exempt from FOIA disclosure was provided in full and in redacted form
- Santee Cooper posted all non-exempt information on its website
  - Exempt/redacted information fell within the FOIA exemption for competitive information and trade secrets
  - Fuel quantities and pricing
  - Financial results and projections

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2020 Resource Plan

Joint Central/Santee Cooper Work Update

July 2020

Summary

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- 2019 Resource Plan (Reform Plan) included transformation of our generation portfolio with significant reduction in carbon footprint while lowering cost
  - In addition to adding sustainable resources, the plan was created to be modular and adaptable
- 2020 Resource Plan study underway in close collaboration with Central will refresh last year's plan with updated assumptions
- The new plan will incorporate significant changes to business environment including Atlantic Coast Pipeline (ACP) cancellation, a new load forecast, and lower fuel commodity projections
- Targeted completion by end of September

Reform Plan – Key Elements

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- 1,500 MW additional solar power
- 200 MW of new battery storage
- Close coal-fired station 2023-2027
- Additional natural gas capacity 2027
- Load reduction and conservation programs

✓ **CO^2 emissions cut nearly in half**

✓ **800% more solar power**

✓ **Sustainable**

✓ **Flexible, low-risk**

Reform Plan: NGCC Site

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- Reform Plan proposed a natural gas combined cycle in 2027
- Several sites were evaluated
  - Optimized transmission investment, natural gas firm transportation cost and differences in projected natural gas commodity prices
  - Pee Dee site with natural gas sourced from ACP was identified as least cost alternative by a relatively small margin
- The plan recognized uncertainty associated with ACP completion and identified alternate sites
  - A similar build at a site near Summer, sourced by natural gas from Transco resulted in very similar costs
  - While, ACP alleviated transmission investment, savings were largely offset by higher natural gas firm reservation charges

2020 Resource Plan Update

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- May 15 - Central and Santee Cooper joint team kick-off meeting held
- Three sub-teams created with members from both organizations to review and develop assumptions

  (i) Generation & fuel, (ii) Delivery and (iii) Load & demand response
- 13 sub-team meetings to finalize assumptions
  - Sub teams reported back to the joint team on Jun 12, Jun 25 and Jul 10
- As of July 10 all assumptions have been agreed upon and models are being updated

Notable Assumptions

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- ACP Cancellation
  - On July 5, Duke and Dominion announced ACP cancellation due to legal uncertainty, on-going delays and increased cost uncertainty
- Site Options - Due to the ACP cancellation the following sites will be studied for the NGCC in the late 2020's:
  - Near Summer (Transco Z5, DOM or Lateral build)
  - Pee Dee (Transco Z5, DOM or Lateral build)
  - Winyah (Transco Z4 or Z5, Elba, DOM or Lateral build)

Notable Assumptions (Continued)

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- Load Forecast
  - Authority and Central's long-term winter demand down by 1.5-2.0%; other impacts from off-system and industrial loads to be evaluated using sensitivity analyses
- Fuel Cost
  - NG: average reduction of 20% over study period
  - PP: average reduction of 11% over study period

    NOTE: For NG and PP: above average reductions in later years (beyond 2027)
  - Coal: reduction of approximately 8% over the study period
- Adjusted demand response (DR) assumption based on input from Central

Takeaways

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- Significant changes in business environment and assumptions since the Reform Plan process
- Resource Plan was designed to accommodate these changes (modular and flexible plan)
- Effective and positive collaboration with Central
- Target date for plan to be completed by end of September

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President's Report

July 31, 2020

Cook settlement

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- Addresses critical challenges
- Appropriate, and good for customers
- Thank you to Santee Cooper team for seeing it through

Camp Hall Honored

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Camp Hall named

7th Best Commerce Park in USA

(only park in Top 10 from Southeastern US)

-Business Facilities Magazine

July 29, 2020

SEEM

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- 17 utilities currently exploring feasibility – nothing decided
- 15-minute energy market
- Improves current hourly bilateral trading
- Not an RTO but doesn't preclude RTO
- Helps integrate renewable resources
- Zero-cost transmission
- Voluntary
- Next steps: assess benefits, engage stakeholders

Budget Update

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- Completed review of 2020 and 2021 budgets
- Budgeting to forecast 8% COVID-19 load reduction
  - Actual through June better than expected, 6.4%
- Company-wide cost-cutting: team effort
  - Examples include holding to reduced headcount, idling Winyah Unit 4 at year-end, and fuel savings
  - Debt service coverage 1.27 in 2020, down slightly from Reform Plan's 1.33
  - Cash on hand improves to 167 days, compared to Reform Plan's 123 days
  - 2021: Debt service coverage consistent with Reform Plan at 1.34, cash at 134 days, compared to 123 in Plan

Fuel Savings

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- To date, projected savings through 2024: approximately $120 million

- Includes
  - Coal transportation and commodity
  - Natural gas and heating oil

Coal Supply

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Renegotiated and extended Railroad Transportation Contract with CSX

- Lower rail rates to both Cross and Winyah
- Eliminates liquidated damages for 2020 (latest projections indicated ~$10 million in liquidated damages this year)

EEMC provided approval to pursue contracts with four suppliers through the rate freeze period

- Provides diversity of fuel supply to mitigate risk of non-performance

Total savings projected to be ~$88 million

- Range of $52 million-$107 million

Solar: Preliminary Results

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A preliminary review indicates a strong response to Central and Santee Cooper's joint request for solar procurement

Milestone	Target Due Date
✓ RFP Published	Jun 5
✓ RFP Submission (electronic)	Jul 30 (2 PM ET)
○ Joint Review and Analysis of RFPs and PPA mark-ups	Jul 30 – Sep 18
○ PPA Negotiation / Finalization (Expected)	Sep 18 – Nov 2020

Preliminary Results

- Number of Proposers: 21
- Projects: 56 projects ranging from 8 to 150 MW in diverse locations across SC
- Cumulative Capacity: ~3,600 MW
- Majority PPAs range from 15-25 years
- Pricing consistent with RFI results
- Proposals need to be analyzed quantitatively and qualitatively for comparison

Solar: Key Next Steps

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- Timely execution of PPAs will provide savings and fuel price certainty (fixed price take-and-pay PPAs) during rate freeze years.
- Under the Coordination Agreement, Central has the right to opt-out.
  - The opt-out timing is lengthy and would not allow solar to be added per the plan.
  - Central understands the timing issue and we are continuing to work with them.
  - Were they to so choose, Central would directly bear the cost of a non-shared resources.
- Central is and will be fully involved in the joint evaluation of responses.

Hurricane Planning

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- Goal: Restore power and reduce pandemic exposure risks
- Key challenges:
  - Limit cross-contamination
  - Adjust lodging, dining
  - Mutual aid considerations

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Indemnification Process Overview

Board of Directors Meeting

July 31, 2020

Process Summary

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Indemnification is a two-step process requiring Board action

Conditions for Considering Indemnification

- The process and standards for approving indemnification were established by Board resolution adopted October 18, 1990 ("Resolution")
- Process applies when a director, officer, agent or employee ("Covered Person") has been named a party in a Proceeding[1] as a result of service to the Authority
- If Board members have a conflict of interest those must be disclosed and certain additional steps in the determination and authorization process must be taken

Board Action Required

Step 1: Determine if indemnification of the director, officer, agent or employee is permissible under the requirements of the Resolution

Step 2: May authorize indemnification if, and only if, it has been determined indemnification is permissible

If indemnification is approved by the Board the covered person may receive an advance for expenses related to the proceeding

1. Any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

Making an indemnification determination

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Before indemnification is authorized the Board must make a determination as to its permissibility

- The Board is only permitted to indemnify a Covered Person who has been named in a Proceeding if the Covered Person
  - Has acted in good faith; and
  - Reasonably believed his conduct in his official capacity was in the Authority's best interest, or if acting outside his official capacity, that his conduct was at least not opposed to the Authority's best interest
  - In the case of any criminal proceeding, had no reasonably cause to believe his conduct was unlawful
  - Collectively, the "Standard of Conduct"

- A determination must be made in one of three ways:
  - By a majority of the Board who are not themselves a party to the Proceeding, or
  - If not possible due to conflicts, then by a majority of a committee of two or more directors who are not party to the Proceeding, or
  - ✓ By special counsel who is selected by a majority of Board members who have no conflict; or if not possible due to conflicts, by an appointed committee of Board members; or if not possible due to conflicts, by the entire Board including directors who are a party to the Proceeding

Selection of Special Counsel

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On June 22, 2020, the Board selected Molly Craig of The Hood Law Firm to act as Special Legal Counsel

- The Board authorized Ms. Craig's selection as special legal counsel following a review of her qualifications and after noting that she has no prior professional relationship with the directors seeking indemnification, nor does she act as regular counsel to the Authority
- As special legal counsel Ms. Craig has made a determination on the permissibility of indemnification under the Resolution of the directors named in the Proceeding
- To aid in making her determination Ms. Craig completed an investigation that included, among other things, interviews with each director. Ms. Craig has produced a report with her findings that has been shared with you and which she will discuss shortly
- Although Ms. Craig was selected to determine the permissibility of indemnification and has made her determination, only the Board is able to undertake the second step of authorizing indemnification

Authorization and Advance of Expenses

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Assuming a determination is made that indemnification is permissible the Board must consider authorizing indemnification and the advance of reasonable expenses

Authorizing Indemnification

- The Board alone can authorize indemnification once it has been determined that indemnification is permissible
- Authorization must be given in the same manner that the determination was made
  - So, for example, if the determination was made by an appointed committee of the Board, that appointed committee must take up the issue of authorization
  - ✓ However, if the determination was made by special counsel the issue of authorization must be taken up by the body that selected the special counsel

Advance of Reasonable Expenses

- A Covered Person is entitled to an advance of reasonable expenses incurred relating to a Proceeding if the Covered Person
  - Provides written confirmation of his good faith belief that he has met the applicable Standard of Conduct
  - Provides a written undertaking to repay the advance if it is ultimately determined that he did not meet the Standard of Conduct
- Termination of a Proceeding in a judgment, order, settlement, conviction, or no contest plea or its equivalent is not, of itself, determinative that the Covered Person did not meet the Standard of Conduct

Questions?

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Mark Bonsall
Charlie Duckworth

July 2020 – June 2021
Performance Measures

Executive Session
July 31, 2020

Overall Strategic Mission

Mission: Execute a strategic work plan that maintains focus on continuous improvement of the organization, meets the requirements of the Cook settlement and addresses the challenges created by the pandemic:

- Deliver on the principles established in the Santee Cooper Reform Plan (65%)
- Build upon an organizational structure that aligns resources and skill sets with key corporate priorities (15%)
- Maintain Santee Cooper's strong operational core values (20%)

Reform Plan Execution

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Deliver on the principles established in the Santee Cooper Reform Plan:

- **Assist state legislative bodies**, as requested, to develop a reform construct acceptable to stakeholders.

- Update and operate within the **Santee Cooper Financial Plan** to mitigate the revenue loss from significantly lower sales (COVID and weather) and meet the requirements of the Cook Settlement. This plan will include impact on financial metrics, demonstrate sufficient revenues during rate freeze years and minimize any adverse impact on credit rating.

- Deliver an updated **resource plan and power supply roadmap** in coordination with Central. While this new plan and roadmap will require updated assumptions, it will continue to utilize the Resource Planning Principles and Directions as established in the Reform Plan.

Reform Plan Execution Con't

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- Further establish and implement an **Advanced Metering Infrastructure (AMI) and Meter Data Management (MDM)** system to provide better data analytics, communications and engagement tools for retail customers. The goal is to be fully AMI deployed and MDM system in place by the end of 2021.

- Effectively manage **compliance with Section 11** of Act 135 and establish an effective interface with the Office of Regulatory Staff (ORS) to facilitate their requirements to review certain Santee Cooper transactions.

- Develop and initiate a formal **risk management interface** with the Santee Cooper Board of Directors. This interface is intended to provide both an effective and efficient manner to evaluate and communicate risks at Santee Cooper and the controls in place to mitigate those risks.

Organizational Structure

Build upon an organizational structure that aligns resources and skill sets with key corporate priorities:

- Reestablish a formal **succession planning** intended to facilitate a deep and diverse bench strength across the organization. As a part of succession planning, will identify specific skill sets (e.g. resource planning) that need to be targeted and further developed.

- Explore opportunities and implement initiatives that enhance a **culture of equity and inclusion** in our workplace and ways to expand Santee Cooper's **diversity footprint**.

- Formally establish and effectively manage a **workforce transition plan for Winyah Generating Station** as a result of the upcoming idling of some units and eventual retirement of all units.

Operational Core Values

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Maintain Santee Cooper's strong operational core values:

- Operational Reliability
  - Generation Availability: Forced Outage Rate of 3.34%
  - Transmission Reliability: Average System Availability Index (ASAI) of 99.9970%
  - Distribution Reliability: System Average Interruption Duration Index of 30 minutes
- Customer Satisfaction
  - Customer Survey Results: Overall customer satisfaction rating of 95% for a minimum of three out of four major customer groups – residential, commercial, industrial, and wholesale
- Safety
  - Corporate Recordable Incident Rate: Recordable Incident Rate of 1.2 or better

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"Exhibit A"

Charlie Duckworth Review of Results

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
  - This business forecast served as a new base case for the Department of Administration Act 95 process.

Review of Results

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- 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 $3.6 Billion in debt in 12 years. The Reform Plan increased solar to 1,500 MWs and prioritized flexibility and low risks with modular, incremental increases in generation.
  - Reform Plan savings totaled $4 Billion, $2.7 Billion NPV, relative to the ICF Business Plan.
  - 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

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- Create and execute corporate structure to support new business priorities
  - Established a new organization focused on improved capabilities in innovation, resource planning and energy pricing.
  - Established a new team who has begun the work of improving relationships with Central, our largest customer.
  - The Santee Cooper workforce has been energized and focused on a new brighter future.

Review of Results

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- Other Accomplishments
  - The savings established in the Reform Plan facilitated the settlement of the Cook lawsuit and related litigation, Delivering an estimated $700 Million is savings during the rate freeze period.
  - Already started to make the changes necessary to achieve these savings, including results better than Reform Plan:
    - Coal commodity & transportation: Re-negotiated contracts that are expected to provide savings $88 Million better than Reform Plan
    - Natural gas and heating oil: Secured hedge positions that are expected to result in savings up to $31 Million better than Reform Plan
    - 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, starting the process of identifying and executing cost savings for our customers.

Review of Results

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- 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."
  - Worked with C-Staff to develop 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.

MEETING OF THE BOARD OF DIRECTORS
WAMPEE CONFERENCE CENTER
PINOPOLIS, SOUTH CAROLINA
MONDAY, JUNE 22, 2020 – 11:45 A.M.

Regular Session

Directors Present: Acting Chairman Dan J. Ray, Directors Kristofer Clark, William A. Finn (WebEx/Telephone), Merrell W. Floyd (WebEx/Telephone), J. Calhoun Land IV, Charles H. Leaird, Stephen H. Mudge, Peggy H. Pinnell, David F. Singleton, and Barry D. Wynn (WebEx/Telephone)

Staff Members Present: Mark B. Bonsall, President and Chief Executive Officer; Charlie B. Duckworth, Deputy CEO & Chief Planning & Innovation Officer; Pamela J. Williams, Chief Public Affairs Officer & General Counsel; Kenneth W. Lott, Chief Financial & Administration Officer; B. Shawan Gillians, Director, Legal Services & Interim Corporate Secretary; Rahul Dembla, Sr. Director, Financial & Resource Planning; Stephen R. Pelcher, Deputy General Counsel; Geoff Penland, Director, State & Federal Government Relations; Yvette Rowland, Sr. State & Federal Government Relations Liaison; Wayne Grace, Desktop Analyst III; Paul Zoeller, Creative Specialist III; Terrence Hardee, Line Tech A-Distribution; Todd Feagin, Crew Supervisor-Transmission; Crystal G. Botelho, Executive Assistant to CEO and Sandra R. Starks, Assistant Corporate Secretary.

Staff Members Present by WebEx/Telephone: Mike Poston, Chief Customer Service; Rebecca A. Roser, Associate General Counsel; Dom Maddalone, Sr. Director, Innovation & Chief Information Officer; Monique Washington, General Auditor; Vicky N. Budreau, Sr. Director, Customer Service; Suzanne H. Ritter, Interim Treasurer; Mollie R. Gore, Director, Corporate Communications; Mike Brown, Director, Research & Development; Chris Wagner, Director Transmission Planning; Mike Smith, Director, Budget & Pricing; and Marty Watson, Director, Supply & Trading.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website and in the Santee Cooper lobby on Friday, June 19, 2020. The agenda was emailed to all outlets on the media list and to those who requested notice of the meeting on Friday, June 19, 2020. The meeting was live-streamed and archived at https://vimeo.com/431436020.

Acting Chairman Ray presided, and Ms. Starks kept the minutes. Mr. Hardee delivered the invocation and Mr. Feagin led the group in reciting the Pledge of Allegiance.

Upon motion made by Director Land, and seconded by Director Mudge, the Board voted to waive reading of the minutes of the April 17, 2020, board meeting and May 7, 2020, special called meeting and adopted the minutes as submitted.

Upon recommendation of the Human Resources Committee, the Board voted to approve the resolution entitled "Appointment of Corporate Officers – B. Shawan Gillians" (Exhibit MB 6-1-20).

Upon recommendation of the Human Resources Committee, the Board voted to approve the resolution entitled "Appointment of Corporate Officers – Suzanne H. Ritter" (Exhibit MB 6-2-20).

Upon recommendation of the Human Resources Committee, the Board voted to approve the resolution entitled "Extension of Employment Contract of President and Chief Executive Officer" (Exhibit MB 6-3-20).

Upon recommendation of the Human Resources Committee, the Board voted to approve the resolution entitled “Extension of Employment Contract of Deputy CEO and Chief Planning & Innovation Officer” (Exhibit MB 6-4-20).

Upon recommendation of the Legal Affairs Committee, the Board voted to approve the resolution entitled “Authorization to Select Special Legal Counsel” (Exhibit MB 6-5-20).

Mr. Bonsall presented the 2020 Strategic Workflow (Exhibit MB 6-6-20) during his President’s Report.

Mr. Poston presented a Pandemic Update (Exhibit MB 6-7-20).

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

Sandra R. Starks
Assistant Corporate Secretary

APPROVED:

Dan J. Ray
Acting Chairman

MEETING OF THE EXECUTIVE-CORPORATE PLANNING COMMITTEE
WAMPEE CONFERENCE CENTER
PINOPOLIS, SOUTH CAROLINA
MONDAY, JUNE 22, 2020 – 9:30 A.M.

Committee Members Present: Acting Chairman Dan J. Ray, Directors Kristofer Clark, J. Calhoun Land IV, Stephen H. Mudge, Peggy H. Pinnell, and David F. Singleton

Committee Members Present by WebEx/Telephone: Director William A. Finn

Other Directors Present by WebEx/Telephone: Directors Merrell W. Floyd, Charles H. Leaird, and Barry D. Wynn

Staff Members Present: Mark B. Bonsall, President and Chief Executive Officer; Charlie B. Duckworth, Deputy CEO & Chief Planning & Innovation Officer; Pamela J. Williams, Chief Public Affairs Officer & General Counsel; Kenneth W. Lott, Chief Financial & Administration Officer; B. Shawan Gillians, Director, Legal Services & Interim Corporate Secretary; Rahul Dembla, Sr. Director, Financial & Resource Planning; Stephen R. Pelcher, Deputy General Counsel; Geoff Penland, Director, State & Federal Government Relations; Yvette Rowland, Sr. State & Federal Government Relations Liaison; Wayne Grace, Desktop Analyst III; Paul Zoeller, Creative Specialist III; Crystal G. Botelho, Executive Assistant to CEO and Sandra R. Starks, Assistant Corporate Secretary.

Staff Members Present by WebEx/Telephone: Mike Poston, Chief Customer Service; Rebecca A. Roser, Associate General Counsel; Dom Maddalone, Sr. Director, Innovation & Chief Information Officer; Monique Washington, General Auditor; Vicky N. Budreau, Sr. Director, Customer Service; Suzanne Ritter, Interim Treasurer; Mollie R. Gore, Director, Corporate Communications; Mike Brown, Director, Research & Development; Chris Wagner, Director Transmission Planning; Mike Smith, Director, Budget & Pricing; and Marty Watson, Director, Supply & Trading.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website and in the Santee Cooper lobby on Friday, June 19, 2020. The agenda was emailed to all outlets on the media list and to those who requested notice of the meeting on Friday, June 19, 2020. The meeting was live-streamed and archived at https://vimeo.com/431436020.

Acting Chairman Ray presided, and Ms. Starks kept the minutes.

Upon motion by Director Singleton, seconded by Director Mudge, the Committee voted to waive reading of the minutes of the April 17, 2020 meeting of the Executive-Corporate Planning Committee and adopted the minutes as submitted.

Ms. Budreau presented the "Transmission Facilities Report" (Exhibit ECP 6-1-20).

Mr. Penland presented the Legislative Update (Exhibit ECP 6-2-20).

Ms. Williams presented the Act 135, Section 11 ORS Review Process (Exhibit ECP 6-3-20). The presentation outlined the requirements of Act 135, Section 11, an overview of the ORS process, and a summary of the information provided to the ORS during the process.

Mr. Duckworth gave a short update of the solar procurement process and introduced Mr. Dembla who presented the Solar Procurement Update (Exhibit ECP 6-4-20). The presentation outlined solar capability, the solar procurement process, and a summary and schedule for the RFP process.

Acting Chairman Ray requested an Executive Session for the Board to discuss negotiations incident to proposed contractual arrangements related to regional energy transactions pursuant to S.C. Code Ann. Section § 30-4-70(a)(2). Upon motion by Director Singleton, seconded by Director Mudge, the Committee voted to enter Executive Session with the Board, Mr. Bonsall, Mr. Duckworth, Ms. Williams, Mr. Lott, Ms. Gillians, Mr. Dembla, Mr. Penland, and Ms. Rowland; via WebEx – Mr. Poston, Ms. Washington, Mr. Wagner, Mr. Brown, Mr. Watson, and Mr. Maddalone in attendance.

The Committee returned to Regular Session. Acting Chairman Ray noted that no action was taken in Executive Session.

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

Sandra R. Starks

Sandra R. Starks
Assistant Corporate Secretary

Approved:

Dan J. Ray
Acting Chairman

MEETING OF THE AUDIT COMMITTEE
BOARD ROOM, SANTEE COOPER HEADQUARTERS
MONCKS CORNER, SOUTH CAROLINA
FRIDAY, APRIL 17, 2020 – 8:00 A.M.

Committee Members Present By Telephone: Chairwoman Peggy H. Pinnell, Directors Kristofer Clark, William A. Finn, Merrell W. Floyd, J. Calhoun Land IV, Charles H. Leaird, and Barry D. Wynn

Other Directors Present: Acting Chairman Dan J. Ray, Directors Stephen H. Mudge, and David F. Singleton

Staff Members Present: Mark B. Bonsall, President and Chief Executive Officer; Charlie B. Duckworth, Deputy CEO & Chief of Planning; Pamela J. Williams, Chief Financial Officer; Kenneth W. Lott, Chief Administration Services & Corporate Secretary; J. Mike Poston, Chief Customer Officer; Paul Zoeller, Creative Specialist III; Crystal G. Botelho, Executive Assistant to CEO and Sandra R. Starks, Assistant Corporate Secretary

Staff Members Present By Telephone: Tommy Curtis, Chief Generation Officer; Monique Washington, General Auditor; and Yvette Rowland, Sr. State & Federal Government Relations Liaison

Also in attendance by telephone was Amy Hill of Gallivan, White & Boyd.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website and in the Santee Cooper lobby on Wednesday, April 15, 2020. The agenda was emailed to all outlets on the media list and to those who requested notice of the meeting on Wednesday, April 15, 2020. The meeting was live-streamed and archived at https://vimeo.com/408808419.

Chairwoman Pinnell presided, and Ms. Starks kept the minutes.

Upon motion by Director Mudge, seconded by Director Wynn, the Committee voted to waive reading of the minutes of the March 23, 2020 meeting of the Audit Committee and adopted the minutes as submitted.

Mr. Lott presented the Code of Ethics & Conflicts of Interest Report (Exhibit AC 4-1-20).

Upon Motion by Director Wynn, seconded by Director Finn, the Committee voted to approve the Code of Ethics & Conflicts of Interest Report.

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

Sandra R. Starks
Assistant Corporate Secretary

Approved:

Peggy H. Pinnell
Chairwoman

MEETING OF THE FINANCE COMMITTEE
BOARD ROOM, SANTEE COOPER HEADQUARTERS
MONCKS CORNER, SOUTH CAROLINA
FRIDAY, APRIL 17, 2020 – 8:30 A.M.

Committee Members Present By Telephone: Chairman Barry D. Wynn, Directors Kristofer Clark, William A. Finn, Merrell W. Floyd, J. Calhoun Land IV, and Charles H. Leaird

Committee Member Present: Acting Chairman Dan J. Ray

Other Directors Present: Directors Stephen H. Mudge and David F. Singleton

Other Director Present By Telephone: Director Peggy H. Pinnell

Staff Members Present: Mark B. Bonsall, President and Chief Executive Officer; Charlie B. Duckworth, Deputy CEO & Chief of Planning; Pamela J. Williams, Chief Financial Officer; Kenneth W. Lott, Chief Administration Services & Corporate Secretary; J. Mike Poston, Chief Customer Officer; B. Shawan Gillians, Treasurer; Bryan Lewis, Director, Customer Service Retail; Jim Rabon, Sr. Manager, Conservation & Energy Efficiency; Paul Zoeller, Creative Specialist III; Crystal G. Botelho, Executive Assistant to CEO and Sandra R. Starks, Assistant Corporate Secretary

Staff Members Present by Telephone: Tommy Curtis, Chief Generation Officer; Monique Washington, General Auditor; and Yvette Rowland, Sr. State & Federal Government Relations Liaison

Also in attendance by telephone was Amy Hill of Gallivan, White & Boyd.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website and in the Santee Cooper lobby on Wednesday, April 15, 2020. The agenda was emailed to all outlets on the media list and to those who requested notice of the meeting on Wednesday, April 15, 2020. The meeting was live-streamed and archived at https://vimeo.com/408808419.

Chairman Wynn presided, and Ms. Starks kept the minutes.

Upon motion made by Director Leaird seconded by Director Land, the Committee voted to waive reading of the minutes of the January 27, 2020 Finance Committee meeting and adopted the minutes as submitted.

Ms. Gillians gave a presentation entitled "Investment Program Update" (Exhibit FIN 4-1-20).

Mr. Rabon gave a presentation entitled "Conservation Update & Energy Efficiency" (Exhibit FIN 4-2-20).

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

Sandra R. Starks
Assistant Corporate Secretary

Approved:

Barry D. Wynn
Chairman

MEETING OF THE EXECUTIVE-CORPORATE PLANNING COMMITTEE
BOARD ROOM, SANTEE COOPER HEADQUARTERS
MONCKS CORNER, SOUTH CAROLINA
FRIDAY, APRIL 17, 2020 – 9:30 A.M.

Committee Members Present: Chairman Dan J. Ray; Directors Stephen H. Mudge and David F. Singleton

Committee Members Present By Telephone: Directors Kristofer Clark, William A. Finn, J. Calhoun Land IV; and Peggy H. Pinnell

Other Directors Present By Telephone: Directors Merrell W. Floyd, Charles H. Leaird and Barry D. Wynn

Staff Members Present: Mark B. Bonsall, President and Chief Executive Officer; Charlie B. Duckworth, Deputy CEO & Chief of Planning; Pamela J. Williams, Chief Financial Officer; J. Michael Baxley, Chief Public Affairs Officer and General Counsel; Kenneth W. Lott, Chief Administration Services & Corporate Secretary; J. Mike Poston, Chief Customer Officer; Bryan Lewis, Director, Customer Service Retail; Geoff Penland, Manager, State & Federal Government Relations; Mike Cool, Director, Economic Development; Paul Zoeller, Creative Specialist III; Crystal G. Botelho, Executive Assistant to CEO and Sandra R. Starks, Assistant Corporate Secretary.

Staff Members Present by Telephone: Tommy Curtis, Chief Generation Officer; Monique Washington, General Auditor; and Yvette Rowland, Sr. State & Federal Government Relations Liaison.

Also in attendance by telephone was Amy Hill of Gallivan, White & Boyd.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website and in the Santee Cooper lobby on Wednesday, April 15, 2020. The agenda was emailed to all outlets on the media list and to those who requested notice of the meeting on Wednesday, April 15, 2020. The meeting was live-streamed and archived at https://vimeo.com/408808419.

Chairman Ray presided, and Ms. Starks kept the minutes.

Upon motion by Director Singleton, seconded by Director Finn, the Committee voted to waive reading of the minutes of the March 23, 2020 meeting of the Executive-Corporate Planning Committee and adopted the minutes as submitted.

Mr. Lewis presented the Retail Operations Report (Exhibit ECP 4-1-20).

Mr. Poston presented the Storm Response Update (Exhibit ECP 4-2-20).

Mr. Cool presented the Economic Development Initiatives Report (Exhibit ECP 4-3-20).

Mr. Penland presented the Legislative Update (Exhibit ECP 4-4-20).

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

Sandra R. Starks

Sandra R. Starks
Assistant Corporate Secretary

Approved:

Dan J. Ray
Chairman

MEETING OF THE BOARD OF DIRECTORS
BOARD ROOM, SANTEE COOPER HEADQUARTERS
MONCKS CORNER, SOUTH CAROLINA
FRIDAY, APRIL 17, 2020 – 10:30 A.M.

Regular Session

Directors Present: Acting Chairman Dan J. Ray; Directors Stephen H. Mudge and David F. Singleton

Directors Present By Phone: Directors Kristofer Clark, William A. Finn, Merrell W. Floyd, J. Calhoun Land IV, Charles H. Leaird, Peggy H. Pinnell, and Barry D. Wynn

Staff Members Present: Mark B. Bonsall, President and Chief Executive Officer; Charlie B. Duckworth, Deputy CEO & Chief of Planning; Pamela J. Williams, Chief Financial Officer; Kenneth W. Lott, Chief Administration Services & Corporate Secretary; J. Mike Poston, Chief Customer Officer; Paul Zoeller, Creative Specialist III; Crystal G. Botelho, Executive Assistant to CEO and Sandra R. Starks, Assistant Corporate Secretary.

Staff Members Present by Telephone: Tommy Curtis, Chief Generation Officer; Monique Washington, General Auditor; and Yvette Rowland, Sr. State & Federal Government Relations Liaison.

Also in attendance by telephone was Amy Hill of Gallivan, White & Boyd.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website and in the Santee Cooper lobby on Wednesday, April 15, 2020. The agenda was emailed to all outlets on the media list and to those who requested notice of the meeting on Wednesday, April 15, 2020. The meeting was live-streamed and archived at https://vimeo.com/408808419.

Acting Chairman Ray presided, and Ms. Starks kept the minutes. Mr. Poston delivered the invocation and led the group in reciting the Pledge of Allegiance.

Upon motion made by Director Singleton, and seconded by Director Wynn, the Board voted to waive reading of the minutes of the March 23, 2020 board meeting and adopted the minutes as submitted.

Ms. Ritter presented the Quarterly Financial and Line of Business Report (Exhibit MB 4-1-20).

Mr. Bonsall presented the President's Report (Exhibit MB 4-2-20).

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

Sandra R. Starks

Sandra R. Starks
Assistant Corporate Secretary

APPROVED:

Dan J. Ray
Acting Chairman

HUMAN RESOURCES COMMITTEE
WAMPEE CONFERENCE CENTER
PINOPOLIS, SOUTH CAROLINA
MONDAY, MARCH 23, 2020 – 10:00 A.M.

Committee Members Present: Chairman David F. Singleton and Board Acting Chairman Dan J. Ray, ex officio

Committee Members Present By Telephone: Directors Kristofer Clark, Merrell W. Floyd, J. Calhoun Land IV, Stephen H. Mudge, Peggy H. Pinnell and Barry D. Wynn

Other Directors Present By Telephone: William A. Finn and Charles H. Leaird

Staff Members Present: Mark B. Bonsall, President and Chief Executive Officer; Charlie B. Duckworth, Deputy CEO & Chief of Planning; Pamela J. Williams, Chief Financial Officer; J. Michael Baxley, Chief General Counsel; Kenneth W. Lott, Chief Administration Services & Corporate Secretary; Mollie R. Gore, Manager, Corporate Communications; Geoff Penland, Manager, State & Federal Government Relations; Wayne Grace, Desktop Analyst III; Paul Zoeller, Creative Specialist III; Crystal G. Botelho, Executive Assistant to CEO and Sandra R. Starks, Assistant Corporate Secretary.

Staff Members Present by Telephone: Mike Poston, Chief Customer Service; Rebecca A. Roser, Attorney General Counsel-Litigation; B. Shawan Gillians, Treasurer; Monique Washington, General Auditor; and Yvette Rowland, Sr. State & Federal Government Relations Liaison.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website and in the Santee Cooper lobby on Friday, March 20, 2020. The agenda was emailed to all outlets on the media list and to those who requested notice of the meeting on Friday, March 20, 2020. The meeting was live-streamed and archived at https://vimeo.com/399839113.

Chairman Singleton presided, and Ms. Starks kept the minutes.

Upon motion by Director Land, seconded by Director Clark, the Committee voted to waive reading of the minutes of the January 27, 2020, meeting of the Human Resources Committee and adopted the minutes as submitted.

Mr. Lott presented the Diversity and Inclusion Report (Exhibit HR 3-1-20) and the Manpower/Payroll/Benefits Report (Exhibit HR 3-2-20).

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted

Sandra R. Starks
Assistant Corporate Secretary

APPROVED:

David F. Singleton
Chairman

MEETING OF THE LEGAL AFFAIRS COMMITTEE
WAMPEE CONFERENCE CENTER
PINOPOLIS, SOUTH CAROLINA
MONDAY, JANUARY 27, 2020 – 10:00 A.M.
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Committee Members Present: Chairman J. Calhoun Land IV, Directors Kristofer Clark (via telephone), Merrell W. Floyd (via telephone), Charles H. Leaird, Stephen H. Mudge, David F. Singleton, and Board Acting Chairman Dan J. Ray, ex officio

Other Directors Present: William A. Finn, Peggy H. Pinnell, and Barry D. Wynn

Staff Members Present: Mark B. Bonsall, President and Chief Executive Officer; Charlie B. Duckworth, Deputy CEO & Chief of Planning; Pamela J. Williams, Senior Vice President & Chief Financial Officer; J. Michael Baxley, Senior Vice President & General Counsel; Kenneth W. Lott, Vice President, Human Resources & Corporate Secretary; Mike Poston, Vice President, Retail Operations; Mollie R. Gore, Manager, Corporate Communications; Rahul Dembla, Vice President, Planning & Pricing; Vicky Budreau, Vice President, Fuels Strategy & Supply; Mike Brown, Vice President, Wholesale & Industrial Services; Geoff Penland, Manager, State & Federal Government Relations; Marty Watson, Manager, Generation Services; Chris Wagner, Manager, Transmission Planning & System Design; Ray Pinson, Manager, Local Government & Community Relations; Yvette Rowland, Sr. State & Federal Government Relations Liaison; Stephen R. Pelcher, Deputy General Counsel-Nuclear & Regulatory Compliance; Rebecca A. Roser, Attorney General Counsel-Litigation; Wayne Grace, Desktop Analyst III; Paul Zoeller, Creative Specialist III; Crystal G. Botelho, Executive Assistant to CEO; Matthew Rabon, Engineer I; Lance Cumbie, Mechanic A; and Sandra R. Starks, Assistant Corporate Secretary.

Also in attendance were John T. Lay, of Gallivan White (via telephone); John Cogan of Centerview; Nes Arnette, Central Electric Power Cooperative; and Dennis Boyd, Nucor.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website and in the Santee Cooper lobby on Thursday, January 23, 2020. The agenda was emailed to all outlets on the media list and to those who requested notice of the meeting on Thursday, January 23, 2020. The meeting was live-streamed and archived at https://vimeo.com/387414401. Chairman Land presided, and Ms. Starks kept the minutes.

Upon motion made by Director Leaird, and seconded by Director Singleton, the Committee voted unanimously to waive reading of the minutes of the December 16, 2019 Legal Affairs meeting and adopted the minutes as submitted.

Chairman Land requested an Executive Session for the Board to receive legal advice relating to new nuclear construction project litigation, to receive legal advice relating to the Central Coordination Agreement, to receive legal advice and discuss negotiations incident to proposed contractual arrangements relating to VC Summer Units 2 and 3 and to receive legal advice and discuss negotiations incident to proposed contractual arrangements relating to Act 95. Upon motion by Director Singleton, seconded by Director Mudge, the Committee voted to enter Executive Session with the Board, Mr. Bonsall, Mr. Duckworth, Mr. Baxley, Ms. Williams, Mr. Lott, Mr. Poston, Mr. Dembla, Mr. Watson, Ms. Budreau, Ms. Gore, Mr. Penland, Ms. Rowland, Ms. Roser, Mr. Brown, Mr. Pinson, Mr. Wagner, Mr. Pelcher, Mr. Lay (via telephone), and Mr. Cogan in attendance.

The Committee returned to Regular Session. Chairman Land noted that no action was taken in Executive Session.

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

Sandra R. Starks
Assistant Corporate Secretary

APPROVED:

J. Calhoun Land IV
Chairman

EXECUTIVE ENERGY MANAGEMENT COMMITTEE
Meeting Minutes for June 23, 2020

The meeting commenced at 1:30 p.m.

Members present:	Dom Maddalone (chair), Tommy Curtis, Charlie Duckworth, Ken Lott, Mike Poston (phone), Pamela Williams, and Marty Watson
Members absent:	
TEA present:	Mark Anderson, Desi Middleton, John Raiford, John Rizzo, Nelson Sanabria, Steve Schivley (all via phone)
Others present:	Sean Ames, Mike Brown, Vicky Budreau, Michelle Bunch, Glenda Horne, Richard Kirkpatrick, Stony Martin, Matt McCants, Greg McCormick, Chad Salisbury, and Arnold Singleton

ROUTINE BUSINESS

- All members present who attended the May 20, 2020 meeting signed the meeting minutes.

NEW BUSINESS

Fuel Variance for May 2020:

- May 2020 overall system rate variance is 12.3% under budget.
  - Generation requirements were 8.5% less than projected, and demand was 13.5% below projections, due to mild weather and COVID-19. Central sales were 3% below projection while Retail and Industrial sales were both 22% below projections.
  - Lower than projected natural gas and purchase power prices.
  - More nuclear energy and hydro/SEPA.
  - Natural gas unit mix was better than projected with the combined cycle output being almost 10% greater than expected.
  - Firm Wholesale System Rate (FWSR) was 12.5% under budget.
- Annual System Rate is 9.6% under budget; Firm Wholesale System Rate (FWSR) is 11.0% under budget.
  - Generation mix is diverse: 28% coal (43% budgeted), 29% Natural Gas (24% budgeted), 29% Purchase Power (24% budgeted)

Market Update:

- The current natural gas forward curve is showing prices trading around $2.09 and $2.66 in Bal20 and Cal21, which is a [redacted] for Bal20 and [redacted] for Cal21. After 2021, prices stay below $2.50 through 2029.
- Drop in production year-over-year is around 5Bcf/d; however, it is still above 2018 levels.
- Marcellus and Utica region supply is not able to offset loss of associated gas due to limited pipeline capacity.
- The Mountain Valley and Atlantic Coast Pipelines cleared another hurdle this month with the US Supreme Court ruling that the Forest Service could issue permits on pipelines crossing through national forest land which will allow for the pipelines to cross the Appalachian Trail. This decision was expected and therefore has no impact on the expected in-service-dates.
- Associated gas supply projections have dropped approximately 10 Bcf/d compared to pre-coronavirus projections. Associated gas was supposed to make up over 50% of the supply growth the next 5 years but lower oil prices have pushed those projections out until the oil prices recover.
- When oil prices clear $40/bbl, the Permian core will be economic again and at $50/bbl the non-core Permian will be back in the supply.
- LNG export arbitrages continue to be depressed due to weather, LNG oversupply, and coronavirus related demand destruction.
- Most of the 5 Bcf/d drop is being made up in the decline of LNG exports. The decline in global markets has raised concerns of feedgas being pumped back into the domestic system.

Fuels Risk:

- Heating Oil & Natural Gas monthly update can be found on slide 16.
  - Heating Oil - [redacted] 30-4-40(a)(1) oss in June.
  - Natural Gas:
    - Actual burn volumes were [redacted] 30-4-40(a)(1) below budget in May at [redacted] 30-4-40(a)(1) mostly due to pipeline OFOs limiting flexibility.
    - All-in delivered gas cost in May was [redacted] 30-4-40(a)(1) MMBtu [redacted] 30-4-40(a)(1) budgeted) with a station rate of [redacted] 30-4-40(a)(1) /MWh (Budget [redacted] 30-4-40(a)(1) MWh); [redacted] 30-4-40(a)(1) under budget.
    - June 2020 has 80% of budget volumes covered at [redacted] 30-4-40(a)(1) MMBtu and 20% is left open to market, which is currently averaging [redacted] 30-4-40(a)(1) MMBtu.
  - New Positions:
    - Baseload Basis deal for Jul-Oct 2020 for 40k of 80k-MMBtu/day at [redacted] 30-4-40(a)(1) below budget)
- Natural Gas Risk Metrics are in line. The positions reduce our gas cost at risk by 89%.
- Forward natural gas pricing shows higher pricing in the near term and lower pricing in later years when compared to the recent hedges we entered in Spring.

Solid Fuel Update:

- Reviewed stockpile volume and value projections that have been updated with May 2020 actuals.
- Requested approval from the EEMC to execute a contract extension with CSX that would reduce transportation rates and extend the contract through June 30, 2025.
- Extension would include:
  - Reduced rail rates to Cross with additional reduction in rates to Winyah
  - [redacted] 30-4-40(a)(1) annual escalation; however, the escalation rate ratchets [redacted] 30-4-40(a)(1) 30-4-40(a)(1)
  - [redacted] 30-4-40(a)(1) tons/year minimum and a [redacted] 30-4-40(a)(1) ton minimum for the 5-year term
- The offer results in $22M in savings compared to Reform Plan receipts at [redacted] 30-4-40(a)(1) 30-4-40(a)(1)
- EEMC voted and approved the proposed contract extension with an effective date of July 1, 2020.
- Increased coal burn projections from the 2020 July Update results in coal supply coverage being less than expected, but still within the procedural limits.

Fuel Forecast Update:

- Updated committee on the 2020 July Update results.
- The committee acknowledged the large shift from natural gas/purchase power to coal, due to higher gas/market pricing and lower coal pricing, while also pointing out that the Burn Rate ($/MWh) chart showed most of the unit's pricing was on top of each other so the fuel source and energy mix will likely change depending on any movement in the fuel price assumptions.
- Requested approval from the EEMC to proceed with publishing the results of the July Update. The committee voted and approved the request.

Other:

- No other matters were discussed.

Meeting adjourned at 3:00 p.m.

Member	Approved	Date
Dom Maddalone (chair)		7/22/2020
Tommy Curtis		7/22/2020
Charlie Duckworth		7/24/2020
Ken Lott		8/13/2020
Mike Poston		7/23/2022
Pamela Williams		07-22-2020

3.12(d) Investor Communications (July 1-31, 2020)

The Electronic Municipal Market Access (EMMA) service is a website created to provide information about municipal bonds, bond prices, and market trends to the public. Individual and professional investors can use EMMA to find information about the issuers of municipal bonds, past bond trading history, prices, and disclosure documents. Issuers can also post disclosure items for investors to view.

Santee Cooper filed two voluntary disclosure postings to EMMA in the month of July:

1) On July 14, 2020, Santee Cooper filed an EMMA posting making investors aware of several litigation matters:
    - City of Goose Creek v. Santee Cooper (2020-CP-08-00821)
    - City of Goose Creek v. Santee Cooper (2020-000598)
    - Century Aluminum of South Carolina, Inc. v. Santee Cooper & Directors (2020-CP-08-00955)

    Please see document named 3.12(d) shritter_Santee EMMA posting – Century Aluminum Goose Creek.pdf.

2) On July 27, 2020, Santee Cooper filed an EMMA posting making investors aware of final approval of the settlement in the class action case Cook v. South Carolina Public Service Authority et al, Case No. 2019-CP-23-06675.

    Please see documents named 3.12(d) shritter_Santee Cooper EMMA posting-Cook Case Final Order.pdf and 3.12(d) shritter_Final Order and Judgment – signed by J. Toal.pdf.

santee cooper

July 14, 2020

To: Electronic Municipal Market Access (EMMA)

Re: Voluntary Disclosure Agreements in connection with the South Carolina Public Service Authority Revenue Obligations; 2009 Tax-Exempt Refunding Series A, 2009 Taxable Series C, 2009 Taxable Series F, 2010 Tax-Exempt Refunding Series B, 2010 Federally Taxable Series C (BABs), 2011 Tax-Exempt Refunding Series B, 2011 Tax-Exempt Refunding Series C, 2012 Tax-Exempt Refunding Series A, 2012 Tax-Exempt Refunding Series B, 2012 Tax-Exempt Refunding Series C, 2012 Tax-Exempt Series D, 2012 Taxable Series E, 2013 Tax-Exempt Series A, 2013 Tax-Exempt Refunding Series B, 2013 Taxable Series C, 2013 Tax-Exempt Series E, 2014 Tax-Exempt Series A, 2014 Tax-Exempt Refunding Series B, 2014 Tax-Exempt Refunding Series C, 2014 Taxable Refunding Series D, 2015 Tax-Exempt Refunding & Improvement Series A, 2015 Tax-Exempt Refunding Series B, 2015 Tax-Exempt Refunding Series C, 2015 Taxable Series D, 2015 Tax-Exempt Series E, 2016 Tax-Exempt Refunding Series A, 2016 Tax-Exempt Refunding and Improvement Series B, 2016 Taxable Series D, 2016 Tax-Exempt Refunding Series C, and 2019 Tax-Exempt Refunding Series A

Dear Sir or Madam:

We write to bring several litigation matters to your attention, which are explained below.

***City of Goose Creek v. Santee Cooper* (2020-CP-08-00821)**

On March 31, 2020, the City of Goose Creek, South Carolina ("Goose Creek") filed a civil action (the "Goose Creek Action") against Santee Cooper in South Carolina's Court of Common Pleas in Berkeley County, concerning Goose Creek's attempts to establish a municipal utility for the purpose of providing electricity to the Mt. Holly Smelter, an aluminum plant, operated by Century Aluminum (defined below) ("Century") on lands Goose Creek alleges it intends to annex. More specifically, the Goose Creek Action seeks a declaration of the Court that (i) Goose Creek has the right and authority under state law to provide electric utility service within its city limits and in areas that are to be annexed into the city, including but not limited to Century Aluminum's Mt. Holly Smelter; (ii) Santee Cooper shall take no action inconsistent with the proposed declaration, including but not limited to any action to attempt to prevent Goose Creek's efforts to supply electricity to customers within the city limits, including, but not limited to the Mt. Holly Smelter, and (iii) Santee Cooper shall cooperate with Goose Creek so that Goose Creek may supply electricity to municipal customers.

On June 1, 2020, Santee Cooper filed a motion to dismiss Goose Creek's complaint on multiple grounds, including, but not limited to: (1) the dispute is pending before the Federal Energy Regulatory Authority, (2) the relief sought by Goose Creek is within the FERC's exclusive or primary jurisdiction, (3) Goose Creek's claims are preempted by applicable federal law, (4) Goose Creek's Complaint is inappropriate under the South Carolina Uniform Declaratory Judgment Act, and (5) the controversy is not ripe.

***City of Goose Creek v. Santee Cooper* (2020-000598)**

On April 13, 2020, Goose Creek filed a Petition for Original Jurisdiction before the South Carolina Supreme Court. Goose Creek requested the South Carolina Supreme Court, in effect, remove the case

filed in the Berkeley County Common Pleas (2020-CP-08-00821), grant the petition, and set the docket for expedited briefing and argument. Goose Creek attached to its Petition the complaint filed in Berkeley County Common Pleas. On April 16, 2020, the Supreme Court denied the City's request to expedite the matter.

On May 26, 2020, Santee Cooper filed its Return in Opposition to Goose Creek's Petition for Original Jurisdiction. Santee Cooper's position is that the exercise of the Supreme Court's original jurisdiction pursuant to Rule 245 of the South Carolina Appellate Court Rules is not appropriate under these circumstances.

On July 10, 2020, an order denying Goose Creek's Petition was entered by the Supreme Court.

***Century Aluminum of South Carolina, Inc. v. Santee Cooper & Directors* (2020-CP-08-00955)**
On April 27, 2020, Century Aluminum of South Carolina, Inc. ("Century" or "Century Aluminum") filed an action (the "Action") against Santee Cooper and its Board of Directors related to Santee Cooper's service to the Mt. Holly Smelter located near Goose Creek, South Carolina. In that Action, filed in South Carolina's Court of Common Pleas in Berkeley County, Century generally asserts that it is entitled to purchase electricity from the City of Goose Creek rather than Santee Cooper for use at the Mt. Holly Smelter plant, and that Santee Cooper's position that it has an exclusive right to provide such service was allegedly in violation of law. Century asserted the following claims in the Action: (i) unconstitutional taking under the South Carolina Constitution, art. I, §13(A), (ii) declaratory judgment, (iii) violation of the due process clause of the South Carolina Constitution, art. I, § 3, (iv) breach of Directors' statutory duties, (v) tortious interference with prospective contract, (vi) violation of the Unfair Trade Practices Act and (vii) injunctive Relief. Century seeks its alleged damages arising from the dispute, and seeks an injunction asking the Court to bar Santee Cooper from opposing the establishment of a municipal utility in Goose Creek that would provide electricity to Century.

On June 29, 2020, Santee Cooper and the Directors filed motions to dismiss the Action (the "Motions") on the following grounds: (i) release, (ii) res judicata, (iii) Santee Cooper's statutorily granted exclusive right to serve Mt. Holly, (iv) justiciability (claims not ripe for adjudication), (v) failure to allege facts supporting a cause of action (regarding Santee Cooper's assertion of a legal position), (vi) FERC's primary exclusive jurisdiction. The Directors asserted additionally that Century failed to allege facts related to any act taken subject to Code Section 58-31-55. Santee Cooper and the Directors also moved for a stay of discovery pending resolution of the motion and other matters, and the Court granted the motion to stay discovery through August 2, 2020. A hearing on the Motions is subject to being heard on or after August 3, 2020.

The Authority is unable to predict the outcome of the matters described above.

The filing of this notice does not constitute or imply any representation regarding any other financial, operating or other information about Santee Cooper or its outstanding bonds or other indebtedness (the "Bonds"). This notice speaks only as of its date and does not imply that there is no change in any other information concerning Santee Cooper or its Bonds that may have a bearing on the security for the Bonds, or an investor's decision to buy, sell, or hold such Bonds.

Thank you,

Nan D. Cline
Debt Administrator
South Carolina Public Service Authority

cc: Michael Jenkins – The Bank of New York Mellon, N.A.
Elizabeth Columbo – Nixon Peabody LLP
Mike Mace – Public Finance Management, Inc.
Virginia Wong – Nixon Peabody LLP
Faith Williams

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	THIRTEENTH JUDICIAL CIRCUIT
COUNTY OF GREENVILLE	)	
	)	
Jessica S. Cook, Corrin F. Bowers & Son, Cyril B. Rush, Jr., Bobby Bostick, Kyle Cook, Donna Jenkins, Chris Kolbe, and Ruth Ann Keffer, on behalf of themselves and all others similarly situated,	)	CASE NO. 2019-CP-23-06675
Plaintiffs,	)	
v.	)	**FINAL ORDER AND JUDGMENT**
South Carolina Public Service Authority, an Agency of the State of South Carolina (also known as Santee Cooper); W. Leighton Lord, III, in his capacity as chairman and director of the South Carolina Public Service Authority; William A. Finn, in his capacity as director of the South Carolina Public Service Authority; Barry Wynn, in his capacity as director of the South Carolina Public Service Authority; Kristofer Clark, in his capacity as director of the South Carolina Public Service Authority; Merrell W. Floyd, in his capacity as director of the South Carolina Public Service Authority; J. Calhoun Land, IV, in his capacity as director of the South Carolina Public Service Authority; Stephen H. Mudge, in his capacity as director of the South Carolina Public Service Authority; Peggy H. Pinnell, in her capacity as director of the South Carolina Public Service Authority; Dan J. Ray, in his capacity as director of the South Carolina Public Service Authority; David F. Singleton, in his capacity as director of the South Carolina Public Service Authority; Jack F. Wolfe, Jr., in his capacity as director of the South Carolina Public Service Authority; Central Electric Power Cooperative, Inc.; Palmetto Electric Cooperative, Inc.; South Carolina Electric & Gas Company; SCANA Corporation, SCANA Services, Inc.,	)	
Defendants.	)	

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This matter is before the Court pursuant to Rule 23(c) of the South Carolina Rules of Civil Procedure upon Class Counsel's Motion for Final Approval of Class Action Settlement ("Final Approval Motion") and Application for Reimbursement of Expenses and a Contingency Fee Award ("Fee Petition"). These matters were argued on July 20, 2020. For the reasons set forth herein, the Court hereby grants the Final Approval Motion and Fee Petition.

INTRODUCTION

This settlement arises out of a highly contested and extensively litigated case involving the failed construction of two nuclear reactors at the V.C. Summer site in Jenkinsville, South Carolina ("the Project") by Defendants South Carolina Electric & Gas ("SCE&G") and South Carolina Public Service Authority ("Santee Cooper") (collectively "Defendants").[1] On July 31, 2017, Defendants announced they would stop construction of the Project. Shortly thereafter, Class Counsel filed two lawsuits against Santee Cooper on behalf of a class of Santee Cooper direct and indirect customers ("the Customer Class"): *Cook v. South Carolina Public Service Authority*, Case No. 2017-CP-25-348 (Hampton Cty. Ct. Com. Pl., filed Aug. 22, 2017); and *Kolbe v. South Carolina Public Service Authority*, Case No. 2017-CP-08-2009 (Berkeley Cty. Ct. Com. Pl., filed Aug. 23, 2017). The cases were later consolidated and SCE&G and SCANA Corporation were added as parties.[2]

Class Counsel amended their complaint as the case progressed so that a Fifth Amended Complaint was filed on July 25, 2019. The other parties updated their responsive pleadings, and

[1] Other Defendants in this action include Santee Cooper Directors W. Leighton Lord, III, William A. Finn, Barry Wynn, Merrell W. Floyd, J. Calhoun Land, IV, Stephen H. Mudge, Peggy H. Pinnell, Dan J. Ray, David F. Singleton, and Jack F. Wolfe, Jr; Central Electric Power Cooperative, Inc.; Palmetto Electric Cooperative, Inc.; SCANA Corporation; and SCANA Services, Inc. Unless otherwise stated, reference to "Defendants" means Santee Cooper and SCE&G.

[2] On March 23, 2018, Class Counsel consolidated *Kolbe* into *Cook* by filing a Fourth Amended Complaint in *Cook*.

Central Electric asserted cross claims against Santee Cooper and the Director Defendants. Palmetto Electric asserted cross claims against Santee Cooper, the Director Defendants, SCE&G, and SCANA. Santee Cooper asserted cross claims against SCE&G, Central Electric, and Palmetto Electric.

Plaintiffs alleged that after conception of the Project in 2005, and execution of a multi-billion dollar Engineering Procurement and Construction contract ("EPC") with Westinghouse Electric Corporation in 2008, the Project was overrun by inefficiencies and gross mismanagement. *See* Fifth Am. Compl., ¶¶ 19-80. Plaintiffs contended Defendants knew years prior to abandonment that the Project was over-budget and no longer feasible. As set forth in Plaintiffs' Fifth Amended Complaint, despite this knowledge, Defendants continued to collect copious sums of money from members of the Customer Class through advanced financing, which covered the Project's debt, executive salaries, and bonuses. *Id*.

After more than two and a half years of litigation, and concluding a two-day mediation, during the early morning hours of February 20, 2020, the parties reached a preliminary settlement, only two months before trial was scheduled to begin. In reaching that critical juncture, Class Counsel withstood numerous challenges and cleared many procedural hurdles, including:

1. Multiple motions to dismiss;
2. Multiple motions to compel arbitration;
3. A petition in the original jurisdiction of the Supreme Court of South Carolina and a corresponding motion to stay the case;
4. Class Counsel's motion for class certification;
5. Santee Cooper's motion for declaratory relief and to expedite the hearing;
6. Removal to the district court for the District of South Carolina;

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7. SCE&G's appeal to the Fourth Circuit of the district court's order remanding the case to the South Carolina circuit court and a corresponding motion to stay the case; and

8. Motions to decertify the Class and to exclude future damages.

In addition to the extensive motions and appellate practice, Class Counsel also engaged in immense discovery, including:

1. Over forty depositions of fact, corporate, and expert witnesses;

2. Extensive review of over sixty batches of documents totaling more than 2.5 million pages;

3. Issuance of third-party subpoenas to independent project contractors, auditors, and consultants;

4. Review of documents produced via subpoena *duces tecum*;

5. Numerous motions to compel production based upon alleged deficient production;

6. Extensive review and conferral regarding the production of numerous privilege logs; and

7. Motions to compel documents identified from the various privilege logs.

Through discovery and extensive document review, Class Counsel developed the argument that Defendants should have ceased the Project's construction by April 2012 because it was no longer reasonable to proceed. Specifically, the EPC provided Defendants a mechanism to stop construction without significant economic ramifications to the utilities, and in turn to the customers, before signing the "Full Notice to Proceed." *See* Final Approval Motion, p. 5-6. Recognizing the import of this contractual milestone, Class Counsel developed their litigation strategy around this event and targeted discovery around their theory. *Id*.

As part of these efforts, Class Counsel pursued multiple depositions of SCE&G's top executives. Among those executives, Jeff Archie (former Chief Nuclear Officer), Jimmy Addison (former Chief Financial Officer), Steve Byrne (former Chief Operating Officer), and Kevin Marsh

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(former Chief Executive Officer) invoked their Fifth Amendment right against self-incrimination. In addition, Class Counsel deposed Santee Cooper's current and former officials, whose testimony Class Counsel alleged demonstrated that, far from a passive or uninformed Project partner, Santee Cooper knew very early on that (1) there was no need for additional generation from the two new units, and (2) SCE&G was not equipped to manage construction of the Project. *See* Final Approval Motion, p. 6.

Though Plaintiffs contended their arguments were well supported by the discovery in this case, Defendants vigorously denied liability. Two main defenses emerged. Santee Cooper argued the utility was legally obligated to collect rates from the Customer Class sufficient to cover Project debts, regardless of whether there was any negligence in incurring those debts. Meanwhile, SCE&G contended there was no duty owed to the Customer Class in the absence of a utility or contractual relationship. Additionally, Defendants aggressively challenged venue, subject matter jurisdiction, standing, class certification, and damages.

On February 18, 2020, the parties agreed to mediation for a fourth time—the second with this Court presiding.[3] The parties agreed to a settlement amount of $520 million, representing a 96% recovery of costs incurred by the Customer Class from Full Notice to Proceed through Project abandonment. *See* Aff. of John Alphin, ¶ 4 (Ex. 2 to Fee Petition). In addition, Class Counsel secured a four-year freeze on rate increases by Santee Cooper, the value of which is estimated to total roughly $510 million of additional benefit to the Customer Class.[4] *Id*. at ¶ 7.

[3] The parties previously agreed to mediation in October 2019 with this Court presiding. Additionally, the parties mediated in February 2019 and June 2019 with the Honorable Joseph F. Anderson, Jr., Senior District Court Judge.

[4] It was not lost on this Court that while the parties were engaged in their final mediation, counsel were continuing their forward progress toward trial, preparing for depositions even as their counterparts at the mediation were signing the settlement terms.

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On March 17, 2020, this Court heard Class Counsel's unopposed motion for preliminary approval. In finding probable cause existed to approve the settlement, this Court recognized the extraordinary efforts of all counsel, but particularly of Class Counsel, and ordered notice of the proposed settlement be sent to the Class. *See* Order Granting Prelim. Approval of Class Action Settlement, filed March 17, 2020.

On May 29, 2020, Class Counsel filed their Fee Petition seeking a 15% fee on the net present value of the cash components of the settlement[5] (the "Common Benefit Fund") and making no request from the $510 million future benefit. On July 10, 2020, Class Counsel filed their Final Approval Motion.

OVERVIEW OF CLASS NOTICE

The United States Supreme Court has determined that the class representative, through Class Counsel, is responsible for providing class members the best practicable notice. *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 173-77 (1974); *see also Krakauer v. Dish Network, LLC*, 925 F.3d 643, 655 (4th Cir. 2019) (observing that notice "is designed to secure judgments binding all class members save those who affirmatively elect to be excluded" (quoting *AmChem Products, Inc. v. Windsor*, 521 U.S. 591, 614-15 (1997))).

Based on this requirement, Class Counsel, in conjunction with defense counsel, undertook rigorous efforts to ensure the most widespread notice possible, including:

1. Class Counsel worked with Santee Cooper's and Central Electric's counsel to identify 1,660,263 current and former customers that fit the Class definition.

    a. On May 1, 2020, notice was sent by e-mail to the 641,696 Class members for whom e-mail addresses were available, which resulted in 650,864 notices sent via e-mail due to some Class members having multiple e-mail addresses.

[5] *See* Fee Petition, at n. 58.

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b. On May 1, 2020, notice was sent by mail to 998,478 Class members.

c. On May 15, 2020, notice was sent by mail to 17,488 Class members with initially invalid mailing addresses that were able to be corrected.

d. On May 21, 2020, notice was sent by mail to 125,715 Class members whose e-mailed notice was returned as undeliverable.

e. As of June 26, 2020, notice has been sent to 131,670 Class members whose addresses were corrected after the initial mailed notice was returned as undeliverable.

2. Notice was published in the *Columbia State*, *Greenville News*, *Charleston Post & Courier*, *Aiken Standard*, *Beaufort Gazette / Bluffton Island Packet Combo*, *Rock Hill Herald*, and *Myrtle Beach Sun News*. These seven papers cover the state, providing extensive supplemental notice to the direct notice detailed above.

3. Class Counsel established a settlement website and toll-free line to provide additional information to the Customer Class. As of June 26, 2020, there had been 18,199 unique visitors to the website and 28,860 website pages presented, and there had been 9,621 calls to the toll-free line representing 35,364 minutes of use.

4. Class Counsel also ran internet banner ads totaling approximately 12.3 million impressions on Google Display Ad Network and Facebook.[6]

Notice has been e-mailed or mailed to 1,653,078 unique Class members, with notice to just 15,241 unique Class members currently known to be undeliverable. The individual notice has therefore reached more than 98.6% of the Class members.[7] Individual notice has been supplemented with publication notice and internet banner ads.

As previously approved in the March 17, 2020 Preliminary Approval Order, all forms of the notice that were distributed as described above identified the benefits of the settlement,

[6] *See* Declaration of Cameron R. Azari, Esq., Director of Legal Notice, Hilsoft Notifications, attached as Exhibit 1 to Final Approval Motion.
[7] *Id*. ¶ 35.

including the Common Benefit Fund payments that will be made and the Rate Freeze, as defined in the Settlement Agreement. The Rate Freeze was described in the notice as being consistent with the rates projected in the Reform Plan submitted to the South Carolina General Assembly. The notice of the Rate Freeze and additional details about the frozen rates were posted in full on the settlement web site. This robust notice effort satisfies Rule 23(c), SCRCP, and all due process obligations.

FINAL SETTLEMENT APPROVAL

I. INTRODUCTION

Whether to grant final approval of a class action rests in the trial court's discretion, "which should be exercised in light of the general judicial policy favoring settlement." *Robinson v. Carolina First Bank, NA*, Case No. 7:18-cv-02927-JDA, 2019 WL 2591153, *8 (D.S.C. June 21, 2019) (quoting *In re Sumitomo Copper Litig*., 189 F.R.D. 274, 280 (S.D.N.Y. 1999).[8] Ultimately, the Court must determine whether the proposed settlement is fair and adequate. *In re Jiffy Lube. Sec. Litig*., 927 F.2d 144, 159 (4th Cir. 1991) (outlining factors considered by district courts in the Fourth Circuit).

In analyzing fairness, this Court is tasked with considering "(1) the posture of the case at the time the settlement was proposed, (2) the extent of discovery that had been conducted; (3) the circumstances surrounding the negotiations, and (4) the experience of counsel in the area of . . . class action litigation." *Id.*

[8] Rule 23, SCRCP, is similar to Rule 23, FRCP, and the district courts confront class action issues much more frequently than South Carolina state courts. In these circumstances, the Supreme Court of South Carolina has determined it is appropriate to "look to the construction placed on the Federal Rules of Civil Procedure." *Gardner v. Newsome Chevrolet-Buick, Inc*., 304 S.C. 328, 330, 404 S.E.2d 200, 201 (1991).

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In assessing adequacy, district courts in the Fourth Circuit have considered the following: (1) the relative strength of the Class claims on the merits; (2) the existence of any difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial; (3) the anticipated duration and expense of additional litigation; (4) the solvency of the defendants and the likelihood of recovery on a litigated judgment; and (5) the degree of opposition to the settlement. *In re Jiffy Lube*, 927 F.2d at 159; *In re: Lumber Liquidators Chinese-Manufactured Flooring Prod. Mktg., Sales Practices & Prod. Liab. Litig.*, 952 F.3d 471, 484 (4th Cir. 2020).

In addition to these matters, this Court is also being asked to approve attorneys' fees and costs, as well as service awards for Class representatives and named Plaintiffs, both of which sound in the discretion of this Court.

II. FAIRNESS

The fairness inquiry "serves to protect against the danger that counsel might compromise a suit for an inadequate amount for the sake of insuring a fee." *In re Mid-Atl. Toyota Antitrust Litig.*, 564 F. Supp. 1379, 1383 (D. Md. 1983) (internal citations omitted). Typically, there is a "strong initial presumption that the compromise is fair and reasonable." *S.C. Nat'l Bank v. Stone*, 139 F.R.D. 335, 339 (D.S.C. 1991).

At the outset, this Court finds the Fourth Circuit factors are an appropriate standard to assess the fairness of the proposed settlement. With that in mind, the Court now turns to each of those factors.

A. Posture of the Case at the time of Settlement

"Considering the posture of the case at the time of settlement allows the Court to determine whether the case has progressed far enough to dispel any wariness of 'possible collusion amongst the settling parties.'" *Brown v. Transurban USA, Inc.*, 318 F.R.D. 560, 571 (E.D. Va. 2016)

(quoting *In re The Mills Corp. Sec. Litig.*, 265 F.R.D. 246, 254 (E.D. Va. 2009)). This Court finds that by the time of settlement, the parties had exchanged millions of pages of documents, taken dozens of substantive depositions, and engaged in extensive motions practice, including dispositive motions and motions related to discovery. Class Counsel survived numerous motions to dismiss and successfully defended against Santee Cooper's petition in the original jurisdiction, along with SCE&G's removal to federal district court. If the parties had not reached an agreement, the parties were prepared to proceed to trial.

The multiple adversarial proceedings throughout this litigation and the extensive discovery, in addition to the oversight by this Court and Judge Anderson at mediation, support a finding that the settlement was reached far into the litigation and without any hint of collusion. *Brown*, 318 F.R.D. at 572 (finding "[t]hese adversarial encounters dispel any apprehension of collusion between the parties" (quoting *In re NeuStar, Inc. Sec. Litig.*, No. 1:14-cv-885 (JCC/TRJ), 2015 WL 5674798, at *10 (E.D. Va. Sept. 23, 2015)).

B. Extent of Discovery at Settlement

Generally, consideration of discovery and its status at the time of settlement provides insight into the parties' appreciation of "the full landscape of their case when agreeing to enter into [a settlement]." *In re The Mills Corp.*, 265 F.R.D. at 254; *see also Singleton v. Domino's Pizza, LLC*, 976 F. Supp. 2d 655, 679 (D. Md. 2013) (noting that where the parties had exchanged initial discovery and fully briefed a motion to dismiss, which the court denied, "all parties had a clear view of the strengths and weaknesses of their respective positions, and sufficient information about the claims and defenses at the time they began exploring the possibility of settlement").

At the time of settlement, the parties had been engaged in thorough and extensive discovery for more than a year and a half. This included more than forty depositions being taken, the

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exchange of numerous sets of interrogatories and requests for production, and the production and review of more than 60 batches of responsive documents totaling over 2.5 million pages. At the time of settlement, the parties had entered the final stages of pre-trial discovery and were scheduled to conduct an additional forty depositions of individual cooperative representatives, defense experts, and remaining fact witnesses. For these reasons, this Court finds the parties fully appreciated the landscape of the case and were deeply familiar with the potential strengths and weaknesses of their various positions.

C. Circumstances Surrounding Settlement Negotiations

The record demonstrates the settlement was the product of good faith negotiations. By mediating this matter four times throughout the litigation—twice with this Court at the request of the Parties—it was particularly evident that the parties were not desperate to settle.[9] Rather, counsel were dedicated to zealously advocating their positions. Because of the parties' earnest willingness to try the case, the negotiations were intricate and concessions were made sparingly.

After three unsuccessful mediation attempts, the final mediation was initiated following the case's remand to state court after SCE&G's November 2019 removal to federal court. Upon agreement by all parties, this Court presided over the final mediation. This high level negotiation occurred following several months of significant settlement discovery and analysis surrounding: (1) the amounts expended by the Customer Class during the Project, (2) Defendants' abilities to pay, and (3) the long-term economic impact of any judgment or settlement on the Customer Class.

[9] The other two mediations were overseen by Honorable Joseph F. Anderson, Jr. Oversight by this Court and Judge Anderson further demonstrates the absence of collusion. *See Jones v. Singing River Health Servs. Found.*, 865 F.3d 285, 295-96 (5th Cir. 2017) (noting that a strong presumption against collusion exists whenever the settlement is overseen by a reputable mediator); *see also Brown*, 318 F.R.D. at 571 (noting the assistance of a professional mediator in a formal mediation settlement can be a factor weighing in favor of fairness).

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The resulting settlement represents a significant return of funds expended during the interim of the Project to the Customer Class, as well as additional rate relief to benefit the Class over the next four years.

Given this Court's familiarity with the case and the nuanced procedural posture and substantive law, this Court attests the settlement is not the product of collusion. Rather, the settlement is a hard-fought resolution among competent adversaries dedicated to client advocacy.

D. Experience of Counsel

Counsel's experience supports the fairness of the settlement. Class Counsel collectively have over two centuries of experience litigating complex matters and class action cases. Further, they have been champions of novel issues and possess significant appellate experience. Similarly, Defendants were represented by premier firms hailing from South Carolina and across the country with tremendous complex litigation experience. Defense counsel rigorously defended this case during its pendency and would have continued to do so at trial.

There is no evidence that this settlement was the product of anything other than arms' length negotiations. Accordingly, this Court finds the settlement in this case is fair.

III. ADEQUACY

Having found the proposed settlement is fair, this Court must now consider whether the settlement is adequate. This prong hinges on the value of the settlement in light of the damages, and the respective merits of the claims and defenses. *In re: Lumber Liquidators*, 952 F.3d at 485 (upholding the district court's finding of adequacy where the court was familiar with the strengths and weaknesses of the claims and the "existence of difficulties of proof or strong defenses"); s*ee also In re Jiffy Lube*, 927 F.2d at 159.

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As with fairness, this Court finds the Fourth Circuit factors are an appropriate standard to assess the adequacy of the proposed settlement. With that in mind, the Court now turns to each of those factors.

A. The Relative Strength of the Class Claims on the Merits Versus the Value of the Recovery

Class Counsel developed an argument that Defendants should have ceased construction in April 2012, instead of signing off on the Full Notice to Proceed. Advancing this theory through all forms of discovery, Class Counsel estimated customers were assessed $540 million in advanced financing costs from Full Notice to Proceed through stopping construction.[10] By procuring $520 million in cash, Class Counsel recovered 96% of the costs at the core of Class Counsel's theory of recovery. Furthermore, the settlement represents more than 70% of the total amount estimated to have been assessed to the Class from the Project's inception to stopping construction. Additionally, Class Counsel secured a four-year Rate Freeze constituting an additional $510 million benefit to the Class. This Court finds the substantial recovery and significant future relief weigh in favor of adequacy.

B. The Existence of Difficulties of Proof or Strong Defenses Plaintiffs Were Likely to Encounter at Trial

While Class Counsel strongly believed in the merits of their arguments, liability in this case was nevertheless highly contested. Throughout the case, Santee Cooper maintained that its Enabling Act requires it to collect rates sufficient to cover indebtedness, even if the debt was incurred in a negligent manner. No matter how this novel issue was decided by this Court, it would have been ripe for appellate review, creating further risk of delay in finality for the parties and potential non-recovery.

[10] *See* Aff. of John Alphin, ¶ 4 (Ex. 2 to Fee Petition).

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Separately, SCE&G asserted that it owes no duty to the Class. While the Honorable John C. Hayes, III, had previously denied SCE&G's motion to dismiss on this issue, this Court had not resolved this issue.[11] Rather, the Court indicated the question of duty was a mixed question of law and fact for the jury to decide. Regardless of the outcome, it is certain this issue also would have been appealed.

In the background of these two formidable defenses is a broader nuclear landscape in which lawsuits across the country seeking recovery for failed nuclear construction have been dismissed.[12] Because of the nuance and uncharted path, it is even more likely that an appeal would occur if the case proceeded to trial. For these reasons, this Court finds when balanced against the proposed settlement amount, the substantial risk of an adverse result at trial or a complex appeal from a successful result weighs in favor of adequacy.

C. Anticipated Duration and Expense of Additional Litigation

Despite the significant discovery that had occurred, sizable and costly discovery remained. Specifically, more than forty depositions remained to be taken, including depositions of corporate representatives for each electric cooperative and a majority of Defendants' experts.

This Court scheduled a three-week trial in Greenville, South Carolina. In connection with trial, Class Counsel have indicated that a number of Class Counsel would be present, which would invite sizable logistical costs, as well as costs associated with witnesses, including travel, lodging, and billable time. Class Counsel would also incur significant expense related to final trial preparation.

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[11] *See* Order Den. Def. SCE&G's Mot. to Dismiss filed May 20, 2019.

[12] A trial court in Mississippi dismissed such a claim just prior to the inception of this lawsuit. *Biloxi Freezing & Processing, Inc., v. Miss. Power Co.*, C.A. No. A2491-2016-00077 (Miss. Cir. Ct. June 23, 2017). A Florida federal court had dismissed a similar action a year earlier. *Newton v. Duke Energy Fla., LLC*, No. 16-CV-60341-WPD (S.D. Fla. 2016).

In addition, inevitable costs of appeals would flow from a trial of this complexity and magnitude, as well as the costs related to SCE&G's pending appeal to the Fourth Circuit of the district court's remand order. The potential Fourth Circuit decision reversing remand, in addition to changing the case's trajectory, would have exponentially increased costs. Specifically, Class Counsel would have funded final trial preparation in state court, including Class notice, before having to pivot to district court.

Accordingly, this Court finds the anticipated duration and expense of additional litigation had the parties not reached this settlement weighs in favor of adequacy.

D. Solvency of Defendants and the Likelihood of Recovery on a Litigated Judgment

As acknowledged in the Final Approval Motion, from inception of this case, concerns existed about Defendants' financial circumstances. During the litigation, SCANA merged with Dominion Energy and became known as Dominion Energy South Carolina. In addition, Santee Cooper's financial circumstances, shaped in part by the public political debate surrounding the Project's demise, required a thorough understanding of Defendants' abilities to pay.

The record evidences Class Counsel's laborious efforts to study and understand Defendants' respective financial positions to maximize the resolution for the Class. This includes engaging expert consultants and learning Defendants' accounting principles, rate making, and ability to pay. In so doing, Class Counsel was focused on balancing a maximum recovery against unanticipated economic consequences for the Class.

This Court finds that through these efforts, Class Counsel's decision to enter into a settlement was informed by the potential that Defendants would be unable to satisfy a judgment obtained at trial. Such an outcome would equate to a Pyrrhic victory for the Class without actual

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relief. For these reasons, this Court finds the proposed settlement adequately compensates members of the Customer Class, taking into account Defendants' finances.

E. Degree of Opposition to the Settlement

Finally, in its analysis on final approval this Court may consider "[t]he attitude of members of the class, as expressed directly or by failure to object, after notice, to the settlement[.]" *Flinn v. FMC Corp.*, 528 F.2d 1169, 1173 (4th Cir. 1975). Even where opposition exists, a settlement will not be disturbed if the court finds fairness and adequacy exist. *Id.* at 1174; *see also In re: Lumber Liquidators*, 952 F.3d at 485-86 (concluding that 94 opt-outs and 12 objections among 178,859 class members supported a finding of adequacy).

Notice was sent to more than 1.65 million Class members, published in newspapers whose collective circulation covers the entirety of the State, and supplemented with internet banner ads totaling approximately 12.3 million impressions. The notices directed Class members to the settlement website and toll-free line for additional inquiries and further information. After this extensive notice campaign, only 78 individuals (0.0047%) have opted-out, and only nine (0.00054%) have objected. The Court finds this response to be overwhelmingly favorable. *See In re Wachovia Corp. ERISA Litig.*, No. 3:09cv262, 2011 WL 5037183, at *4 (W.D.N.C. Oct. 24, 2011) (noting "the relatively few number of objections demonstrates the satisfaction of Class Members with the settlement result, as well as their implicit approval of its terms, including the requested fee award").

In *Jones v. Dominion Resource Services, Inc.*, the class sent individual notice to almost 25,000 class members. There, only one class member pursued an objection. The court explained:

> [T]his very low incidence of objections, especially in light of the success of the direct notification, not only demonstrates the Class Members' satisfaction with the settlement result, but also ***shows their implicit approval of its terms***, including the attorneys' fee

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> provision. ***Because such a high percentage of the class was directly notified of the attorneys' fee provision, and almost none of them objected to that provision, I consider the Class Members to have demonstrated approval of the instant fee request and agreement to pay such an amount.*** I FIND that the "clients" approval of the attorneys' fee request supports the reasonableness of the requested fee award.

601 F. Supp. 2d 756, 763 (S.D.W. Va. 2009) (emphasis added); *see also In re The Mills Corp.*, 265 F.R.D. at 262 (noting that two objections from 128,000 class members "enforces the reasonableness of that [fee] request in the Court's eyes").

Based upon the factors set forth herein, as well as the favorable response by the Class to the terms of the proposed settlement, this Court finds the settlement is fair, adequate, and in the best interests of the Customer Class.

IV. ATTORNEYS' FEES

Having determined the proposed settlement is fair and adequate, the Court next turns to the consideration of attorneys' fees and costs. Class Counsel has requested 15% of the Common Benefit Fund payable following the effective date of the settlement consistent with the terms of the Settlement Agreement.[13]

A. The Nature of this Case Supports an Award of Reasonable Attorneys' Fees from a Common Fund

The United States Supreme Court has long recognized that an award of attorneys' fees may be derived from a common fund. *See generally Cent. R.R.& Banking Co. of Ga. v. Pettus*, 113 U.S. 116, 127-28 (1885) (recognizing the common fund doctrine for the first time); *Mills v. Elec. Auto-Lite Co.*, 396 U.S. 375, 392 (1970) (noting the existence of a judge-created exception allowing for an award of attorneys' fees and expenses where a plaintiff, usually on behalf of a

[13] The Settlement Agreement is attached to the March 17, 2020 Order Granting Preliminary Approval of Class Action Settlement.

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class, maintains an action that benefits a group of others in the same manner as himself); *see also Robinson*, 2019 WL 2591153, at *13 ("[I]t is well settled that, [w]hen a class settlement results in a common fund for the benefit of class members, reasonable attorney's fees may be awarded from the common fund." (citations omitted)).

With respect to the common fund doctrine, the United States Supreme Court has found lawyers who recover a common fund are entitled to reasonable attorneys' fee from the fund as a whole. *Boeing, Co. v. Van Gemert*, 444 U.S. 472, 478 (1988). In discussing the common fund doctrine, the *Boeing* Court explained:

> The doctrine rests on the perception that persons who obtain the benefit of a lawsuit without contributing to its cost are unjustly enriched at the successful litigant's expense. Jurisdiction over the fund involved in the litigation allows a court to prevent this inequity by assessing attorney's fees against the entire fund, thus spreading fees proportionately among those benefitted by the suit.

Id. at 478 (citations omitted).

Similarly, the Supreme Court of South Carolina has found that courts may award reasonable attorneys' fees from a common fund to a party who, at its expense, "successfully maintains a suit for the creation, recovery, preservation, or increase of a common fund or common property." *Matter of Estate of Kay*, 423 S.C. 476, 489, 816 S.E.2d 542, 549 (2018) (quoting *Layman v. State*, 376 S.C. 434, 452, 658 S.E.2d 320, 329 (2008)); *see Petition of Crum*, 196 S.C. 528, 531, 14 S.E.2d 21, 23 (1941) (finding that the basis for the common fund doctrine is to allow one who preserves or protects a common fund for herself and others to share in the expenses of preserving the fund with those so benefitted).

In *Layman*, the Supreme Court of South Carolina recognized that "when awarding fees to be paid from a common fund, courts often use the common fund itself [rather than a lodestar] as a measure of the litigation's 'success.'" 376 S.C. at 452-53, 658 S.E.2d at 330. Accordingly,

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"[t]hese courts consequently base an award of attorney[s'] fees on a percentage of the common fund created, known as the 'percentage-of-the-recovery' approach." *Id*. (citing *Edmonds v. United States*, 658 F. Supp. 1126, 1144 (D.S.C. 1987) (expressing a preference for the percentage-of-the-recovery method when awarding fees from a common fund)).

This Court finds that the common fund doctrine, and percentage-of-the-recovery method, is an appropriate way to determine attorneys' fees and costs. This finding is based on the complexity and duration of the litigation and Class Counsel's success in numerous motions in state and federal courts, asserting and withstanding tremendous pressure in discovery, and negotiation of a significant recovery for the Customer Class.

B. Application of the factors set forth in Jackson v. Speed supports an award of attorneys' fees of 15% from the Common Benefit Fund

In assessing a percentage-of-the-recovery, the Court must consider what constitutes a "reasonable" award, given the specific circumstances of the case. The Supreme Court of South Carolina has previously directed courts to look to the factors set forth in *Jackson v. Speed* to determine reasonableness. 326 S.C. 289, 486 S.E.2d 750 (1997). These factors include: (1) the nature, extent, and difficulty of the case; (2) the time necessarily devoted to the case; (3) the professional standing of counsel; (4) contingency of compensation; (5) beneficial results obtained; and (6) customary legal fees for similar services. *Id*. at 308, 486 S.E.2d at 760; *see Condon v. State*, 354 S.C. 634, 638, 583 S.E.2d 430, 432 (2003) (upholding a circuit court's award of attorneys' fees of 28% of the common fund plus costs).

1. *The nature, extent, and difficulty of the case*

Lawyers often turn to prior cases for legal blueprints to mirror their pleadings, legal arguments, and discovery requests. Confronted with landmark issues, Class Counsel became founding architects in seeking recovery for failed nuclear construction and forced advanced cost

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recovery by customers. Through their efforts they advanced novel theories of liability and bore all risks associated with attempting to address unsettled and unknown areas of law. In their Fee Petition, Class Counsel provide ample information showing that experienced South Carolina lawyers declined to litigate these issues because of the inherent risks and purported inability to succeed.[14]

Even as Class Counsel pushed ahead, they were acutely aware of rulings throughout the country precluding any recovery for customers under similar circumstances.[15] As the *Cook* litigation progressed, the Eleventh Circuit found "that utilities . . . should be able to recoup from their customers the costs associated with a project for the construction of a nuclear power plant, and that they should not have to return funds received even if the project is not completed." *Newton v. Duke Energy Fla., LLC*, 895 F.3d 1270, 1276 (11th Cir. 2018). Despite a dreary foreshadowing, Class Counsel persisted.

Such effort must be recognized. As Judge Anderson noted in *Montague v. Dixie National Life Insurance Co.*, "the riskier the case, the greater the justification for a substantial fee award." 3:09-00687-JFA, 2011 WL 3626541, at *3 (D.S.C. Aug. 17, 2011); *see also In re Foreign Exch. Benchmark Rates Antitrust Litig.*, 13 CIV 7789 (LGS), 2018 WL 5839691, at *3 (S.D.N.Y. Nov. 8, 2018) (finding that the risks of litigation "should be considered as of when the case is filed").

This Court finds that a settlement representing 96% of the funds Class Counsel would seek at trial is a monumental achievement. Coupled with the substantial risk of litigation and the national trend of non-recovery in similar cases, this recovery is extraordinary. For these reasons, the Court finds this factor supports Class Counsel's fee request.

[14] *See* Aff. of Vincent Sheheen (Ex. 13 to Fee Petition).
[15] *See supra*, n.11.

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2. *The time necessarily devoted to the case*

There is no doubt that this case usurped significant amounts of time from Class Counsel. An accounting of hours would be feckless in a circumstance like this one given the duration and complexity of the litigation. *See generally In re Thirteen Appeals Arising out of San Juan Dupont Plaza Hotel Fire Litig.*, 56 F.3d 295, 307 (1st Cir. 1995) (noting that "the [percentage-of-fund] method in a common fund case enhances efficiency, or, put in the reverse, using the lodestar method in such a case encourages inefficiency").

For more than two and a half years, Class Counsel tirelessly dedicated themselves to litigating this case. At inception, Class Counsel had to familiarize themselves with the intricacies of utility financing, accounting, and ratemaking; the Santee Cooper Enabling Act; the EPC contract; and the general vernacular of a construction mega-project. Class Counsel were met with monumental amounts of discovery and repeated challenges to the production of relevant material. And over the life of this case, Class Counsel litigated in multiple forums, including circuit court, the South Carolina Court of Appeals, the Supreme Court of South Carolina, federal district court, and the Fourth Circuit.

In assessing this factor, this Court has had a unique vantage point. Having been assigned as the presiding judge over this complex litigation and overseeing two mediations, this Court has extensive exposure and insight into the facts and legal issues. Although the case was being vigorously developed at the time of the October 2019 mediation, when mediation reconvened four months later, the liability theory had progressed tremendously through Class Counsel's seasoned techniques and trial preparation—progress that could only be achieved through laborious, time consuming efforts. Accordingly, this Court finds that the time necessarily devoted to this case supports Class Counsel's fee request.

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3. *The professional standing of counsel*

Class Counsel has provided a substantial recitation of their efforts and achievements. Rather than recite every detail, the Court incorporates this portion of the Fee Petition by reference and finds Class Counsel are among the most accomplished at pursuing and prosecuting class action and complex litigation cases in the state of South Carolina. In addition, Class Counsel were met by equally able counsel representing all parties involved. Every party in this case was represented by premier firms from throughout the state of South Carolina and the nation. This case had no shortage of distinguished and able attorneys well-versed in litigation of this scope and magnitude. Accordingly, this Court finds the collective experience of Class Counsel and the formidable opponents defending this case weigh in favor of approval of Class Counsel's fee request.

4. *Contingency of the compensation*

Class Counsel's representation stemmed from contingency agreements. As such, Class Counsel have received no compensation for their work spanning two and half years. Nor have they been compensated for the more than $1.5 million Class Counsel has advanced in costs. While Class Counsel's retainer agreements provide for contingency fees of 33.3% and 40% respectively,[16] Class Counsel seek an award of 15% of the Common Benefit Fund. Given these facts, this factor weighs in favor of Class Counsel's fee request.

5. *Beneficial results obtained*

"[T]he most critical factor in determining the reasonableness of a fee award is the degree of success obtained." *Farrar v. Hobby*, 506 U.S. 103, 114 (1992) (quoting *Hensley v. Eckerhart*, 461 U.S. 424 (1983)); *In re Abrams & Abrams, P.A.*, 605 F.3d 238, 247 (4th Cir. 2010). Often, in ascertaining the degree of success in a class action, courts look to what the class could reasonably

[16] *See* Affs. of Class Representatives Jessica Cook & Chris Kolbe (Exs. 19 & 20 to Fee Petition).

expect to obtain at trial, not the total amount of alleged losses. *See generally Newberg on Class Actions*, § 13.51 (5th Ed.); *In re Adelphia Commc'ns Corp. Sec. & Derivative Litig.*, No. 03 MDL 1529 LMM, 2006 WL 3378705, at *2 (S.D.N.Y. Nov. 16, 2006), *aff'd*, 272 F.Appx. 9 (2nd Cir. 2008) (approving a settlement of 8% of the claimed damages, noting that the class could only realistically recover a much lesser percentage of the total claimed damages at trial).[17]

As set forth herein, and as supported by the Affidavit of John Alphin, a recovery of $520 million represents a nearly 96% recovery of the total amount estimated to have been paid by the Customer Class from Full Notice to Proceed until construction stopped, and a 70% recovery from Project inception to construction stopping. Further, this settlement includes an additional $510 million benefit for the Class in future rate relief.

The Court finds that the results achieved by Class Counsel will provide significant reimbursement to Class members for what they paid into the failed Project. Furthermore, the Court finds Class Counsel achieved what few have been able to in any class context by providing nearly full relief on what the Customer Class could reasonably expect to achieve at trial, as well as significant future relief. This degree of success supports Class Counsel's fee request.

6. *Customary legal fees for similar services*

Class Counsel's fee request is well-below previously approved percentage-of-the-recovery fees in common fund cases in South Carolina. For example, in *Condon*, the Supreme Court of South Carolina upheld the circuit court's award of a 28% attorneys' fee assessed from the common fund. 354 S.C. at 644, 583 S.E.2d at 435. In *Spartanburg Regional Health Services District,, Inc.*

[17] As noted in the Fee Petition, many courts have approved settlements where the overall degree of success ranged anywhere from 20% to 50% of the purported damages, but have nevertheless qualified these cases as impressive results on behalf of the class. *E.g., In re Cardinal Health, Inc. Sec. Litig.*, 528 F. Supp. 2d 757, 764-65 (S.D. Ohio 2007) (finding recovery of 20% of the alleged losses constituted an "outstanding recovery").

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v. Hillenbrand Industries, Inc., the Honorable Henry F. Floyd awarded a 25% fee of roughly $117 million on a total settlement of $486.6 million, comprised of $337.5 million paid in cash and an agreement by defendants to change future pricing for an additional benefit of $131.1 million. C.A. No 7:03-2141-HFF, 2006 WL 8446464, at *5, n.3 (D.S.C. Aug. 15, 2006). In finding that the fee was supported by the circumstances, Judge Floyd noted:

1. Class Counsel had been litigating for over two and a half years;
2. The settlement was on the higher end of what was expected;
3. The case involved "novel and difficult" legal and economic issues;
4. Other law firms had rejected joining the litigation given its risk; and
5. Other class actions involving recoveries of more than $100 million included attorneys' fee awards between twenty and thirty percent for an average of 25.03% of the common fund.

Id. at *2-*4. Each factor considered by Judge Floyd is present in this case. Notably, here, Class Counsel seek a substantially reduced fee. In fact, if the Court accounted for the future benefit, Class Counsel's request would be 7.5% of the total recovery. Under either calculation, the percentage requested by Class Counsel is well below prior awards in large class action cases.[18]

Because of the limited number of class actions and fee awards in South Carolina, our courts have turned to other jurisdictions for guidance. *Condon*, 354 S.C. at 644, 583 S.E.2d at 435 (relying on similar cases in addressing the reasonableness of fees). Accordingly, in their Fee Petition, Class Counsel have included a recitation of class action cases where courts have upheld

[18] *See Montague*, 2011 WL 3266541, at *2 (noting "[a] total fee of 33 percent for all work performed in this case is well within the range of what is customarily awarded in settlement class actions" and finding "[a]n award of fees in the range of 33% of the fund for work performed in the creation of the settlement fund has been held to be reasonable by many federal courts").

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attorneys' fee awards of more than the 15% requested here.[19] In addition, Class Counsel have included multiple affidavits from lawyers across the state of South Carolina with vast experience in complex litigation, including class actions. All of these affidavits indicate that the 15% fee requested is reasonable given the results of this case and attorneys' fee awards in similar cases.

C. RICO Counsel

As set forth in the Fee Petition, several of the firms involved with Class Counsel in the federal RICO class action, *Glibowski v. SCANA Corporation*, No. 9:18-cv-00273-TLW (D.S.C.), were not counsel of record in this litigation. Nevertheless, Class Counsel agree that these RICO counsel contributed to the creation of the Common Benefit Fund through their efforts in the *Glibowski* action. Moreover, the settlement in this action also settled the *Glibowski* action. The Court finds it appropriate to include these RICO counsel as Class Counsel and participants in the attorneys' fee award.

For these reasons, this Court finds Class Counsel's request for 15% of the Common Benefit Fund is well within the range of attorneys' fees awarded in similar cases and is appropriate in this case. Further, after conducting meetings with Class Counsel concerning the allocation of any fee award, this Court finds that the attorneys' fee award should be allocated among Class Counsel as set forth on Exhibit 22 to the Fee Petition.

V. CASE COSTS AND EXPENSES

It is within this Court's discretion to award reimbursement of reasonable costs from the Common Benefit Fund. *Condon*, 354 S.C. at 644, 583 S.E.2d at 435; *see Robinson*, 2019 WL 2591153, at *17 (noting that "courts generally permit recovery of costs advanced for litigation expenses, including document production, consulting with experts, and court and mediation costs"

[19] *See* Fee Petition, p. 28.

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(citing *McClaran v. Carolina Ale House Operating Co., LLC*, C.A. No. 3:14-cv-03884-MBS, 2015 WL 5037836, *5 (D.S.C. Aug. 26, 2015))); *see In re Mills*, 265 F.R.D. at 265 (reimbursing counsel for costs including "expert fees, reproduction costs, mediation costs, and court costs"). Class Counsel request reimbursement of $1,543,893.08 in costs. Upon examination, this Court finds the costs incurred to be reasonable and approves reimbursement to Class Counsel from the Common Benefit Fund.

Class Counsel have also advised the Court that in addition to the costs of settlement administration to be paid from the Common Benefit Fund as set forth in the Settlement Agreement, costs not expected to exceed $60,000 will be incurred by two technology vendors, SEDC and National Information Solutions Cooperative (NISC), to provide cooperative customer billing data necessary for the settlement distribution allocation. *See* Aff. of James L. Ward, Jr. (Ex. 3 to Final Approval Motion). The Court finds that these costs will be incurred for the common benefit and should be paid by the Settlement Administrator from the Common Benefit Fund.

VI. SERVICE AWARDS FOR CLASS REPRESENTATIVES

It is within this Court's discretion to award the Class representatives and named Plaintiffs a service award in recognition of their participation in the prosecution of this case. As noted in *Robinson*, "[a]t the conclusion of a successful class action case, it is common for courts exercising their discretion, to award special compensation to the Class Representative in recognition of the time and effort they have invested for the benefit of the Class." 2019 WL 2591153, at *17 (approving a service award of $15,000). In considering whether to award a service award, factors include whether the representative aided in discovery and trial preparation or sat for a deposition. *Weckesser v. Knight Enters., S.E., LLC*, 402 F. Supp. 3d 302, 306-7 (D.S.C. 2019).

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Here, Class Counsel seek service awards to be paid from the Common Benefit Fund of $10,000 for the two named Class representatives, Jessica Cook and Chris Kolbe, who assisted in discovery and were deposed, and lesser awards of $2,500 each for the other named Plaintiffs, Corrine F. Bowers & Son, Cyril B. Rush, Jr., Bobby Bostick, Kyle Cook, Donna Jenkins, and Ruth Ann Keffer, who were helpful in prosecution of the action, available to be deposed, and provided assistance in discovery. This Court hereby approves Class Counsel's request for individual service awards for the Class representatives and the named Plaintiffs.

VII. OBJECTIONS

As previously noted, the Court received three objections by nine Class Members. For the reasons discussed below, the Court finds none of the objections have demonstrated that the Settlement Agreement is inadequate or unfair so as to upend this Court's decision to grant final approval.

A. Joint Objection by Seven Class Members

Seven individual Class members filed a joint objection criticizing the manner in which the attorneys' fees are paid.[20] Specifically, the objection takes issue with the fact that the Class will be paid in two installments while Class Counsel is compensated entirely by the first installment. This Court finds allowing Class Counsel to receive their compensation from the first installment is fair to all parties and declines to disrupt that balance.

The equities require Class Counsel receive recompense, and that necessarily requires some expense to the Class. *See Layman*, 376 S.C. at 452, 658 S.E.2d at 329 ("The justification for awarding attorneys' fees in this manner is based on the principle that one who preserves or protects

[20] Significantly, the objectors specified that they took no issue with the amount to be awarded and believed Class Counsel deserved the 15% requested.

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a common fund works for others as well as for himself, and the others so benefited should bear their just share of the expenses." (internal quotations omitted)). Class Counsel bore all the financial costs and risk as they labored through this case for two and a half years. Had they failed, the Class would owe no costs or fees. And the inclusion of attorneys' fees in this initial distribution does not enhance any financial risk to the Class. This Court is mindful that its overarching concern is fairness to the Class, but it finds no conflict in finally allowing Class Counsel their compensation. The Court is similarly unpersuaded by the objection's concern that Santee Cooper may never pay the second or third annual installments. This Court is well-apprised of the financial situation of Santee Cooper (and generally how markets may fluctuate). The Court notes that on the effective date of this Order, the Class members are no longer mere customers, but will also retain the status as judgment creditors and will enjoy the benefit of this Court overseeing the administration of this settlement. This combination mitigates any risk voiced by the objection. To the extent the force of this Order is in doubt, this Court unequivocally directs Santee Cooper and Central Electric, to the extent it is responsible for ensuring the Customer Benefit Fund is distributed to the Indirect Customer Class Members, to comply with the provisions of the Settlement Agreement, including Santee Cooper's payment of each installment to the Common Benefit Fund. This Court's continued jurisdiction will ensure that deviations are corrected.

B. Pro Se Objection by Paul Spence

Mr. Spence raises a number of concerns in his objection that this Court already considered in granting preliminary approval or that have been addressed through the course of final approval.[21]

[21] Some of the objection simply has no legal basis, including whether Class Counsel should have characterized the damages as something other than compensatory. The settlement is designed to refund the amounts paid by the Class members, so regardless of nomenclature, the damages are compensatory in nature.

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As to the timeliness and quality of the notice, Mr. Spence received timely notice that was administered in accord with the Notice Plan approved when this Court granted preliminary approval of the settlement. This notice provided him with the necessary information to determine whether to participate in the settlement or opt-out. As he references the settlement website, he was adequately apprised of how to access the breakdown of the administrative costs and expenses, all of which have been fully considered in this Court's analysis of whether to grant final approval.[22]

C. Objection by Century Aluminum of South Carolina, Inc.

Century Aluminum filed an objection taking issue with the methodology utilized in allocating the settlement amongst the Class members, and the language of the release. First, the filing is not a cognizable objection based on the nature and content of the filing. Further, much of Century Aluminum's objection focuses on not knowing the manner of allocation and its perception that Santee Cooper enjoyed significant discretion in determining Class member allocation. However, as the motion for final approval explained, the methodology utilized was the result of a collaborative inquiry between Class Counsel, Santee Cooper, Central Electric, and the cooperatives. Class Counsel ultimately chose the methodology they believe best served the interests of the Class in receiving fair allocations.

Century offered no evidence the methodology was not fair and provided no proof the SP-09 rate was calculated to pay the Project costs, and Century is the only customer who was on this rate. Moreover, any increase in the amount awarded to Century would unfairly diminish the amounts paid to the rest of the Class. And in fact, Century's filing is contradicted by the exhibits

[22] Additionally, many of his concerns are simply unfounded. This Court has considered the number of opt-outs, which is 78 out of over 1.65 million, so no appreciable amount of the Common Benefit Fund will be returned to Defendants. Finally, as this Court will retain jurisdiction to ensure the proper execution of the settlement, Mr. Spence's fear over the implementation and administration of the settlement should be ameliorated.

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it provided to the Court that show the special SP-09 rate is not the same or akin to the non-firm interruptible rate. And because the details of the methodology were discussed in detail in the motion for final approval, Century Aluminum was informed in advance of the final approval hearing how its refund would be calculated. Additionally, this Court finds that the methodology reasonably and fairly allocates the funds among the various Class members. Because not every ratepayer increase was attributable to the construction of the Project, and the amounts attributable differ between the types of customers receiving electricity from Santee Cooper, the refunds must reflect that.

Finally, Century Aluminum objects to the language of the release, suggesting it is ambiguous and could be utilized overbroadly. This Court disagrees and finds the release speaks for itself and approves it as currently drafted.

CONCLUSION

For the foregoing reasons, **IT IS HEREBY ORDERED THAT:**

1. This Court has jurisdiction over 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., Dominion Energy South Carolina, Inc., f/k/a South Carolina Electric & Gas Company, Dominion Energy Southeast Services, Inc., f/k/a SCANA 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, James Micali, Kevin Marsh, Stephen Byrne, Jimmy Addison, Martin Phalen, Mark Cannon,

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Russell Harris, and Ronald Lindsay (collectively, "All Defendants") and all Class members (including all objectors), and the claims asserted in this action for purposes of the settlement.

2. The Settlement Agreement was entered into in good faith following arms' length negotiations and is non-collusive.

3. This Court **GRANTS** the Final Approval Motion and finds that the settlement and its planned implementation is in all respects fair, adequate, and in the best interests of the Class. Therefore, all Class members who have not requested exclusion are bound by this Order finally approving the settlement.

CLASS CERTIFICATION

4. The previously certified class set forth below (the "Class") is now finally certified, solely for purposes of this settlement, pursuant to South Carolina Rule of Civil Procedure 23(a) and (b)(3):

> All Santee Cooper residential, commercial, industrial, and other customers, both direct and indirect, who paid utility bills that included rates calculated, in part, to pay pre-construction, capital, in-service, construction, interest, and other pre-operational costs associated with the V.C. Summer Nuclear Reactor Unit 2 and 3 Project from January 1, 2007, through January 31, 2020.

5. The Court finds that certification of the Class solely for purposes of this settlement is appropriate in that (a) the Class is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Class that predominate over any questions affecting only individual Class members; (c) Plaintiffs' claims are typical of the Class; (d) Plaintiffs have fairly and adequately protected the interests of the Class and will continue to do so; (e) Class counsel is adequate; and (f) a class action is the superior method for the fair and efficient adjudication of this controversy.

6. Jessica Cook and Chris Kolbe are designated as representatives of the Class.

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7. Speights & Solomons, LLC; McGowan, Hood & Felder, LLC; Strom Law Firm, LLC; Richardson Patrick Westbrook & Brickman, LLC; Savage, Royal & Sheheen, LLP; Bell Legal Group; McCullough Khan, LLC; Galvin Law Group, LLC; McCallion & Associates, LLP; Holman Law, PC; Janet, Janet & Suggs, LLC; and The Law Offices of Jason E. Taylor, PC are included as Class Counsel.

CLASS NOTICE

8. Notice of the settlement, including the Customer Benefit Fund and the relief via the Rate Freeze, was given to Class members by email and/or mail in accordance with the Settlement Agreement and this Court's preliminary approval order. The notice adequately informed Class Members of the Customer Benefit Fund and the Rate Freeze. The Class notice was also published in the *Columbia State*, *Greenville News*, *Charleston Post & Courier*, *Aiken Standard*, *Beaufort Gazette / Bluffton Island Packet Combo*, *Rock Hill Herald*, and *Myrtle Beach Sun News*. Class Counsel also ran internet banner ads totaling approximately 12.3 million impressions on Google Display Ad Network and Facebook. Finally, Class Counsel set up a settlement website and a toll-free line to provide additional information and to answer inquiries from Class members. These forms of Class notice fully complied with the requirements of Rule 23(c) and due process, constituted the best notice practicable under the circumstances, and were due and sufficient notice to all persons entitled to notice of the settlement of this lawsuit.

OBJECTIONS AND OPT-OUTS

9. After the extensive notice provided to Class members as described above, including individual notice to over 1.65 million Class members, there have been only three objections to the settlement. Specifically, seven Class members—Lindsey F. Smith, Travis B. Renwick, Justin M. Tedder, Rusty Wannamaker, Caroline H. Robinson, William E. Robinson, and Peggy E.

Dantzler—filed a joint objection to final approval; Paul Spence submitted an individual objection; and Century Aluminum of South Carolina, Inc. submitted an individual objection. These objectors represent less than 0.00054% of the Class. As discussed above, the Court has reviewed the objections and finds them to be without merit.

10. Seventy-eight Class members have opted out of the settlement. The Court recognizes that new customers who are not in the Class will join Santee Cooper and the electric cooperatives. The Rate Freeze benefit will be provided to all customers under the frozen rates.

AWARD OF ATTORNEY'S FEES AND COSTS

11. The Court has considered Class Counsel's Fee Petition and the joint objectors' objections to the proposed upfront payment of the full amount of attorneys' fees awarded to Class Counsel. The Court also heard extensive argument on Class Counsel's request for attorneys' fees at the fairness hearing on July 20, 2020, the record of which is incorporated by reference.

12. Class Counsel seek 15% of the Common Benefit Fund for their attorneys' fee award. Class Counsel also request reimbursement of expenses in the amount of $1,543,893.08. Defendants do not object to Class Counsel's request for attorneys' fees and costs. The Court has reviewed the joint objectors' challenge to Class Counsel's Fee Petition and finds it without merit.

13. The Supreme Court of South Carolina has recognized that the percentage-of-recovery method is the accepted way to award fees from a common fund. *See Layman*, 376 S.C. at 452-53, 658 S.E.2d at 330. The Court may also consider the following six factors when determining the reasonableness of attorneys' fees: "(1) the nature, extent, and difficulty of the case; (2) the time necessarily devoted to the case; (3) professional standing of counsel; (4) contingency of compensation; (5) beneficial results obtained; and (6) customary legal fees for similar services."

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Jackson, 326 S.C. at 308, 486 S.E.2d at 760. Applying these factors, the Court finds that the requested attorneys' fees of 15% of the Common Benefit Fund is fair and reasonable.

14. The Court hereby **GRANTS** Class Counsel's Fee Petition and awards attorneys' fees in the amount of 15% of the Common Benefit Fund and costs in the amount of $1,543,893.08. The attorneys' fees are to be paid in full consistent with the terms of the Settlement Agreement and distributed among Class Counsel as follows:

FIRM	**PERCENTAGE**
Bell Legal Group, LLC	5.25%
Galvin Law Group, LLC	4.0%
Holman Law, PC and McCallion & Associates, LLP	0.75%
Janet, Janet & Suggs, LLC and The Law Offices of Jason E. Taylor, PC	0.75%
McCullough Khan, LLC	5.25%
McGowan, Hood & Felder, LLC	18.5%
Richardson, Patrick, Westbrook & Brickman, LLC	14.75%
Savage, Royall and Sheheen, LLP	13.25%
Speights & Solomons, LLC	19.0%
Strom Law Firm, LLC	18.5%

15. The Court also **GRANTS** Class Counsel's request for service awards for the Class representatives, Jessica Cook and Chris Kolbe, in the amount of $10,000 each, and for the named Plaintiffs, Corrine F. Bowers & Son, Cyril B. Rush, Jr., Bobby Bostick, Kyle Cook, Donna Jenkins, and Ruth Ann Keffer, in the amount of $2500 each. The Court finds that these payments are justified by the Class representatives' and named Plaintiffs' service to the Class.

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16. The Court also finds that the costs to be incurred by SEDC and NISC in providing cooperative customer billing data necessary for the settlement distribution allocation will be incurred for the common benefit and should be paid by the Settlement Administrator from the Common Benefit Fund.

CLASS BENEFITS AND IMPLEMENTATION OF SETTLEMENT

17. The Parties to the Settlement Agreement shall carry out their respective obligations thereunder. The Settling Parties will cooperate with each other to the extent reasonably necessary to effectuate and implement the terms and conditions of the Settlement Agreement and settlement and will exercise their best efforts to accomplish the terms and conditions of the Settlement Agreement and settlement as described in this Order.

18. The Rate Freeze and process for annual compliance reporting as described by Santee Cooper and Central Electric complies with the Settlement Agreement and law. Customers have been appropriately notified of the Rate Freeze.

19. For customers other than Central Electric, the Rate Freeze will be effective for the customers subject to the frozen rates for all bills rendered on or after August 16, 2020, through all bills rendered on or before January 15, 2025. For Central Electric, the Rate Freeze will be effective for service rendered on or after August 1, 2020, through service rendered on or before December 31, 2024. The Rate Freeze will be implemented with respect to Santee Cooper's residential, commercial, lighting, and industrial customers by computing charges throughout the Rate Freeze period using rates and charges set forth in Santee Cooper's following rate schedules: RG-17, RT-17, GA-17, GB-17, GV-17, GT-17, GL-17, TP-17, TA-17, TL-17, MS-17, OL-17, L-17, L-17-I, and L-17-EP-O. The fuel, demand sales, and economic development sales adjustment clauses of the foregoing rate schedules will be suspended from adjusting during the Rate Freeze Period, and

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adjustment values will be frozen at the amounts specified in Schedule B of the Customer Settlement Agreement for the Rate Freeze Period. The fuel adjustment clause of the Authority's municipal customers whose rates are based on the Municipal Light and Power rate will be suspended from adjustment during the Rate Freeze Period, and the Rate Freeze will be applied to these customers by applying the fuel adjustment clause referenced in the rate schedule using levels set forth for the Schedule L-17 rate in Schedule B of the Customer Settlement Agreement; provided however, the Authority is permitted to participate in competitive bidding processes to retain its contracts with municipal customers upon their expiration. Similarly, frozen rates applicable to Central Electric are described in Schedule A of the Settlement Agreement. Santee Cooper's Board plans to consider a resolution approving the implementation of the Rate Freeze following approval of the settlement via entry of this Order. The draft resolution presented by Santee Cooper, and the implementation of the Rate Freeze as presented to the Court and in the draft resolution, comports with the Settlement Agreement and the law, including Santee Cooper's Enabling Act, S.C. Code Ann. § 58-31-10, *et seq*. The frozen rate schedules and Schedules A and B will be posted by Santee Cooper on its website.

20. Class Counsel, Santee Cooper, and Central Electric have presented descriptions of the methodologies selected by Class Counsel to distribute the Customer Benefit Fund to the Class. Those methodologies are reasonable and fair to all Class members.

21. To comply with the Agreement, Santee Cooper and Central Electric will submit annual compliance reports addressing the topics as presented to the Court.

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OTHER PROVISIONS

22. The Settlement Agreement and this Order are binding on and will have *res judicata* and preclusive effect in all pending and future lawsuits or other proceedings encompassed by the Released Claims maintained by or on behalf of the Releasors.

23. The claims in the Action, including all cross-claims, are hereby dismissed with prejudice and, except as expressly and explicitly provided for in the Settlement Agreement, without costs.

24. The Releasees are hereby discharged and released from all Released Claims.

25. The Releasors are hereby permanently barred and enjoined from instituting and prosecuting any and all of the Released Claims.

26. The Opt-Out List is hereby approved as a complete list of all persons who have timely and validly requested exclusion from the Class and, accordingly, will neither share in nor be bound by the Final Approval Order and Judgment.

27. The Settlement Agreement, settlement, and any proceedings taken pursuant thereto are not and should not in any event be offered or receied as evidence of a presumption, concession, acknowledgment, or an admission of liability or of any wrongdoing by any Defendant or any Releasee or of the suitability of these or similar claims to class treatment for litigation, trial, or any other purpose except settlement.

28. The Court hereby reserves continuing and exclusive jurisdiction over the settlement, including all future proceedings concerning the administration, consummation, and enforcement of the Settlement Agreement.

29. Neither the Settlement Agreement, preliminary approval order, this Order finally approving the settlement, nor any of their provisions, nor any of the documents, negotiations, or

proceedings relating in any way to the settlement, shall be construed as or deemed to be evidence of an admission or concession of any kind by any person, including All Defendants, nor of the certifiability of any class other than the Class described herein, and shall not be offered or received in evidence in this or any other action or proceeding except in an action brought to enforce the terms of the Settlement Agreement or except as may be required by law or court order.

30. This Court retains jurisdiction for the purposes of enforcing the terms of the settlement and of this Final Judgment and Order.

AND IT IS SO ORDERED.

Dated:_____ By:_____

Jean Hoefer Toal
Chief Justice, Retired
Acting Circuit Court Judge

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Greenville Common Pleas

Case Caption: Jessica S Cook vs. Santee Cooper , defendant, et al

Case Number: 2019CP2306675

Type: Order/Other

So Ordered

Jean H. Toal

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****** IMPORTANT NOTICE - READ THIS INFORMATION *****
NOTICE OF ELECTRONIC FILING [NEF]

A filing has been submitted to the court RE: 2019CP2306675

Official File Stamp:	07-21-2020 11:11:16 AM
Court:	CIRCUIT COURT Common Pleas Greenville
Case Caption:	Jessica S Cook vs. Santee Cooper , defendant, et al
Document(s) Submitted:	Order/Other-Final Order and Judgment Order/Other
Filed by or on behalf of:	Jean Hoefer Toal

This notice was automatically generated by the Court's auto-notification system.

The following people were served electronically:

Jamie A. Khan for Jessica S Cook
Clayton B. McCullough for Jessica S Cook
J. Emory Smith, Jr. for State Of South Carolina, Ex Rel Wilson, Attorney General
Margaret Nicole Fox for Steve Byrne
James L. Ward, Jr. for Jessica S Cook
Elizabeth Halligan Black for South Carolina Electric & Gas
James Mixon Griffin for Steve Byrne
Leah B. Moody for South Carolina Electric & Gas
J. Edward Bell, III for Jessica S Cook
Kevin Kendrick Bell for Central Electric Power Cooperative, Inc
Gabrielle Anna Sulpizio for Jessica S Cook
Donald Jay Davis, Jr. for Palmetto Electic Cooperative, Inc
William A. Coates for Jimmy Addison
Samuel W. Outten for Santee Cooper, South Carolina Public Service Authority
Robert Yates Knowlton, Sr. for South Carolina Electric & Gas
Daniel A. Speights for Jessica S Cook
Michael A. Molony for Palmetto Electic Cooperative, Inc
Daniel E. Henderson for Palmetto Electic Cooperative, Inc
Robert E. Stepp for Central Electric Power Cooperative, Inc
Vincent Austin Sheheen for Jessica S Cook
Frank Rogers Ellerbe, III for Central Electric Power Cooperative, Inc
Gregory Michael Galvin for Jessica S Cook
Benjamin Rush Smith, III for Santee Cooper, South Carolina Public Service Authority
Algernon Gibson Solomons, III for Jessica S Cook
William Coleman Hubbard for Santee Cooper, South Carolina Public Service Authority
John K. DuBose, III for Fairfield Electric Cooperative, Inc.
Allen Mattison Bogan for Santee Cooper, South Carolina Public Service Authority
Carmen Harper Thomas for Santee Cooper, South Carolina Public Service Authority
Ian Douglas McVey for Scottmadden, Inc. (Movant)
James Y. Becker for South Carolina Electric & Gas
Whitney Boykin Harrison for Jessica S Cook
Manton M. Grier for South Carolina Electric & Gas
Jasmine D. Wyman for Scana, South Carolina Electric & Gas
Steven James Pugh for Scana, South Carolina Electric & Gas

Jerry Hudson Evans for Jessica S Cook
Edward J. Westbrook for Jessica S Cook
Daniel Scott Haltiwanger for Jessica S Cook
James Edward Cox, Jr. for Century Aluminum Of South Carolina, Inc.
Terry E. Richardson, Jr. for Jessica S Cook
Joseph Preston Strom for Jessica S Cook
Wallace K. Lightsey for Century Aluminum Of South Carolina, Inc.
John R. Alphin for Jessica S Cook
Jessica Lerer Fickling for Jessica S Cook
Mario Anthony Pacella for Jessica S Cook
David Andrew Maxfield for Rusty Wannamaker, Justin M. Tedder, Travis B Renwick, Lindsey F Smith, Peggy E Dantzler, William E Robinson, Caroline Robinson
Ross A. Appel for Jessica S Cook

The following people have not been served electronically by the Court. Therefore, they must be served by traditional means:

The Electric Cooperatives Of South Carolina
Paul Spence

santee cooper

July 27, 2020

To: Electronic Municipal Market Access (EMMA)

Re: Voluntary Disclosure Agreements in connection with the South Carolina Public Service Authority Revenue Obligations; 2009 Tax-Exempt Refunding Series A, 2009 Taxable Series C, 2009 Taxable Series F, 2010 Tax-Exempt Refunding Series B, 2010 Federally Taxable Series C (BABs), 2011 Tax-Exempt Refunding Series B, 2011 Tax-Exempt Refunding Series C, 2012 Tax-Exempt Refunding Series A, 2012 Tax-Exempt Refunding Series B, 2012 Tax-Exempt Refunding Series C, 2012 Tax-Exempt Series D, 2012 Taxable Series E, 2013 Tax-Exempt Series A, 2013 Tax-Exempt Refunding Series B, 2013 Taxable Series C, 2013 Tax-Exempt Series E, 2014 Tax-Exempt Series A, 2014 Tax-Exempt Refunding Series B, 2014 Tax-Exempt Refunding Series C, 2014 Taxable Refunding Series D, 2015 Tax-Exempt Refunding & Improvement Series A, 2015 Tax-Exempt Refunding Series B, 2015 Tax-Exempt Refunding Series C, 2015 Taxable Series D, 2015 Tax-Exempt Series E, 2016 Tax-Exempt Refunding Series A, 2016 Tax-Exempt Refunding and Improvement Series B, 2016 Taxable Series D, 2016 Tax-Exempt Refunding Series C, and 2019 Tax-Exempt Refunding Series A

Dear Sir or Madam:

On July 21, 2020, the court entered its order granting final approval of the settlement in the class action case Cook v. South Carolina Public Service Authority et al, Case No. 2019-CP-23-06675. This is a comprehensive settlement that also resolves the cross-claims, including those brought by Santee Cooper's customer Central Electric Cooperative, Inc., and other matters.

The order approves the general terms of the settlement, including $520 million paid into a Common Benefit Fund to be returned to customers and a nearly 4½-year rate freeze. Dominion Energy South Carolina will contribute $320 million of the $520 million into the Common Benefit Fund, and Santee Cooper will contribute the remaining $200 million in three annual installments of $65 million, $65 million and $70 million in the third quarter of 2020, 2021, and 2022

Three objections to the settlement were raised, two from customers of distribution cooperatives, and one from Santee Cooper's industrial customer Century Aluminum of South Carolina, Inc. All three objections were considered by the court and determined to be without merit but it is possible that an objector may appeal the court's decision.

Attached you will find the final order and judgement entered by the court.

Thank you,

Nan D. Cline
Debt Administrator
South Carolina Public Service Authority

cc: Michael Jenkins – The Bank of New York Mellon, N.A.

One Riverwood Drive | Moncks Corner, SC 29461-2901 | (843) 761-8000 | P.O. Box 2946101 | Moncks Corner, SC 29461-6101

Elizabeth Columbo – Nixon Peabody LLP
Mike Mace – Public Finance Management, Inc.
Virginia Wong – Nixon Peabody LLP
Faith Williams

NEWS RELEASE

July 30, 2020

Media Contact: Tracy Vreeland
Corporate Communications
843-291-4166
tracy.vreeland@santeecooper.com

Santee Cooper Preparing for Tropical Storm Isaias

(MONCKS CORNER, SC) – Santee Cooper personnel are making preparations for the anticipated effects Tropical Storm Isaias may have on Santee Cooper's service territory. Approximately 2 million South Carolinians depend on the state-owned electric and water utility as their power source, either directly or through the state's electric cooperatives and certain municipal utilities.

As of 1 p.m. today, Santee Cooper went to OpCon 4 alert status. This means there is a possible threat to Santee Cooper's electric system, but effects may be limited or uncertain. At OpCon 4, the utility is primarily:

- Checking and fueling vehicles, including line trucks.
- Making sure communications equipment is in proper working order
- Taking inventory and procuring supplies as needed, such as utility poles, electric transformers and associated equipment.

"Santee Cooper has been preparing for additional challenges associated with hurricane response during the ongoing pandemic, focusing on practices that will limit the potential for virus spread between our crews, crews helping from other utilities, and the teams working in shifts at our generating stations and storm control centers," said Mike Poston, Chief Customer Officer. "As always, if Isaias does hit our area and create outages, we will begin restoration efforts as soon as the weather allows us to do so safely."

Customers can report outages at 1-888-769-7688 or online at stormcenter.santeecooper.com.

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.

# # #

NEWS RELEASE

July 31, 2020

Media Contact: Tracy Vreeland
Santee Cooper
843-291-4166
tracy.vreeland@santeecooper.com

Santee Cooper freezes most customer rates through 2024

MONCKS CORNER, S.C. – Santee Cooper is freezing rates for its residential, commercial, and lighting customers, from August 2020 through December 2024. Santee Cooper will manage any increased costs during this period with existing cash reserves and operational savings.

The four-year rate stabilization is part of the 2020 settlement with customers in a class-action lawsuit over costs associated with the failed V.C. Summer nuclear expansion project.

"Specifically, we are freezing base rates and holding fuel costs and other normally adjustable charges to levels provided in our Reform Plan. For residential and commercial customers, that means we project fuel prices will actually decrease 7% from 2020 through 2024, while base rates are projected to remain at 2017 levels," said Mark Bonsall, Santee Cooper President and Chief Executive Officer.

"Santee Cooper is focused on increasing value for our customers," Bonsall said. "We are expanding our leaner, greener power supply, paying down our debt, and building on our commitment to economic development in South Carolina."

As outlined in Santee Cooper's 2019 Business Forecast and refined in the proposed Reform Plan, Santee Cooper is transitioning to a more sustainable, flexible and less expensive generating portfolio that includes more solar and less coal. Savings associated with that transition will help maintain rate stability required by the settlement.

Santee Cooper is South Carolina's largest power provider, 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 on social media.

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Act 135, Section 11(E)
Office of Regulatory Staff – Monthly Review of Santee Cooper
Time Period: July 1 – 31, 2020
OTHER REQUESTED INFORMATION
Request: 3.13

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 material new lawsuits naming Santee Cooper as a party were filed in the Review Period.

Provided by:

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