

Combined Statements of Net Position

South Carolina Public Service Authority

As of September 30, 2017 and December 31, 2016

| | September 30, 2017 (Unaudited) | December 31, 2016 (Audited) |
|---|--------------------------------------|-----------------------------------|
| | (Thousands) | |
| ASSETS | | |
| Current assets | | |
| Unrestricted cash and cash equivalents | \$ 1,018,302 | \$ 90,873 |
| Unrestricted investments | 528,356 | 725,865 |
| Restricted cash and cash equivalents | 54,573 | 87,524 |
| Restricted investments | 426,607 | 792,490 |
| Receivables, net of allowance for doubtful accounts of \$2,245 and \$2,179 at September 30, 2017 and December 31, 2016, respectively | 224,811 | 198,532 |
| Materials inventory | 137,422 | 131,678 |
| Fuel inventory | | |
| Fossil fuels | 330,200 | 419,332 |
| Nuclear fuel-net ¹ | 153,126 | 164,960 |
| Interest receivable | 3,399 | 3,425 |
| Prepaid expenses and other current assets | 140,486 | 164,487 |
| Total current assets | 3,017,282 | 2,779,166 |
| Noncurrent assets | | |
| Restricted cash and cash equivalents | 3,772 | 251 |
| Restricted investments | 130,569 | 130,925 |
| Capital assets | | |
| Utility plant | 7,461,655 | 7,271,505 |
| Long lived assets-asset retirement cost | 265,116 | 265,116 |
| Accumulated depreciation | (3,740,945) | (3,620,430) |
| Total utility plant-net | 3,985,826 | 3,916,191 |
| Construction work in progress ² | 4,793,678 | 4,292,907 |
| Other physical property-net | 5,520 | 5,689 |
| Investment in associated companies | 6,489 | 6,569 |
| Unamortized debt expenses | 39,574 | 40,302 |
| Costs to be recovered from future revenue | 230,787 | 234,215 |
| Regulatory asset-asset retirement obligation | 690,631 | 672,036 |
| Other noncurrent and regulatory assets | 185,733 | 159,978 |
| Total noncurrent assets | 10,072,579 | 9,459,063 |
| Total assets | \$ 13,089,861 | \$ 12,238,229 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflow - pension | \$ 51,616 | \$ 51,616 |
| Accumulated decrease in fair value of hedging derivatives | 34,077 | 39,630 |
| Unamortized loss on refunded and defeased debt | 166,426 | 180,349 |
| Total deferred outflows of resources | \$ 252,119 | \$ 271,595 |
| Total assets & deferred outflows of resources | \$ 13,341,980 | \$ 12,509,824 |

¹ Includes \$103,103 for fuel core associated with V.C. Summer Nuclear Units 2 and 3.

² Includes V.C. Summer Nuclear related construction costs of \$4,145,225 for Units 2 and 3 as well as \$172,986 for transmission.

Combined Statements of Net Position (continued)

South Carolina Public Service Authority

As of September 30, 2017 and December 31, 2016

| | September 30, | December 31, |
|--|----------------------|----------------------|
| | 2017 | 2016 |
| | (Unaudited) | (Audited) |
| | (Thousands) | |
| LIABILITIES | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 132,259 | \$ 134,055 |
| Accrued interest on long-term debt | 118,834 | 54,418 |
| Revolving credit agreement | 147,000 | 0 |
| Commercial paper | 155,072 | 399,899 |
| Accounts payable | 198,233 | 233,645 |
| Other current liabilities | 79,030 | 94,550 |
| Total current liabilities | 830,428 | 916,567 |
| Noncurrent liabilities | | |
| Construction liabilities | 11,583 | 11,059 |
| Net Pension Liability | 329,268 | 324,956 |
| Asset retirement obligation liability | 734,527 | 739,821 |
| Total long-term debt (net of current portion) | 7,668,851 | 7,661,497 |
| Unamortized debt discounts and premiums | 445,453 | 473,419 |
| Long-term debt-net | 8,114,304 | 8,134,916 |
| Other credits and noncurrent liabilities | 933,089 | 110,099 |
| Total noncurrent liabilities | 10,122,771 | 9,320,851 |
| Total liabilities | \$ 10,953,199 | \$ 10,237,418 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows - pension | \$ 13,582 | \$ 13,582 |
| Accumulated increase in fair value of hedging derivatives | 3,762 | 9,991 |
| Nuclear decommissioning costs | 224,699 | 218,497 |
| Total deferred inflows of resources | \$ 242,043 | \$ 242,070 |
| NET POSITION | | |
| Net invested in capital assets | \$ 1,312,154 | \$ 1,168,907 |
| Restricted for debt service | 64,087 | 39,158 |
| Restricted for capital projects | 1,467 | 1,663 |
| Unrestricted | 769,030 | 820,608 |
| Total net position | \$ 2,146,738 | \$ 2,030,336 |
| Total liabilities, deferred inflows of resources & net position | \$ 13,341,980 | \$ 12,509,824 |

Combined Statements of Revenues, Expenses and Changes in Net Position

South Carolina Public Service Authority

Periods Ended September 30, 2017 and 2016

| | September 30, 2017 (Unaudited) | September 30, 2016 (Unaudited) |
|--|--------------------------------------|--------------------------------------|
| | (Thousands) | |
| Operating revenues | | |
| Sale of electricity | \$ 1,333,095 | \$ 1,342,846 |
| Sale of water | 6,504 | 6,119 |
| Other operating revenue | 12,085 | 12,163 |
| Total operating revenues | 1,351,684 | 1,361,128 |
| Operating expenses | | |
| Electric operating expenses | | |
| Production | 95,790 | 98,103 |
| Fuel | 436,330 | 503,307 |
| Purchased and interchanged power | 143,273 | 108,646 |
| Transmission | 16,878 | 16,790 |
| Distribution | 7,775 | 7,587 |
| Customer accounts | 11,433 | 11,686 |
| Sales | 8,595 | 6,005 |
| Administrative and general | 73,031 | 67,956 |
| Electric maintenance expenses | 77,065 | 84,368 |
| Water operating expenses | 2,280 | 2,191 |
| Water maintenance expenses | 644 | 775 |
| Total operating and maintenance expenses | 873,094 | 907,414 |
| Depreciation | 135,176 | 132,700 |
| Sums in lieu of taxes | 3,508 | 3,830 |
| Total operating expenses | 1,011,778 | 1,043,944 |
| Operating income | 339,906 | 317,184 |
| Nonoperating revenues (expenses) | | |
| Interest and investment revenue | 9,557 | 9,248 |
| Net decrease in the fair value of investments | (456) | 1,662 |
| Interest expense on long-term debt | (192,555) | (177,674) |
| Interest expense on commercial paper and other | (3,426) | (2,865) |
| Amortization expense | 12,134 | 11,279 |
| Costs to be recovered from future revenue | (3,429) | (4,960) |
| U.S. Treasury subsidy on Build America Bonds | 5,678 | 5,684 |
| Other-net | (33,256) | (35,093) |
| Total nonoperating revenues (expenses) | (205,753) | (192,719) |
| Income before transfers | 134,153 | 124,465 |
| Capital contributions & transfers | | |
| Distribution to the State | (17,751) | (19,192) |
| Total capital contributions & transfers | (17,751) | (19,192) |
| Change in net position | 116,402 | 105,273 |
| Total net position-beginning | 2,030,336 | 1,941,790 |
| Total net position-ending | \$ 2,146,738 | \$ 2,047,063 |

Combined Statements of Cash Flows

South Carolina Public Service Authority

Periods Ended September 30, 2017 and December 31, 2016

| | September 30, 2017 (Unaudited) | December 31, 2016 (Audited) |
|--|--------------------------------------|-----------------------------------|
| | (Thousands) | |
| Cash flows from operating activities | | |
| Receipts from customers | \$ 1,325,339 | \$ 1,722,539 |
| Payments to non-fuel suppliers | (275,461) | (380,450) |
| Payments for fuel | (432,487) | (624,554) |
| Purchased power | (141,937) | (143,566) |
| Payments to employees | (142,686) | (185,588) |
| Other receipts-net | 989,391 | 325,296 |
| Net cash provided by operating activities | 1,322,159 | 713,677 |
| Cash flows from non-capital related financing activities | | |
| Distribution to the State | (17,751) | (19,192) |
| Proceeds from sale of bonds | 0 | 78,011 |
| Proceeds from revolving credit agreement draw | 29,000 | 100,000 |
| Proceeds from issuance of commercial paper notes | 187,250 | 78,115 |
| Repayment of commercial paper notes | (282,436) | (238,607) |
| Refunding / defeasance of long-term debt | 0 | (80,555) |
| Repayment of long-term debt | (188) | (260) |
| Interest paid on long-term debt | (6,412) | (9,433) |
| Interest paid on commercial paper and other | (3,525) | (6,204) |
| Bond issuance and other related costs | (151) | 2,726 |
| Net cash used in non-capital related financing activities | (94,213) | (95,399) |
| Cash flows from capital-related financing activities | | |
| Proceeds from sale of bonds | 11,500 | 1,391,631 |
| Proceeds from issuance of commercial paper notes | 36,095 | 58,974 |
| Repayment of commercial paper notes | (38,736) | (96,103) |
| Refunding / defeasance of long-term debt | 0 | (670,925) |
| Repayment of long-term debt | (37,106) | (159,529) |
| Interest paid on long-term debt | (209,011) | (362,102) |
| Interest paid on commercial paper and other | (1,493) | (1,336) |
| Construction and betterments of utility plant | (658,510) | (1,126,306) |
| Bond issuance and other related costs | (1,115) | 87,450 |
| Other-net | (4,448) | (28,981) |
| Net cash used in capital-related financing activities | (902,824) | (907,227) |
| Cash flows from investing activities | | |
| Net decrease in investments | 563,292 | 172,117 |
| Interest on investments | 9,585 | 12,932 |
| Net cash provided by investing activities | 572,877 | 185,049 |
| Net increase (decrease) in cash and cash equivalents | 897,999 | (103,900) |
| Cash and cash equivalents-beginning | 178,648 | 282,548 |
| Cash and cash equivalents-ending | \$ 1,076,647 | \$ 178,648 |

Combined Statements of Cash Flows (continued)

South Carolina Public Service Authority

Periods Ended September 30, 2017 and December 31, 2016

| | September 30, | December 31, |
|---|----------------------|---------------------|
| | 2017 | 2016 |
| | (Unaudited) | (Audited) |
| | (Thousands) | |
| Reconciliation of operating income to net cash provided by operating activities | | |
| Operating income | \$ 339,906 | \$ 370,715 |
| <i>Adjustments to reconcile operating income to net cash provided by operating activities</i> | | |
| Depreciation | 135,176 | 177,004 |
| Amortization of nuclear fuel | 18,169 | 28,125 |
| Net power gains involving associated companies | (39,492) | (35,616) |
| Distributions from associated companies | 36,167 | 31,749 |
| Advances to associated companies | (1) | (36) |
| Other income and expenses | (21,669) | (31,901) |
| Changes in assets and liabilities | | |
| Accounts receivable-net | (26,279) | (22,601) |
| Inventories | 83,388 | 82,965 |
| Prepaid expenses | 22,258 | 65,874 |
| Other deferred debits | (31,067) | 41,139 |
| Accounts payable | 484 | (8,943) |
| Other current liabilities | (18,976) | (1,881) |
| Other noncurrent liabilities | 824,095 | 17,084 |
| Net cash provided by operating activities | \$ 1,322,159 | \$ 713,677 |
| Composition of cash and cash equivalents | | |
| Current | | |
| Unrestricted cash and cash equivalents | \$ 1,018,302 | \$ 90,873 |
| Restricted cash and cash equivalents | 54,573 | 87,524 |
| Noncurrent | | |
| Restricted cash and cash equivalents | 3,772 | 251 |
| Cash and cash equivalents at the end of the period | \$ 1,076,647 | \$ 178,648 |