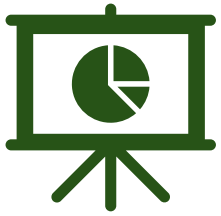




# Proposed Plan for 2027 and 2028 Retail Rate Adjustments

May 2026



Santee Cooper's financial projections indicate that current rates will not recover costs to serve customers beginning in 2027.



Santee Cooper has held ongoing communication with customers since the last rate study, including a series of focus groups to understand challenges. The presentation shares our customers' feedback and responses to the feedback, plus other proposed rate changes.

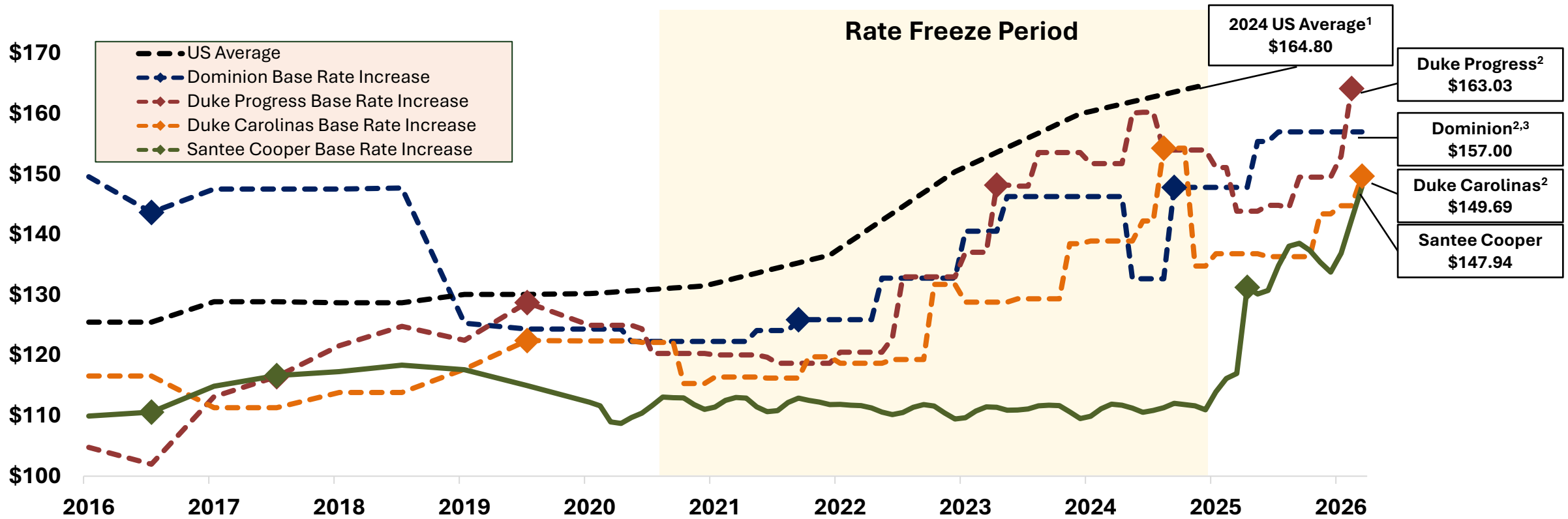


The Board will be asked to adopt a process for public comment on the proposed rates and provide notice to customers of the proposed rates.

Santee Cooper’s rates declined 4% during the rate freeze before increasing 14.3% in 2025. These increases are well below the 26% inflation over the same period.

	2025 Base Rate Adjustment			2025 Fuel Impact			Deferred Cost Recovery			Total Impact		
	Expected	Actual	Variance	Expected	Actual	Variance	Expected	Actual	Variance	Expected	Actual	Variance
Residential	8.7%	5.5%	-3.2%	5.4%	6.4%	1.0%	0.8%	1.1%	0.3%	14.9%	13.0%	-1.9%
Commercial / Lighting	4.1%	3.2%	-0.9%	6.2%	7.5%	1.3%	1.0%	1.3%	0.3%	11.3%	11.9%	0.6%
Industrial (Firm & Non-Firm)	2.8%	1.6%	-1.2%	11.3%	13.4%	2.1%	2.1%	1.7%	-0.4%	16.3%	16.7%	0.4%
<b>Total</b>	<b>4.9%</b>	<b>3.2%</b>	<b>-1.7%</b>	<b>8.3%</b>	<b>9.7%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>0.0%</b>	<b>14.6%</b>	<b>14.3%</b>	<b>-0.3%</b>

Cost recovery impacts in 2025 aligned Santee Cooper's pricing with market trends while maintaining our competitive position.



1. IOU average bill based on ORS data.

2. US Average is based on interpolated EIA average Residential cents/kWh.

3. Dominion Energy South Carolina has requested a rate increase that would increase the average Residential bill from \$157.00 to \$177.00; rate case is currently active at PSC.

	<b>2027</b>	<b>2028</b>	<b>Total</b>
Residential	4.7%	4.6%	9.3%
Commercial	2.9%	2.9%	5.8%
Lighting	3.2%	3.0%	6.2%
Industrial (Firm & Non-Firm)	2.6%	2.1%	4.7%
<b>Total<sup>3</sup></b>	<b>3.3%</b>	<b>3.1%</b>	<b>6.4%</b>

1. Average increase in total revenues for all customers in class.

2. Customer impacts are based on usage. Not all customers within a class will experience the same level of adjustment.

3. Numbers may not add due to rounding.



**Key Themes:**

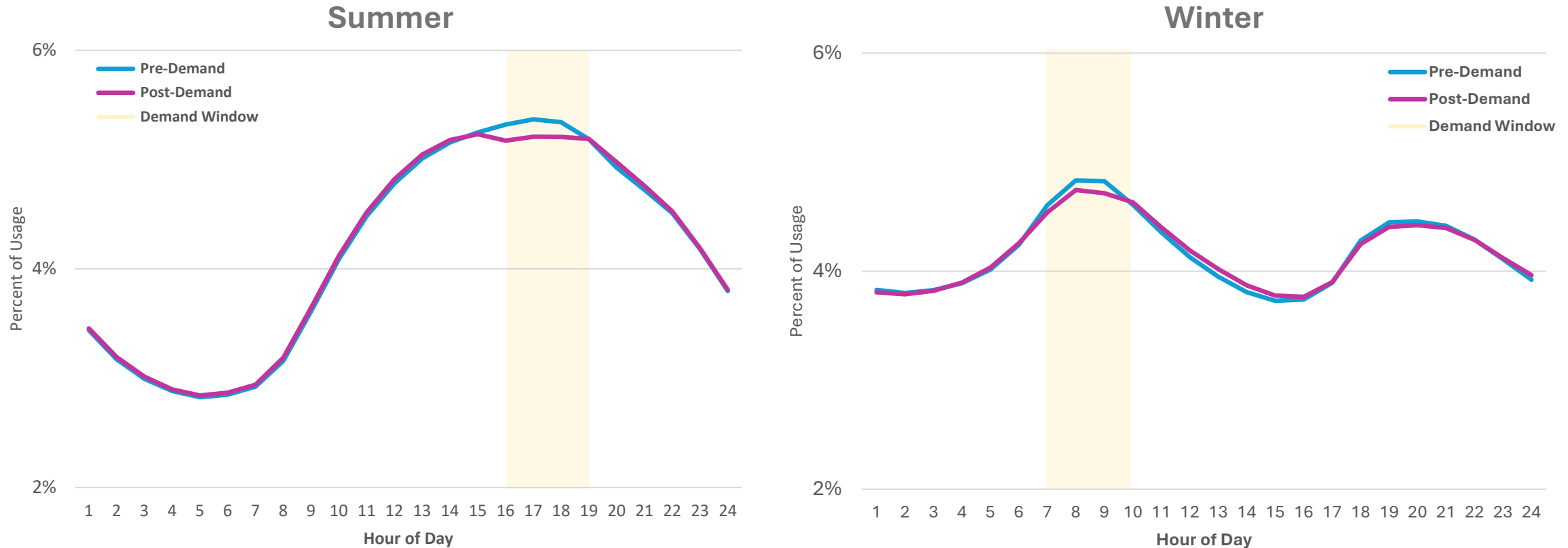
- Customers understand peak pricing, but they find it hard to manage.
- One hour ruins the month; one mistake defines everything.
- Surprise bills increase customer frustration.

*“For one day, I got a \$75 charge...  
They’re just like, ‘Oh, bing, there  
you go.”*

*“If you use too much that day for  
whatever reason, you pay for it the  
whole month.”*

*“If they’re on a fixed income...if their bill  
jumps significantly, then they have to make  
a decision about do they cut back on food,  
do they cut back on medication?”*

Santee Cooper implemented a peak period demand charge in 2025 and customers responded. The price signal is working.

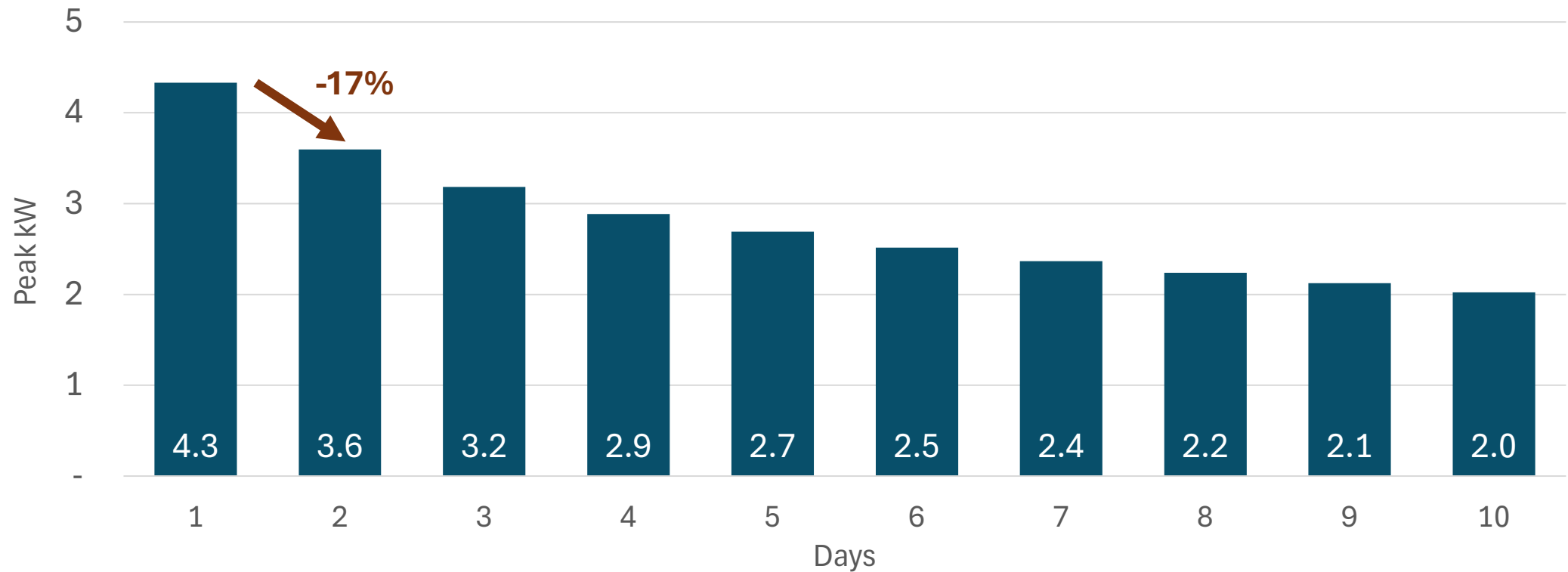


1. Pre-demand means the average from 2022-2024. Post-demand means after April 1, 2025.

Customers tend to have a few peak periods in a billing cycle where usage is higher than other periods.

Residential

Usage During Highest Peak Demand Periods



1. Average monthly residential peak demand for January 2024 – Feb 2026.



The proposed RG rate includes **Balanced Demand Billing**, which is an innovative rate designed to measure a customer's consistent habits.

- Balanced Demand Billing means that a customer's billed demand is based on the average of their maximum hourly usage during their 4 highest peak periods in the month.
- This style of demand billing provides a "safety net" if a customer makes a mistake by protecting against usage spikes, and the associated surprise bills.
- Customers are still encouraged to reduce demand during peak hours, but a single bad peak period no longer eliminates the savings a customer achieves by "defeating the peak."

**Key Points:**

- **Balanced Demand Billing** for RG, REV, and RG-EVO.
- Electric Vehicle rates continue to heavily encourage off-peak charging.

**Residential Service (RG)**

- Available to all customers.
- 3-part rate (customer, demand, energy charges).

**Residential Time-of-Use (RT)**

- Optional rate for all customers.
- 2-part rate (customer and energy charges).
- On and off-peak energy.

**Residential Electric Vehicle (REV)**

- Optional rate for customers with electric vehicles.
- Super off-peak energy pricing from 11pm – 5am.

**Residential Electric Vehicle (EVO)**

- Optional rate for separately metered electric vehicle equipment.
- Super off-peak energy pricing from 9pm – 5am.

1. Demand charges and RT on-peak energy charges are based on the customer's usage from 6am-9am November-March and 3pm-6pm April-October



**Key Themes:**

- Businesses try to understand their bills, but demand charges feel unclear.
- Businesses rely on stable energy costs to plan and protect margins.
- Surprises are worse than higher costs.



**Solution:**

- The proposed GA rate includes the same Balanced Demand Billing as the RG rate, instead of the non-windowed peak in the current rate.

## Key Points:

- GA billed demand changes from non-window peak (customer’s max usage during the month) to **Balanced Demand Billing** and removal of On-Peak energy charges.
- All Commercial On-Peak Demand and Energy windows reduced to 3 hours to align with Residential.
- Elimination of Large General Service (GL) rate.
- Small General Service Low Load rate is made permanent.

### Small General Service (GA)

- Available to customers <50 kW.
- 3-part rate (customer, demand, energy charges).

### General Service – Low Load (GA-LL)

- Optional rate for GA customers with low usage needs.
- 2-part rate (customer and energy charges)
- On and off-peak energy.

### Temporary Service (TP)

- Optional rate for temporary power needs.
- 2-part rate (customer and energy charges).
- On and off-peak energy.

### General Service (GB)

- Available for customers >50kW.
- 3-part rate (customer, demand, and energy charges).
- On and off-peak energy.

### General Service Time-of-Use (GT)

- Optional rate for customers who can adjust usage.
- 3-part rate (customer, demand, and energy charges).
- On and off-peak energy.

### Seasonal General Service (GV)

- Optional rate for seasonal businesses.
- Mirrors GB rate but excludes minimum demand billing.

1. GA Demand charges are based on the customer’s usage from 6am-9am November-March and 3pm-6pm April-October.  
 2. On-Peak Energy Charges for GA-LL, GB, TP, GV, GT and GT demand are 6am-9am November-March and 3pm-6pm April-October. Off-peak is all other hours.



**Key Themes:**

- They understand growth is coming, but they are wary of footing the bill.
- A desire to better understand energy costs in advance so they can plan production with confidence.



**Solution:**

- Santee Cooper's proposed High Impact Load (L-27-HIL) rate ensures large customers joining the system pay the incremental costs they are causing.
- The Economy Power – Optional rider energy price “trigger” for on-peak hours is increased to \$60/MWh.

- The High-Impact Load (HIL-27) rate is an incrementally priced rate designed to protect existing customers from costs caused by new large customers joining the system.
- HIL-27 replaces the existing Experimental Large Load rate

	Experimental Large Load Rate	High Impact Load Rate
Customer Size	>50,000 kW or >1,000 kW mobile Load	>20,000 kW or >1,000 kW mobile load
Contract Term	15 years	15 years
Demand Charges	\$21.08 / kW base demand + \$7 / kW CP demand.	\$23.23 / kW base demand + \$6.16 / kW CP demand. CP charge adjusted on a per-customer basis to reflect actual incremental cost of service.
Energy Charges	\$0.0497 / kWh on-peak (summer and winter) \$0.0375 / kWh off-peak	\$0.0497 / kWh on-peak (summer and winter) \$0.0375 / kWh off-peak
Minimum Billing Demand	Declining Non-Coincident Peak (100% -90%) and increasing Coincident Peak (50% - 80%).	90% for both Non-Coincident Peak and Coincident Peak billing for term of contract.
Transmission upgrades	Paid in full by the customer upfront.	Paid in full by the customer upfront. Credits if future HIL customers benefit from investment.
Other Protections	Peak Period Pricing	Sufficiency Recovery Charge
Financial Guarantee	12 months cash, remainder of contract as guarantees acceptable to the Authority.	12 months cash, remainder of contract guarantees stated in rate based on credit rating.

1. Not all requirements shown. Please reference the specific rate schedule for additional information.

**Key Points:**

- Due to the capacity constraints in the market, the value of non-firm is growing and customers using power under the Interruptible rider will not experience an increase during this rate adjustment.

**Large Light and Power Rate (L)**

- Available to customers >1,000 kW.
- 3-part rate (customer, demand, energy chg.)
- On and off-peak energy.
- 5-year term.

**Interruptible Service Rider (L-I)**

- Optional rider for L customers able to curtail load when needed.
- Lower demand charge to reflect value to system.

**Economy Power Rider (EP)**

- Optional rider for L customers who can take power on an “as available” basis.
- Reservation charge
- Energy priced at market rate + adders
- Three pricing options.

**Demand Response Buy Back Rider (DRB)**

- Optional rider for L customers.
- Customer designates load that can be curtailed within 2 minutes.
- Monthly credit + per event credit.

**Economic Dev. Rider (ED)**

- Temporary discount for customer expansions meeting investment and new job requirements.

**High Impact Load Rate (HIL)**

- Incrementally priced rate designed to protect existing customers from new large customers joining the system.

### Capital Improvement Fund Increase

- Santee Cooper is prioritizing capital recovery during the build cycle, which includes increasing the Capital Improvement Fund requirement from 9% to 10%.
- The increase allows Santee Cooper to maintain financial metrics and reduces debt issuances, ensuring long-term financial stability.

### Demand Sales Adjustment

- Capacity constraints in the Southeast have created operational and reliability constraints.
- Santee Cooper is competing with other utilities to acquire limited excess capacity, where speed to market is critical.
- The proposed Demand Sales Adjustment includes a true-up for actual market capacity costs compared to planned amounts.



## Press Release (May 1)

- Uploaded to website.
- Emailed to media list.



## Public Notices

- Notice provided through Sun News and Post and Courier.
- Notice through method customers receive bills (email or regular mail).
- Notice and study information available at offices.



## Website

- Notice of proposed rate adjustment.
- New rates, rate comparisons, Rate Study Report, technical appendix, and other relevant information.
- Provisions for public comments via website and email.



## Regulatory Agencies

- Office of Regulatory Staff notified of rate study process.
- Consumer Advocate informed of rate study process.

Date	Event
May 1, 2026	<b>Board Meeting</b> – Present proposed rates to Board and provide formal notice of rate revisions to customers and ORS; comment periods begin.
July 27–28, 2026	<b>Public Comment Meetings</b> <sup>1</sup> – Public meetings to receive feedback from impacted customers. <ul style="list-style-type: none"> <li>• July 27, 2026 @ 6:00 pm – Moncks Corner at the Santee Cooper Office</li> <li>• July 28, 2026 @ 10:30 am – Pawley’s Island at the Waccamaw Neck Library</li> <li>• July 28, 2026 @ 6:00 pm - Myrtle Beach at the Santee Cooper Office</li> </ul>
July 30, 2026	<b>Written comment period ends.</b>
August 31, 2026 (122 days)	<b>Public Comment Meeting/Board Meeting</b> <sup>1</sup> – Public meeting to receive additional public comments from impacted customers, ORS, Consumer Advocate, and “other interested parties”; presentation by staff on public comments received prior to the meeting.  <b>Oral comment period ends.</b>
September 29, 2026 (151 days)	<b>Board Meeting</b> – Management to provide final proposed rate revisions to Board including any changes made to proposed rates as a result of public input.
October 30, 2026 (182 days)	<b>Board Meeting</b> – Board to vote on final proposed rate revisions.
February 1, 2027	<b>New 2027 Rate Schedules effective</b> – Applies to bills rendered on or after February 1, 2027.
February 1, 2028	<b>New 2028 Rate Schedules effective</b> – Applies to bills rendered on or after February 1, 2028.

**1. Conduct of Public Meetings:**

- A court reporter will be present to record proceedings and preserve public record.
- Customers / interested parties must sign up to speak.
- Customer comment time will be limited for an orderly and timely process.

The resolution before the Board:

- (1) Establishes the process and schedule for receiving public comments and final board consideration of the proposed rates.
- (2) Directs management to provide notice of the Proposed Rates to customers pursuant to the process and schedule.

# Appendix



**Mission:** Limit price increases to less than inflation.

**Equity:** Allocate costs to specific customer classes in a reasonable, equitable and defensible manner.

**Efficiency:** Design prices so that conservation savings are shared with the customers.

**Adequacy:** Provide sufficient revenue to preserve the financial integrity of Santee Cooper.

**Notice:** Ensure customer notice and engagement in rate proceedings.

**Protection:** Allow reasonable relief mechanisms for financially distressed customers.

**Transparency:** Require openness in annual review of compliance with Pricing Principles.

Description	Current	Proposed 2027	Proposed 2028
<b>Residential General Service (RG)</b>			
Customer Charge (\$/Month)	\$20.00	\$21.00	\$22.00
Demand Charge (\$/kW)	\$8.00	\$8.75	\$9.50
Energy Charge (\$/kWh)	\$0.0792	\$0.0899	\$0.0925
<b>Residential Time-of-Use (RT)</b>			
Customer Charge (\$/Month)	\$20.00	\$25.00	\$26.00
On-Peak Energy Charge (\$/kWh)	\$0.3380	\$0.2770	\$0.2969
Off-Peak Energy Charge (\$/kWh)	\$0.0792	\$0.0899	\$0.0925
<b>Residential Electric Vehicle Power (REV)</b>			
Customer Charge (\$/Month)	\$20.00	\$21.00	\$22.00
Demand Charge (\$/kW)	\$8.00	\$8.75	\$9.50
On-Peak Energy Charge (\$/kWh)	\$0.0878	\$0.1015	\$0.1047
Super Off-Peak Energy Charge (\$/kWh)	\$0.0418	\$0.0418	\$0.0418
<b>Residential Electric Vehicle Power Only (RG-EVO)</b>			
Customer Charge (\$/Month)	\$5.00	\$5.50	\$6.00
Demand Charge (\$/kW)	\$8.00	\$8.75	\$9.50
On-Peak Energy Charge (\$/kWh)	\$0.1079	\$0.1220	\$0.1259
Super Off-Peak Energy Charge (\$/kWh)	\$0.0418	\$0.0418	\$0.0418

1. Demand charges and RT on-peak energy charges are based on the customers usage from 6am-9am November-March and 3pm-6pm April-October  
 2. REV Super Off-Peak energy charges means 9pm-5am. RG-EVO Super Off-Peak energy charges means 11pm-5am. On-Peak energy charges are all other hours.

Description	Current	Proposed 2027	Proposed 2028
<b>Small General Service (GA)</b>			
Customer Charge (\$/Month)	\$26.00	\$28.00	\$30.00
Demand Charge (\$/kW)	\$12.21	\$13.00	\$14.00
On-Peak Energy Charge (\$/kWh)	\$0.0705		
Off-Peak / All Hours Energy Charge (\$/kWh)	\$0.0605	\$0.0837	\$0.0840
<b>Small General Service Low Load (GA-LL)</b>			
Customer Charge (\$/Month)	\$45.00	\$47.50	\$50.00
On-Peak Energy Charge (\$/kWh)	\$0.1973	\$0.2062	\$0.2155
Off-Peak Energy Charge (\$/kWh)	\$0.1773	\$0.1862	\$0.1955
<b>General Service (GB)</b>			
Customer Charge (\$/Month)	\$28.00	\$30.00	\$32.00
Demand Charge (\$/kW)	\$24.95	\$26.37	\$27.55
On-Peak Energy Charge (\$/kWh)	\$0.0501	\$0.0501	\$0.0501
Off-Peak Energy Charge (\$/kWh)	\$0.0401	\$0.0401	\$0.0401
<b>Temporary Service (TP)</b>			
Customer Charge (\$/Month)	\$26.00	\$28.00	\$30.00
On-Peak Energy Charge (\$/kWh)	\$0.1478	\$0.1548	\$0.1591
Off-Peak Energy Charge (\$/kWh)	\$0.1378	\$0.1448	\$0.1491
<b>Seasonal General Service (GV)</b>			
Customer Charge (\$/Month)	\$28.00	\$30.00	\$32.00
Demand Charge (\$/kW)	\$26.23	\$28.01	\$29.21
On-Peak Energy Charge (\$/kWh)	\$0.0476	\$0.0501	\$0.0501
Off-Peak Energy Charge (\$/kWh)	\$0.0376	\$0.0401	\$0.0401
<b>General Service Time of Use (GT)</b>			
Customer Charge (\$/Month)	\$33.00	\$35.00	\$37.00
On-Peak Demand Charge (\$/kW)	\$27.42	\$29.16	\$30.48
Off-Peak Demand Charge (\$/kW)	\$14.92	\$15.75	\$16.46
On-Peak Energy Charge (\$/kWh)	\$0.0501	\$0.0501	\$0.0501
Off-Peak Energy Charge (\$/kWh)	\$0.0401	\$0.0401	\$0.0401

1. GA Demand charges are based on the customers usage from 6am-9am November-March and 3pm-6pm April-October.
2. On-Peak Energy Charges for GA-LL, GB, TP, GV, GT and GT demand are 6am-9am November-March and 3pm-6pm April-October. Off-peak is all other hours.

Description	Current	Proposed 2027	Proposed 2028
<b>Large Light and Power (L)</b>			
Customer Charge (\$/Month)	\$3,605	\$4,068	\$3,994
Demand Charge – First 300 (\$/kW)	\$8,223	\$9,061	\$9,773
Demand Charge - Additional (\$/kW)	\$21.08	\$23.23	\$25.06
On-Peak Energy Charge (\$/kWh)	\$0.0497	\$0.0497	\$0.0497
Off-Peak Energy Charge (\$/kWh)	\$0.0375	\$0.0375	\$0.0375
<b>Interruptible Rider (L-I)</b>			
Demand Charge (\$/kW)	\$10.44	\$10.44	\$10.44
On-Peak Energy Charge (\$/kWh)	\$0.0497	\$0.0497	\$0.0497
Off-Peak Energy Charge (\$/kWh)	\$0.0375	\$0.0375	\$0.0375
<b>Economy Power</b>			
Customer Charge (\$/Month)	\$1,000	\$1,000	\$1,000
Reservation Charge (\$/contracted kW)	\$2.90	\$3.85	\$4.49
Energy Adder to Real-Time Price (\$/MWh)	\$7.47 + 12.92%	\$8.69 + 13.10%	\$9.39 + 13.10%
<b>Economy Power Optional</b>			
Customer Charge (\$/Month)	\$1,000	\$1,000	\$1,000
Reservation Charge (\$/contracted kW)	\$4.55	\$5.80	\$6.54
Off-Peak Energy Charge (\$/kWh)	\$0.0375	\$0.0375	\$0.0375
<b>Demand Response Buy-Back (DRB)</b>			
Monthly Credit (\$/MW)	\$418	\$542	\$542
Event Credit (\$/MW)	\$502	\$650	\$650
<b>Municipal</b>			
Customer Charge (\$/Month)	\$1,600	\$1,700	\$1,700
Demand Charge – First 1,000 (\$/kW)	\$21,100	\$23,234	\$25,060
Demand Charge - Additional (\$/kW)	\$21.10	\$23.23	\$25.06
Energy Charge (\$/kWh)	\$0.0388	\$0.0388	\$0.0388

1. Not shown- Economy Power As-Used, Economic Development Rider, and Distributed Generation Rider. Not all charges for all riders are shown, please see individual rate schedules.  
 2. On-Peak demand hours 1pm-10pm from May-September and 5am-9am, 6pm-10pm all other months. Off-peak demand is all other hours.  
 3. On-Peak energy hours 1pm-10pm from June-August and 5am-9am November-February. Off-peak energy is all other months.

