

# **Exhibit E**

## **Teaser**

# 1 EXECUTIVE SUMMARY

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Santee Cooper's mission - to serve as the state's leading resource for improving the quality of life for the people of South Carolina - remains the central guiding tenet of the organization.

Santee Cooper has taken a number of steps to address the challenging issues facing our company:

1. Engaged stakeholders transparently and responsively
2. Brought on board an experienced public power CEO and Deputy CEO with specific expertise in the critical matters confronting Santee Cooper
3. Maintained stable customer prices through aggressive expense management, the prudent and strategic use of the Toshiba settlement and deployment of available cash flow to manage debt
4. Examined long-term load expectations and generation and transmission needs to develop a plan to revitalize Santee Cooper's resource mix and prepare the company for a cleaner energy future

Santee Cooper is pleased to present its 2019 Business Forecast. The Forecast features an innovative and significantly greener resource mix, strategic financial transactions that will use approximately \$925 million of internal funds in the next two years to pay down nuclear debt, partnerships with neighboring utilities to reduce costs and generate operating efficiencies, and a broad set of other initiatives that will preserve reliability, reduce Santee Cooper's costs and carbon emissions, and accelerate the rollout of new customer service technologies. Santee Cooper's customer prices, in real terms, have declined since 2014. The new plan will reduce future costs and thus keep prices stable at, or likely below, today's levels for at least 5 more years.

Santee Cooper's cost allocation process ensures equitable treatment of customer classes (Residential, Commercial, Industrial, and Central), irrespective of whether rates are established through contracts or rate schedules. Our "returns" by customer class are relatively consistent and are within a narrow range.

The new resource plan:

1. Phases out the coal fired Winyah Generating Station. Two of the four units will retire in 2023 and the remaining two units will retire in 2027. These unit retirements will reduce reliance on coal by approximately 40% at that time.
2. Increases Santee Cooper's solar generation by more than 500%, adding some 1000 MW by 2024, over and above the 160 MW expected to be added to the system by 2020.
3. Provides 200 MW of battery storage – the largest commitment in South Carolina to this technology – phasing in between 2024 and 2028.
4. Adds at least 100 MW of dual-fuel aeroderivative turbines by 2023 in order to preserve reliability in the near term, with 500 MW of gas fired capacity added in 2027 and another 500 MW early in the next decade.
5. Locates solar and battery storage strategically to support system reliability and evaluates multiple sites for new gas-fired generation to leverage possible alliances.
6. Reduces Santee Cooper's carbon emissions by ~30% over the next decade.

The Coordination Agreement provides for Santee Cooper and Central Electric Power Cooperative ("Central") to coordinate planning of new resources. We look forward to discussing this forecast with them when permitted by the Department of Administration process. They and Santee Cooper's other customers will directly benefit from this plan.

The Forecast also contemplates several strategic financial transactions and cost saving initiatives including:

1. Committing over \$925 million to nuclear debt payoff in the near term - \$350 million from currently available internal funds, an additional \$150 million in internal funds in 2020, and \$425 million that we anticipate receiving from the sale of the V.C. Summer Units 2 and 3 equipment over the next year or two.
2. Refunding \$175 million of outstanding mini-bonds with lower interest rates debt.
3. Maintaining a reduction in staffing levels of at least 10% compared to 2017.
4. Hedging purchased power for several years to create greater certainty on costs, and thus customer rates.

Santee Cooper is seeking opportunities for strategic alliances with other utilities, where possible, to provide economic benefits and increased efficiencies through coordinated operations and joint planning efforts. As we enter into these alliances, estimates of savings will be developed and included in our plans once available.

The Forecast assumes acceleration of the rollout of modern smart meter technology in Santee Cooper's direct served territory. This effort will be the focal point of a new emphasis on innovation in convenience, conservation, choice and information to our customers. We are evaluating the potential benefits of issuing securitized debt (a financing mechanism that can yield savings) to refinance nuclear debt and opportunities in fiber utilization (rental opportunities which can yield new revenues). These initiatives may require new or different statutory and/or regulatory authorizations for Santee Cooper.

The Forecast maintains Santee Cooper's broad mission including the maintenance of the lakes and economic development. Santee Cooper incurs a number of costs and obligations not typical of an investor owned utility. These items are all included in the Business Forecast. As the Forecast will show, we are fully committed to Santee Cooper's broad mission and our role as a positive agent of change for the state of South Carolina.

Optimizing Santee Cooper's business is a continual effort and a substantial amount of time and energy has been committed by the new management team to put this Forecast forward. With this Forecast, we put our best foot forward at this moment in time, given where we are and what we know today. As such, as we progress over the coming months, we may find further ways to enhance this plan for the benefit of our customers and the state of South Carolina.

It is our belief that the Business Forecast will transform Santee Cooper into an innovative 21<sup>st</sup> century utility serving its core purpose of providing affordable, reliable electricity and water to customers and providing economic development benefits to South Carolina. We believe that our plan represents the best use of Santee Cooper's assets and are confident of delivering value to all our customers, the State and other stakeholders.