

**Summary of Communications
Between Central and Santee Cooper
Act 95 Process**

January 2, 2020

Page 1 of 3

	<i>Central Proposal December 4</i>	<i>Santee Cooper Proposal December 6</i>	<i>Santee Cooper Proposal December 19</i>	<i>Central Proposal December 23</i>	<i>Santee Cooper Proposal January 2</i>
TERM	<ul style="list-style-type: none"> - Request for consideration and proposed term reduction from S/C 	<ul style="list-style-type: none"> - Proposed structure for term reduction - Collaborate to restructure debt to match term reduction, or - Central assumes portion of debt beyond such date 	<ul style="list-style-type: none"> - Outright reduction of 2 years - Shorten additional 3 years by restructuring debt - Restructuring would mitigate significant cost shift to retail customers and adverse credit rating action 	<ul style="list-style-type: none"> - Outright reduction of 10 years 	<ul style="list-style-type: none"> - Outright reduction of 5 years - Shorten an additional 5 years (10 years in total) by restructuring debt - Limitation on Santee Cooper serving municipal load would be eliminated
DISTRIBUTED ENERGY RESOURCES	<ul style="list-style-type: none"> - 10% cap in CA (increased from 1.5%) - 2% annual incremental limit 	<ul style="list-style-type: none"> - New JPC is appropriate venue to work together to implement DER and accurately capture benefits - Nominated load under Act 95 process is foundation - Load changes resulting from DER should impact all proposals similarly 	<ul style="list-style-type: none"> - Doubled cap for Central to 3% - Doubled cap for Santee Cooper to 20 MW - Work together through JPC to develop rate treatments to capture benefits 	<ul style="list-style-type: none"> - 10% cap in CA (increased from 1.5%) - 2% annual incremental limit 	<ul style="list-style-type: none"> - Remove caps altogether - Work with Central to develop protocols to avoid cost shifts
TRANSMISSION ASSETS	<ul style="list-style-type: none"> - Requested S/C study sale of transmission system to lower debt and resolve other liabilities 	<ul style="list-style-type: none"> - Benefits not seen in initial consideration - Precluded from selling as all bids submitted - Agree to evaluate following Act 95 process to benefit all customers 	<ul style="list-style-type: none"> - Studying not feasible under Act 95 schedule - Commit to analyze options and impacts following Act 95 if Reform Plan is chosen 	<ul style="list-style-type: none"> - Seeking stronger level of commitment - Requests preliminary analysis of costs and benefits 	<ul style="list-style-type: none"> - Studying not feasible under Act 95 schedule - Commit to analyze options and impacts following Act 95 if Reform Plan is chosen

* The descriptions outlined above are not intended to capture every aspect of the proposals, but are consolidated to capture the highlights of the proposals

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ACT 62 OVERSIGHT			<ul style="list-style-type: none"> - Work together to file IRP required by Act 62 - By JPC through Resource Planning Group - Public process - Support legislation for SEO review and comment - SEO comments received to be implemented by JPC 		
REFORM PLAN RESOURCES			<ul style="list-style-type: none"> - Treat combustion turbines as Shared Resources - Treat combined cycle resources as Shared Resources or Pooled, Non-Shared Resources - Treat solar and storage resources as Shared Resources or Pooled, Non-Shared Resources - Siting of solar and energy storage collaboratively 	<ul style="list-style-type: none"> - Unwilling to waive previously negotiated opt out rights 	<ul style="list-style-type: none"> - Treat combustion turbines as Shared Resources or Pooled, Non-Shared Resources - Planning for future resources is the responsibility of the reconstituted JPC designed to provide least cost structure for all customers

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ENERGY RISK MANAGEMENT			<ul style="list-style-type: none"> - Refine natural gas and purchase power hedging strategies - Tailor to individual Member Cooperatives - Could be aggregated to Central for allocation 		<ul style="list-style-type: none"> - Refine natural gas and purchase power hedging strategies - Tailor to individual Member Cooperatives - Could be aggregated to Central for allocation
COMMUNICATION			<ul style="list-style-type: none"> - Quarterly meetings with Member Cooperatives - Monthly executive level meetings with Central - Attendance of appropriate portions of Board of Trustee meetings 		
GENERAL REFORM PLAN	<ul style="list-style-type: none"> - Central expressed general favorable review of the Santee Cooper Reform Plan during the December 3 meeting 				

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