27 JUL 2026

Fitch Upgrades Santee Cooper Revenue Bonds to 'A'; Rates Series 2026 D, E & F 'A'

Fitch Ratings - New York - 27 Jul 2026: Fitch Ratings has assigned an 'A' rating to the following South Carolina Public Service Authority (Santee Cooper) revenue obligations consisting of:

-Approximately $248 million 2026 tax-exempt improvement series D;

-Approximately $219 million 2026 taxable improvement series E;

-Approximately $139 million 2026 tax-exempt refunding series F.

Fitch also upgraded Santee Cooper's Issuer Default Rating (IDR) and all other Fitch-rated Santee Cooper obligations to 'A' from 'A-'.

The Rating Outlook is Stable.

The upgrade to 'A' reflects Santee Cooper very strong revenue defensibility and Fitch's expectation that its financial profile and performance will continue to improve. Cash flow and operating income have improved following expiration of the authority's prior five-year rate lock agreement, reinstatement of its cost recovery adjustments and an April 2025 rate increase.

Financial metrics are likely to improve further through 2028, supported by growing electric sales and modest annual rate increases. They are likely to stabilize at levels consistent with the 'A' rating. The rating also reflects sizeable planned capital spending. The authority considers this spending necessary to address anticipated load growth.

SECURITY

The revenue obligations are payable from, and secured by a lien on, the net revenues of the authority.

KEY RATING DRIVERS

Revenue Defensibility - 'aa'

Statewide Electric Provider; Rate Flexibility Has Improved

Santee Cooper's revenue defensibility assessment reflects the board's independent rate-setting authority and demonstrated willingness to implement rate increases to improve financial performance and support planned capital spending. The assessment further reflects the authority's expanded use of timely cost recovery mechanisms, its vibrant and growing statewide service area, contracts that ensure steady revenue from retail and wholesale customers and the credit quality of its largest wholesale customer, Central Electric Power Cooperative (Central; A+/Stable).

Operating Risk - 'aa'

Very Low Operating Costs; Evolving Resource Portfolio

Operating risk is assessed as 'aa', but borders 'a' very strong/strong. Operating costs have averaged approximately 6.3 cents per kilowatt-hour (kWh) over the past five years, which is low for the authority's wholesale business and very low for the retail business. The operating cost burden and flexibility reflect a diverse mix of energy and generation resources that are predominately coal-fired. Santee Cooper's integrated resource plan (IRP) outlines the authority's goal of expanding and further diversifying its resource portfolio by replacing 1,150 megawatts (MW) of coal-fired capacity with solar and natural gas-fired resources by 2035.

Capital planning and management should remain strong, as capital spending is expected to rise dramatically over the next five years, comfortably exceeding depreciation. Operating costs should similarly increase but remain in line with the assessment.

Financial Profile - 'a'

Leverage Expected to Stabilize

Santee Cooper's leverage ratio declined in 2025 after spiking in 2024, but remains high because of its decision to suspend construction of the Summer nuclear units and the resulting settlement agreement, which included a rate lock. Leverage rose above 15x in 2024 but fell below 11x in 2025. Fitch expects leverage to fall below 10.0x in its rating case, given planned rate increases and full and timely cost recovery. The authority's larger capital spending program of about $1.1 billion a year and anticipated debt issuance are likely to limit further improvement in leverage over the near term.

Coverage of full obligations and total liquidity were also strong and improved in 2025 at 1.4x and 260 days on hand, respectively. Fitch expects coverage to remain around 1.4x and liquidity to remain adequate and comfortably above 90 days.

Asymmetric Additional Risk Considerations

There are no asymmetric risk considerations were factored in the rating.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/ Downgrade

-- Failure to consistently increase base rates, maintain timely cost recovery, or reduce leverage ratios to levels approaching 11.0x in Fitch's rating case scenario.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-- Evidence of consistent increases in base rates, timely cost recovery, and leverage ratios below 9.0x in Fitch's rating case scenario.

PROFILE

Santee Cooper is a state agency that provides wholesale power supply, as well as direct retail electric service to retail customers across much of the state of South Carolina. The authority also owns the Lake Moultrie and Lake Marion regional water systems, two drinking water treatment systems.

Sources of Information

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

Climate Vulnerability Signals

The Climate.VS for 2035 for South Carolina Public Service Authority, Santee Cooper is 57. The elevated risk primarily reflects the transition risk associated with the authority's ownership of the Winyah and Cross coal-fired plants. The transition risk identified by the Climate.VS is largely offset by the planned retirement of the Winyah plant by 2035 and the addition of new resources and does not currently influence the rating.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Fitch Ratings Analysts

Dennis Pidherny
Managing Director
Primary Rating Analyst
+1 212 908 0738
Fitch Ratings, Inc. Hearst Tower 300 W. 57th Street New York, NY 10019

Khafre Newton
Associate Director
Secondary Rating Analyst
+1 646 582 4106

Kathy Masterson
Senior Director
Committee Chairperson
+1 512 215 3730

Media Contacts

Katherine Jones
New York
+1 212 908 0823
katherine.jones@thefitchgroup.com

Rating Actions

ENTITY/DEBT	RATING			RECOVERY	PRIOR
South Carolina Public Service Authority (Santee Cooper) (SC)	LT IDR	A	Upgrade		A-
• South Carolina Public Service Authority (Santee Cooper) (SC) /Electric System Revenues/ 1 LT	LT	A	Upgrade		A-

RATINGS KEY	OUTLOOK	WATCH
POSITIVE		
NEGATIVE		

RATINGS KEY OUTLOOK WATCH

RATINGS KEY	OUTLOOK	WATCH
EVOLVING	⭘	◆
STABLE	⭘	

Applicable Criteria

U.S. Public Power Rating Criteria (pub.26 Feb 2026) (including rating assumption sensitivity)

U.S. Public Sector, Revenue-Supported Entities Rating Criteria (pub.01 May 2026) (including rating assumption sensitivity)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

FAST Econometric API - Fitch Analytical Stress Test Model, v3.1.1 (1)

Additional Disclosures

Solicitation Status

Endorsement Status

South Carolina Public Service Authority (Santee Cooper) (SC)	EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.)

(EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the

99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Endorsement policy

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU Regulation or the UK Regulation, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's Regulatory Affairs page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.