



Mark B. Bonsall

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March 3, 2020

The Honorable Hugh K. Leatherman, Sr.
Chairman, Senate Finance Committee
South Carolina State Senate
111 Gressette Building
Columbia, SC 29201

The Honorable G. Murrell Smith, Jr.
Chairman, Ways and Means Committee
South Carolina State Senate
525 Blatt Building
Columbia, SC 29201

Dear Chairman Leatherman and Chairman Smith:

Attached please find Santee Cooper's follow up responses to questions posed during appearances before your respective Committees last week. We appreciate the opportunity to provide this additional information and stand ready to forward additional documentation and responses as requested.

You will recall that several of your members encouraged Santee Cooper to enact reforms at the earliest opportunity, regardless of whether the decision is made to sell Santee Cooper to NextEra, because those reforms will add immediate value for customers through lower revenue requirements to operate the system. In this vein, I am forwarding a copy of this letter to each member of the Senate Finance and House Ways and Means Ad Hoc committees, as well as to Department of Administration executive director Marcia Adams.

Also last week, as you are aware and we are pleased to report, Santee Cooper, Central Electric Cooperative, Dominion Energy of South Carolina, and counsel for the Plaintiff class reached tentative settlement in the Cook litigation. One of the basic tenets of that settlement is a four-year rate freeze for Santee Cooper's customers going forward. This rate freeze means that Santee Cooper takes the immediate risk of rising fuel, operations and capital costs.

Santee Cooper respectfully asks that you lift the previous business restrictions imposed during the Act 95 process and authorize Santee Cooper to proceed immediately to do three things: (1) engage system efficiencies with neighboring utilities, (2) hedge future fuel commodity costs, and (3) conduct any refinancings that save customers money. These actions will permit Santee Cooper to achieve millions of dollars in savings by, among other things, securing low fuel prices to avoid the risk of upward movement that could substantially impact customer pricing under the reform plan. This also requires that Santee Cooper and neighboring utilities be released from the terms of the NDA signed with the Department of Administration and, if possible, the limitations of Act 95.

Thank you for your response to this inquiry, and I will be glad to provide further information on this request should you desire it. We are most grateful for your consideration of this urgent matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark B. Bonsall", written in a cursive style.

Mark B. Bonsall