

### Statements of Net Position - Business - Type Activities

South Carolina Public Service Authority

As of June 30, 2018 and December 31, 2017

|  | June 30,<br>2018<br>(Unaudited) | December 31,<br>2017<br>(Audited) |
|--|---------------------------------|-----------------------------------|
|  | (Thousands)                     |                                   |
| <b>ASSETS</b>  |                                 |                                   |
| <b>Current assets</b>  |                                 |                                   |
| Unrestricted cash and cash equivalents   | \$ 462,252                      | \$ 731,758                        |
| Unrestricted investments   | 836,883                         | 740,777                           |
| Restricted cash and cash equivalents   | 57,833                          | 71,338                            |
| Restricted investments   | 73,765                          | 163,360                           |
| Receivables, net of allowance for doubtful accounts of \$2,200<br>and \$2,177 at June 30, 2018 and December 31, 2017, respectively | 246,715                         | 228,575                           |
| Materials inventory  | 136,104                         | 132,859                           |
| Fuel inventory   |                                 |                                   |
| Fossil fuels   | 231,717                         | 307,279                           |
| Nuclear fuel-net   | 101,325                         | 107,420                           |
| Interest receivable  | 1,920                           | 2,522                             |
| Prepaid expenses and other current assets  | 123,306                         | 132,506                           |
| <b>Total current assets</b>  | <b>2,271,820</b>                | <b>2,618,394</b>                  |
| <b>Noncurrent assets</b>   |                                 |                                   |
| Restricted cash and cash equivalents   | 7,237                           | 27                                |
| Restricted investments   | 126,512                         | 135,654                           |
| <b>Capital assets</b>  |                                 |                                   |
| Utility plant  | 7,584,642                       | 7,545,203                         |
| Long lived assets-asset retirement cost  | 265,116                         | 265,116                           |
| Accumulated depreciation   | (3,860,609)                     | (3,773,415)                       |
| Total utility plant-net  | 3,989,149                       | 4,036,904                         |
| Construction work in progress  | 891,540                         | 763,490                           |
| Other physical property-net  | 31,516                          | 31,628                            |
| Investment in associated companies   | 6,766                           | 6,587                             |
| Costs to be recovered from future revenue  | 228,837                         | 229,876                           |
| Regulatory asset-asset retirement obligation   | 706,403                         | 694,036                           |
| Regulatory assets - Nuclear & Deferred Interest  | 4,235,026                       | 4,248,478                         |
| Other noncurrent and regulatory assets   | 178,637                         | 195,618                           |
| <b>Total noncurrent assets</b>   | <b>10,401,623</b>               | <b>10,342,298</b>                 |
| <b>Total assets</b>  | <b>\$ 12,673,443</b>            | <b>\$ 12,960,692</b>              |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                                 |                                   |
| Deferred outflow - pension   | \$ 41,181                       | \$ 41,181                         |
| Accumulated decrease in fair value of hedging derivatives  | 43,656                          | 39,916                            |
| Unamortized loss on refunded and defeased debt   | 150,868                         | 158,625                           |
| <b>Total deferred outflows of resources</b>  | <b>\$ 235,705</b>               | <b>\$ 239,722</b>                 |
| <b>Total assets &amp; deferred outflows of resources</b>   | <b>\$ 12,909,148</b>            | <b>\$ 13,200,414</b>              |

**Statements of Net Position - Business - Type Activities (continued)**

South Carolina Public Service Authority

As of June 30, 2018 and December 31, 2017

|  | June 30,<br>2018<br>(Unaudited) | December 31,<br>2017<br>(Audited) |
|--|---------------------------------|-----------------------------------|
|  | (Thousands)                     |                                   |
| <b>LIABILITIES</b>   |                                 |                                   |
| <b>Current liabilities</b>   |                                 |                                   |
| Current portion of long-term debt  | \$ 18,810                       | \$ 48,546                         |
| Accrued interest on long-term debt   | 49,701                          | 50,383                            |
| Revolving credit agreement   | 80,000                          | 219,000                           |
| Commercial paper   | 148,306                         | 144,484                           |
| Accounts payable   | 180,402                         | 304,377                           |
| Other current liabilities  | 78,211                          | 97,075                            |
| <b>Total current liabilities</b>   | <b>555,430</b>                  | <b>863,865</b>                    |
| <b>Noncurrent liabilities</b>  |                                 |                                   |
| Construction liabilities   | 23,579                          | 17,130                            |
| Net Pension Liability  | 342,033                         | 338,783                           |
| Asset retirement obligation liability                                      | 726,408                         | 729,969                           |
| Total long-term debt (net of current portion)                              | 7,488,280                       | 7,465,968                         |
| Unamortized debt discounts and premiums                                    | 415,185                         | 431,174                           |
| Long-term debt-net   | 7,903,465                       | 7,897,142                         |
| Other credits and noncurrent liabilities                                   | 94,803                          | 97,085                            |
| <b>Total noncurrent liabilities</b>  | <b>9,090,288</b>                | <b>9,080,109</b>                  |
| <b>Total liabilities</b>   | <b>\$ 9,645,718</b>             | <b>\$ 9,943,974</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                                 |                                   |
| Deferred inflows - pension   | \$ 4,817                        | \$ 4,817                          |
| Accumulated increase in fair value of hedging derivatives                  | 4,288                           | 5,374                             |
| Nuclear decommissioning costs  | 223,541                         | 226,767                           |
| Deferred inflows - Toshiba settlement                                      | 827,527                         | 898,215                           |
| <b>Total deferred inflows of resources</b>                                 | <b>\$ 1,060,173</b>             | <b>\$ 1,135,173</b>               |
| <b>NET POSITION</b>  |                                 |                                   |
| Net invested in capital assets   | \$ 1,649,687                    | \$ 1,523,505                      |
| Restricted for debt service  | 1,630                           | 32,430                            |
| Restricted for capital projects  | 1,089                           | 1,284                             |
| Unrestricted   | 550,851                         | 564,048                           |
| <b>Total net position</b>  | <b>\$ 2,203,257</b>             | <b>\$ 2,121,267</b>               |
| <b>Total liabilities, deferred inflows of resources &amp; net position</b> | <b>\$ 12,909,148</b>            | <b>\$ 13,200,414</b>              |

**Statements of Revenues, Expenses and Changes in Net Position - Business - Type Activities**

South Carolina Public Service Authority

Years Ended June 30, 2018 and 2017

|  | June 30,<br>2018<br>(Unaudited) | June 30,<br>2017<br>(Unaudited) |
|--|---------------------------------|---------------------------------|
|  | (Thousands)                     |                                 |
| <b>Operating revenues</b>                                |                                 |                                 |
| Sale of electricity                                      | \$ 881,048                      | \$ 827,630                      |
| Sale of water  | 4,817                           | 4,362                           |
| Other operating revenue                                  | 8,434                           | 8,193                           |
| <b>Total operating revenues</b>                          | <b>894,299</b>                  | <b>840,185</b>                  |
| <b>Operating expenses</b>                                |                                 |                                 |
| Electric operating expenses                              |                                 |                                 |
| Production   | 66,962                          | 63,036                          |
| Fuel   | 288,319                         | 270,762                         |
| Purchased and interchanged power                         | 102,501                         | 88,559                          |
| Transmission   | 11,242                          | 11,532                          |
| Distribution   | 5,649                           | 5,143                           |
| Customer accounts  | 7,109                           | 7,731                           |
| Sales  | 2,440                           | 10,364                          |
| Administrative and general                               | 44,506                          | 49,382                          |
| Electric maintenance expenses                            | 63,825                          | 56,746                          |
| Water operating expenses                                 | 1,623                           | 1,489                           |
| Water maintenance expenses                               | 663                             | 435                             |
| <b>Total operating and maintenance expenses</b>          | <b>594,839</b>                  | <b>565,179</b>                  |
| Depreciation   | 92,675                          | 89,169                          |
| Sums in lieu of taxes                                    | 2,218                           | 2,159                           |
| <b>Total operating expenses</b>                          | <b>689,732</b>                  | <b>656,507</b>                  |
| <b>Operating income</b>                                  | <b>204,567</b>                  | <b>183,678</b>                  |
| <b>Nonoperating revenues (expenses)</b>                  |                                 |                                 |
| Interest and investment revenue                          | 4,759                           | 6,452                           |
| Net increase (decrease) in the fair value of investments | 1,645                           | (997)                           |
| Interest expense on long-term debt                       | (181,374)                       | (128,354)                       |
| Interest expense on commercial paper and other           | (2,492)                         | (2,272)                         |
| Amortization expense                                     | 6,963                           | 8,111                           |
| Costs to be recovered from future revenue                | (1,038)                         | (2,223)                         |
| U.S. Treasury subsidy on Build America Bonds             | 3,798                           | 3,785                           |
| Other-net  | 54,227                          | (22,659)                        |
| <b>Total nonoperating revenues (expenses)</b>            | <b>(113,512)</b>                | <b>(138,157)</b>                |
| <b>Income before transfers</b>                           | <b>91,055</b>                   | <b>45,521</b>                   |
| <b>Capital contributions &amp; transfers</b>             |                                 |                                 |
| Distribution to the State                                | (9,066)                         | (9,283)                         |
| <b>Total capital contributions &amp; transfers</b>       | <b>(9,066)</b>                  | <b>(9,283)</b>                  |
| <b>Change in net position</b>                            | <b>81,989</b>                   | <b>36,238</b>                   |
| <b>Total net position-beginning</b>                      | <b>2,121,268</b>                | <b>2,030,336</b>                |
| <b>Total net position-ending</b>                         | <b>\$ 2,203,257</b>             | <b>\$ 2,066,574</b>             |

### Statements of Cash Flows - Business - Type Activities

South Carolina Public Service Authority

Periods Ended June 30, 2018 and December 31, 2017

|  | June 30,<br>2018<br>(Unaudited) | December 31,<br>2017<br>(Audited) |
|--|---------------------------------|-----------------------------------|
|  | (Thousands)                     |                                   |
| <b>Cash flows from operating activities</b>                      |                                 |                                   |
| Receipts from customers  | \$ 876,135                      | \$ 1,726,942                      |
| Payments to non-fuel suppliers                                   | (159,454)                       | (308,098)                         |
| Payments for fuel  | (286,537)                       | (557,944)                         |
| Purchased power  | (102,648)                       | (198,157)                         |
| Payments to employees  | (95,276)                        | (190,707)                         |
| Other receipts-net   | 160,799                         | 219,440                           |
| <b>Net cash provided by operating activities</b>                 | <b>393,019</b>                  | <b>691,476</b>                    |
| <b>Cash flows from non-capital related financing activities</b>  |                                 |                                   |
| Distribution to the State  | (9,066)                         | (17,751)                          |
| Proceeds from revolving credit agreement draw                    | 0                               | 190,000                           |
| Proceeds from issuance of commercial paper notes                 | 14,350                          | 30,450                            |
| Repayment of revolving credit agreement draw                     | (20,000)                        | (70,000)                          |
| Repayment of commercial paper notes                              | (16,339)                        | (268,888)                         |
| Refunding / defeasance of long-term debt                         | 0                               | (120)                             |
| Repayment of long-term debt                                      | (6,838)                         | (746)                             |
| Interest paid on long-term debt                                  | (108,434)                       | (11,051)                          |
| Interest paid on commercial paper and other                      | (1,915)                         | (4,904)                           |
| Bond issuance and other related costs                            | (52,319)                        | (185)                             |
| <b>Net cash used in non-capital related financing activities</b> | <b>(200,561)</b>                | <b>(153,195)</b>                  |
| <b>Cash flows from capital-related financing activities</b>      |                                 |                                   |
| Proceeds from revolving credit agreement draw                    | 54,000                          | 126,500                           |
| Proceeds from issuance of commercial paper notes                 | 63,747                          | 23,284                            |
| Repayment of revolving credit agreement draw                     | (143,000)                       | (26,000)                          |
| Repayment of commercial paper notes                              | (57,936)                        | (40,261)                          |
| Refunding / defeasance of long-term debt                         | 0                               | (157,488)                         |
| Repayment of long-term debt                                      | (31,983)                        | (127,308)                         |
| Interest paid on long-term debt                                  | (74,548)                        | (364,062)                         |
| Interest paid on commercial paper and other                      | (1,092)                         | (2,415)                           |
| Construction and betterments of utility plant                    | (340,301)                       | (824,255)                         |
| Bond issuance and other related costs                            | 52,337                          | (8,715)                           |
| Toshiba settlement proceeds                                      | 0                               | 898,215                           |
| Other-net  | 874                             | (33,661)                          |
| <b>Net cash used in capital-related financing activities</b>     | <b>(477,902)</b>                | <b>(536,166)</b>                  |
| <b>Cash flows from investing activities</b>                      |                                 |                                   |
| Net decrease in investments                                      | 4,276                           | 609,051                           |
| Interest on investments  | 5,367                           | 13,309                            |
| <b>Net cash provided by investing activities</b>                 | <b>9,643</b>                    | <b>622,360</b>                    |
| <b>Net increase (decrease) in cash and cash equivalents</b>      | <b>(275,801)</b>                | <b>624,475</b>                    |
| <b>Cash and cash equivalents-beginning</b>                       | <b>803,123</b>                  | <b>178,648</b>                    |
| <b>Cash and cash equivalents-ending</b>                          | <b>\$ 527,322</b>               | <b>\$ 803,123</b>                 |

**Statements of Cash Flows - Business - Type Activities (continued)**

South Carolina Public Service Authority

Periods Ended June 30, 2018 and December 31, 2017

|   | June 30,<br>2018<br>(Unaudited) | December 31,<br>2017<br>(Audited) |
|---|---------------------------------|-----------------------------------|
|   | (Thousands)                     |                                   |
| <b>Reconciliation of operating income to net cash provided by operating activities</b>        |                                 |                                   |
| Operating income  | \$ 204,567                      | \$ 399,812                        |
| <i>Adjustments to reconcile operating income to net cash provided by operating activities</i> |                                 |                                   |
| Depreciation  | 92,675                          | 181,094                           |
| Amortization of nuclear fuel  | 13,422                          | 24,792                            |
| Net power gains involving associated companies  | (26,288)                        | (50,542)                          |
| Distributions from associated companies   | 23,824                          | 46,122                            |
| Advances to associated companies  | 0                               | (27)                              |
| Other income and expenses   | 55,189                          | (29,488)                          |
| Changes in assets and liabilities   |                                 |                                   |
| Accounts receivable-net   | (18,140)                        | (30,043)                          |
| Inventories   | 72,317                          | 110,872                           |
| Prepaid expenses  | 14,377                          | 25,208                            |
| Other deferred debits   | 15,382                          | (14,092)                          |
| Accounts payable  | (33,273)                        | 21,011                            |
| Other current liabilities   | (290,665)                       | 394                               |
| Other noncurrent liabilities  | 269,632                         | 6,363                             |
| <b>Net cash provided by operating activities</b>  | <b>\$ 393,019</b>               | <b>\$ 691,476</b>                 |
| <b>Composition of cash and cash equivalents</b>   |                                 |                                   |
| <b>Current</b>  |                                 |                                   |
| Unrestricted cash and cash equivalents  | \$ 462,252                      | \$ 731,758                        |
| Restricted cash and cash equivalents  | 57,833                          | 71,338                            |
| <b>Noncurrent</b>   |                                 |                                   |
| Restricted cash and cash equivalents  | 7,237                           | 27                                |
| <b>Cash and cash equivalents at the end of the period</b>                                     | <b>\$ 527,322</b>               | <b>\$ 803,123</b>                 |
| <b>Noncash Capital Activities</b>   | <b>\$ 48,834</b>                | <b>\$ 139,536</b>                 |