SOUTH CAROLINA OFFICE OF REGULATORY STAFF

Docket No. 2017-305-E, Order No. 2018-102 – Financial Impact Review of South Carolina Electric and Gas Under Scenarios Relative to the Base Load Review Act, S.C. Code 58-33-210

FINAL REPORT

June 12, 2018

BAKER TILLY

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Docket No. 2017-305-E, Order No. 2018-102 – Financial Impact Review of South Carolina Electric and Gas Under Scenarios Relative to the Base Load Review Act

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INDEPENDENT ACCOUNTANT'S REPORT

Introduction

We have been engaged to report on the appropriate application of the requirements of accounting principles generally accepted in the United States of America to the specific transactions described below. This report is being issued to the Public Service Commission of South Carolina (PSC or Commission) and Office of Regulatory Staff (ORS) for assistance in evaluating accounting policies for the described specific transactions of South Carolina Electric and Gas Company (SCE&G). Our engagement has been conducted in accordance with Statement on Auditing Standards No. 122 Section 915, *Reports on Application of Requirements of an Applicable Financial Reporting Framework*.

Description of Transactions

The subject, scope, and purpose of the report are to independently evaluate requests made by the Public Service Commission of South Carolina and ORS for the following impacts on SCE&G's financial statements:

1. Suspend annual collection of Revised Rates and do no credit ratepayers $2 billion of previously collected revenues.
2. Suspend annual collection of Revised Rates and credit ratepayers $2 billion of previously collected revenues over a four-year term.
3. Assuming no construction work in progress (CWIP) recovery and no credit to ratepayers of $2 billion of previously collected revenues.
4. Assuming no CWIP recovery and a credit to ratepayers of $2 billion of previously collected revenues over a four-year term.
5. Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and no credit to ratepayers of $2 billion of previously collected revenues.
6. Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues over a four-year term.
7. Assuming full recovery of CWIP and no credit to ratepayers of $2 billion of previously collected revenues.
8. Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues over a four-year term.

The facts, circumstances, and assumptions relevant to the specific transactions are provided to us by the ORS under Docket 2017-305-E, Order No. 2018-102.

Appropriate Accounting Principles

SCE&G follows the guidance included in the Accounting Standards Codification (ASC), which includes pronouncements of the authoritative United States accounting guidance bodies, including the Financial Accounting Standards Board (FASB), and Emerging Issues Task Force (EITF). The accounting principles included in our analysis in connection with the scenarios examined include:

1. Regulated Operations – ASC 980
2. Property, Plant and Equipment – ASC 360 (as incorporated into ASC 980)

Concluding Comments

The ultimate responsibility for the decision on the appropriate application of the requirements of accounting principles generally accepted in the United States of America for an actual transaction rests with the preparers of financial statements, who should consult with their continuing accountant. Our conclusion on the appropriate application of the requirements of accounting principles generally accepted in the United States of America for the described specific transaction is based solely on the facts provided to us as previously described; should these facts and circumstances differ, our conclusion may change.

Restricted Use

This report is intended solely for the information and use of the Commission and ORS and is not intended to be and should not be used by anyone other than these specified parties.

Madison, Wisconsin
June 12, 2018

0.0 EXECUTIVE SUMMARY

Background

South Carolina Electric and Gas Company (SCE&G) and South Carolina Public Service Authority (also known as Santee Cooper) jointly undertook the construction of two nuclear units – the Virgil C. (V.C.) Summer Nuclear Generation Station Units 2 & 3. The project was approved by the Public Service Commission (PSC or Commission) of South Carolina in 2009 and construction commenced in 2013. The South Carolina legislature had passed the Base Load Review Act in 2007, which allows utilities to charge rates that recover the costs of construction projects that are not yet completed. The PSC approved a surcharge (the Revised Rates) in SCE&G rates under the Base Load Review Act (BLRA) to earn a rate of return on Construction Work in Progress (CWIP) meant to offset the costs of construction. The cumulative collection of the Revised Rates from SCE&G customers through the end of 2017 is roughly $2 billion.

In July 2017, SCE&G announced that it was ceasing construction of the units. In late 2017 and early 2018 hearings were held at the PSC to determine the future of/or dissolution of the surcharge rates. SCE&G has testified to the PSC that eliminating the surcharge rates will cause great financial harm to the company, with a possibility of it having to file for bankruptcy.

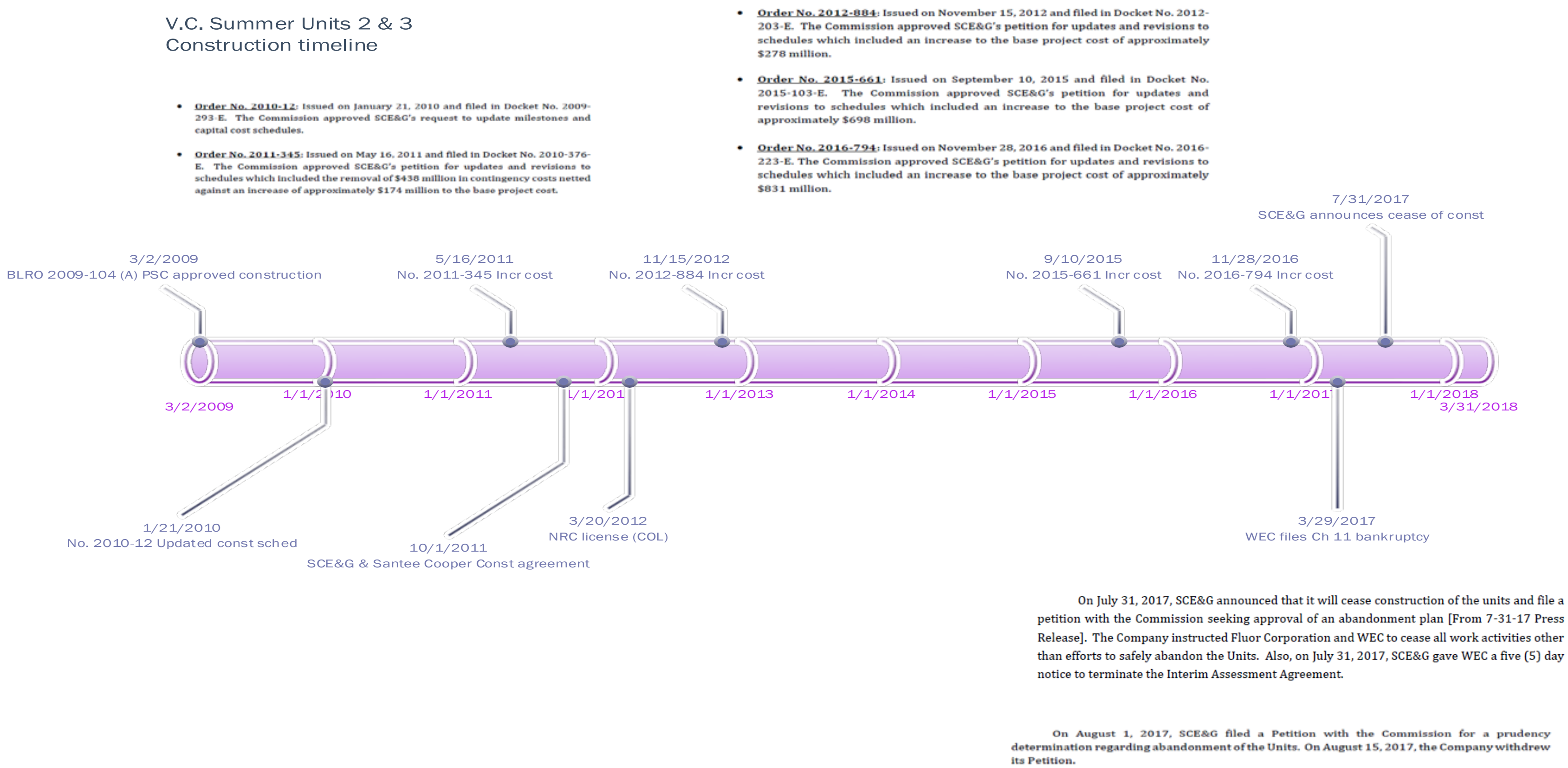
The PSC issued Order No. 2018-102 in February 2018 to provide information for it to consider in its deliberations. The order required an analysis of SCE&G's financial position and capital structure under eight different operating scenarios. These scenarios are:

1. Suspend annual collection of Revised Rates and do no credit ratepayers $2 billion of previously collected revenues.
2. Suspend annual collection of Revised Rates and credit ratepayers $2 billion of previously collected revenues over a four-year term.
3. Assuming no construction work in progress (CWIP) recovery and no credit to ratepayers of $2 billion of previously collected revenues.
4. Assuming no CWIP recovery and a credit to ratepayers of $2 billion of previously collected revenues over a four-year term.
5. Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and no credit to ratepayers of $2 billion of previously collected revenues.
6. Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues over a four-year term.
7. Assuming full recovery of CWIP and no credit to ratepayers of $2 billion of previously collected revenues.
8. Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues over a four-year term.

In March 2018, the South Carolina Office of Regulatory Staff (ORS) engaged Baker Tilly Virchow Krause, LLP ("Baker Tilly") to report on the appropriate application of accounting principles generally accepted in the United States of America to these eight specific transactions as ordered by the South Carolina Public Service Commission in Order No. 2018-102. This report provides that analysis for each scenario. In each scenario, the relevant guidance from the accounting standards of the Financial Accounting Standards Board (FASB) is provided as supporting evidence to the conclusions we reached.

Construction project timeline

The chart below shows the overall general timeline of the construction project, from approval of construction by the PSC in 2009 to the ceasing of construction in 2017.



Glossary of terms

The following accounting terms that may not be familiar to all readers are used in this report:

Table 1 – Glossary of Terms

Term	Definition
1. Amortization expense	Allocating the cost of an asset as an expense over a period of time, generally over the useful life of the asset. The result of amortization is that an asset gets reduced on an entity's balance sheet and pre-tax income is also reduced on the income statement since amortization expense increases expenses of an entity.
2. BLRA Revised Rates	Base Load Review Act – Act that authorized rates for SCE&G to pay for construction of V.C. Summer Units 2 & 3
3. CWIP (construction work in progress)	Construction work in progress – construction projects that have not yet been completed and used for serving customers. These represent costs that have been reflected as capital costs on the balance sheet. Costs charged to CWIP do not get reflected as a component of revenue or expense of an entity but rather an increase in assets of an entity.
4. Deferred debit	Unusual or extraordinary expenditures of which the proper final disposition of which is uncertain. In this specific case, SCE&G has reclassed costs of CWIP to deferred debits since it is uncertain as to the final treatment of CWIP costs. These costs could result in being treated multiple ways based on orders by the regulator. As such, they currently are recorded as a "deferred debit" pending final regulatory orders.
5. Impairment	An asset on which costs can no longer be recovered, in this report this is the construction costs for the V.C. Summer Units 2 & 3 nuclear project. When costs originally charged as CWIP are no longer considered to be an asset that will benefit future periods, costs are immediately charged to expense in the current reporting periods. This impact results in a decrease in earnings of the entity.
6. Impairment expense	When an asset is impaired the cost of the asset is charged to impairment expense. This expense is reflected in the entity's income statement resulting in reduced earnings and related reduction in equity of the entity.

Term	Definition
7. Partial CWIP recovery	A portion of the costs of construction are recoverable in utility rates. A partial recovery means that the regulator allows for a rate of return recovery on a partial amount of the total CWIP balance. When partial CWIP recovery occurs even though the asset has been impaired, the entity would create a regulatory asset to reduce the total amount of impairment expense incurred.
8. Regulatory asset/liability	Assets and liabilities that result from rate actions of regulatory agencies. This includes costs that can be recovered from ratepayers (assets) and previously collected amounts from ratepayers that will be refunded to ratepayers (liabilities). Regulatory assets are accounted for by using accounting standard number ASC 980.
9. Rate of Return	A percentage applied to CWIP which calculates an amount allowable to be included in retail electric rates for recovery. In this case, if a Rate of Return is applied to CWIP, it will compute an amount which is included in a retail electric rates to be charged to customers.
10. Carrying Cost	Operation, maintenance, depreciation expenses of an entity.

Applicable accounting standards

The accounting standards used in our analysis are detailed in each scenario. The main standards referred to from the Accounting Standards Codification (ASC) include:

1. ASC 980 – Regulated Operations
2. ASC 360 – Property, Plant and Equipment

While the V.C. Summer Units 2 & 3 construction costs are recorded in the SCE&G financial statements as a “deferred debit”, pending the Commission decision on their disposition of recovery through rates charged to customers (i.e., to allow or not allow continued rate recovery of those costs), ASC 980 is the applicable accounting standard to use in the analysis. If the Commission continues to allow rate recovery by SCE&G for the construction costs then the cost would be reclassified as a regulatory asset under ASC 980. Conversely, if the Commission does not allow rate recovery of those costs then the costs are impaired under the requirements of ASC 980, which would result in the recognition as an expense in the current reporting period.

Income tax effects

The analysis is shown before income tax effects. The 2018 tax law changes and reduction in the overall corporate tax rate to 21% from 35% makes the corporate income tax impact of amounts refunded to customers from rates collected in years prior to the changes in the 2018 income tax law unclear as of the date of this report.

The issue will involve a major effort on the part of SCE&G to identify any amounts due to it from previously paid taxes (or increases in tax benefits) should a refund of previously collected revenues be ordered.

As of December 31, 2017, SCE&G had $496 million of Net Operating Loss and Tax Credit Carryovers to be applied to future income. In the scenarios where the V.C. Summer construction costs are considered impaired nearly $4 billion of Net Operating Loss Carryovers may be added. This means that the losses can be used to offset taxable income in future years.

Other income and expense items

The analysis shows the impact of adjustments through SCE&G's pro-forma operating income or loss. Other income and expense items are not included in the analysis.

Determination of potential bankruptcy impacts

SCE&G has testified to the PSC that eliminating the Revised Rates will cause great financial harm to the company, with a possibility of SCANA (the parent company) and/or SCE&G having to file for bankruptcy. It is our opinion that our analysis cannot determine the likelihood of a potential bankruptcy filing by SCANA or SCE&G and this analysis provides no opinion on the matter since filing for bankruptcy protection is not primarily always the result of recording accounting entries.

Format of each scenario

As of December 31, 2017, SCE&G has moved the balance of the V.C. Summer Units 2 & 3 construction costs from "construction work in progress" to a "deferred debit asset" in its financial statements and Federal Energy Regulatory (FERC) Form 1 filing. This is proper accounting treatment under ASC 980-360-35-1 which states, *"when it becomes probable (likely to occur) that an operating asset or an asset under construction will be abandoned, the cost of that asset shall be removed from construction work-in-progress"*. The balance of the deferred debit comprised of the construction costs totaled $3,976,000,000.

The amount is recorded in a "deferred debit asset" pending the determination by the Commission as to whether rates it approved for SCE&G to recover a rate of return on the V.C. Summer Units 2 & 3 construction costs under the Base Load Review Act (BLRA) will continue. Deferred debit asset accounts are used as holding accounts to record assets whose final accounting has not yet been determined. If the Commission were to grant SCE&G to recover a rate of return on the V.C. Summer Units 2 & 3 construction costs, at that point it would be appropriate for SCE&G to reclassify the construction costs from the "deferred debit account" to a "regulatory asset". However, if the Commission determines that the BLRA rates will not continue, then, the construction costs would be impaired and charged to expense in the period that impairment is determined.

The Base Year Pro-forma Statements are the starting point for presenting each scenario. The statements are prepared based on the SCE&G FERC Form 1 regulatory filing for the year ended December 31, 2017. The 2017 statements are then rolled forward for the 4-year analysis period assuming no change in rates, operating expenses or other activity to arrive at the pro-forma balances as of the end of December 31, 2018, 2019, 2020 and 2021.

The Base Year Pro-forma Statements are then used to present the impact on the statements of the adjustments under Scenarios 1 – 8. Each scenario, thus has the same starting point prior to the adjustments.

We recognize that the change from year to year merely reflect the increase in equity due to providing normal service to existing customers. In reality, other assets and liabilities will also change but have not been adjusted to facilitate an easier comparison from year to year.

The Base Year Pro-forma Statements are presented in Table 2 – Executive Summary of the Eight Scenarios.

Each scenario is written to be analyzed individually, so some language may be repeated from scenario to scenario.

Summary of each scenario

The following is a high level summary of each scenario. A key ratio in financial analysis is the ratio of an organization's equity (retained earnings and stockholder equity) compared to its total assets. Bond rating agencies and potential investors use many ratios in analyzing financial statements, but this Equity to Total Asset Ratio is a key measure of the percentage of assets in which shareholders have a residual claim. The summary includes a ranking of each scenario on a scale of 1 to 8 using the following scale:

> 1 – this scenario has the greatest NEGATIVE impact on SCE&G's Equity to Total Asset Ratio
> 8 – this scenario has the least NEGATIVE impact on SCE&G's Equity to Total Asset Ratio

In the table below, we have also include a "ranking" column. This column is meant to provide the reader a relative comparison of the financial impact to SCE&G given the different scenarios. Rank #1 indicates the scenario with the highest negative impact to SCE&G while Ranking #8 is the scenario with the least negative impact. Some scenarios have the same financial impact, as well. In those situations, we have identified them as "Tied".

Table 2 – Executive Summary of the Eight Scenarios

#	Description	Summary	Lowest Equity/Assets Ratio	Ranking
1	Suspend annual collection of Revised Rates and do not credit ratepayers $2 billion of previously collected revenues	In this scenario, the BLRA Revised Rates are suspended for an undefined period. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the carrying costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, the V.C. Summer construction costs are now impaired under the accounting requirements of ASC 980. Impairments must be recorded as impairment expense in the income statement in the period it is	12%	**Tied 4**

#	Description	Summary	Lowest Equity/Assets Ratio	Ranking
		determined that the impairment exists. In this scenario, that occurs in Pro-forma 2018.		
2	Suspend annual collection of Revised Rates and credit ratepayers $2 billion of previously collected revenues over a four-year term	In this scenario, the BLRA Revised Rates are suspended for an undefined period. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the carrying costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, the V.C. Summer construction costs are now impaired under the accounting requirements of ASC 980. Impairments must be recorded as impairment expense in the income statement in the period it is determined that the impairment exists. In this scenario, that occurs in Pro-forma 2018. In addition, SCE&G must refund the nearly $2 billion in BLRA Revised Rates it collected from ratepayers from 2009 – 2017. This refund takes place over a 4-year period.	8%	**Tied 2**
3	Assuming no CWIP recovery and no credit to ratepayers of $2 billion of previously collected revenues	In this scenario, the BLRA Revised Rates are eliminated with no future possibility of CWIP recovery by SCE&G. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the carrying costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, the V.C. Summer construction costs are now impaired under the accounting requirements of ASC 980. Impairments must be recorded as impairment expense in the income statement in the period it is determined that the impairment exists. In this scenario, that occurs in Pro-forma 2018.	12%	**Tied 4**
4	Assuming no CWIP recovery and a credit to ratepayers of $2 billion of previously collected revenues over a four-year term	In this scenario, the BLRA Revised Rates are eliminated with no future possibility of CWIP recovery by SCE&G. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the carrying costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, the V.C. Summer construction costs are now impaired under the accounting requirements of ASC 980. Impairments must be recorded as impairment expense in the income statement in the period it is determined that the impairment exists. In this scenario, that occurs in Pro-forma 2018. In addition, SCE&G must refund the nearly $2 billion in BLRA Revised Rates it collected from ratepayers from 2009 – 2017. This refund takes place over a 4-year period.	8%	**Tied 2**
5	Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and no credit to ratepayers of $2 billion of previously collected revenues	This scenario is an analysis of what the impact would be on SCE&G in removing the BLRA rate increases one by one from the most recent to the oldest. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the carrying costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, as each BLRA rate increase is removed, a corresponding impairment of the V.C. Summer construction costs occurs.	13%	**6**

#	Description	Summary	Lowest Equity/Assets Ratio	Ranking
6	Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues	This scenario is an analysis of what the impact would be on SCE&G in removing the BLRA rate increases one by one from the most recent to the oldest. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the carrying costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, as each BLRA rate increase is removed, a corresponding impairment of the V.C. Summer construction costs occurs. The additional item of analysis in this scenario is to credit ratepayers $2 billion from previously collected BLRA revenues.	-1%	**1**
7	Assuming full recovery of CWIP and no credit to ratepayers of $2 billion of previously collected revenues	In this scenario, the BLRA Revised Rates continue at the 2017 level of approximately $37 million per month. By granting full recovery of CWIP in this scenario, the accounting rules under ASC 980 require that a regulatory asset be created and then amortized over a defined period. The asset will equal the CWIP recovery and be amortized over 39 years.	34%	**8**
8	Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues	In this scenario, the BLRA Revised Rates continue at the 2017 level of approximately $37 million per month. By granting full recovery of CWIP in this scenario, the accounting rules under ASC 980 require that a regulatory asset be created and then amortized over a defined period. The asset will equal the CWIP recovery and be amortized over 39 years. In addition, in this scenario SCE&G must refund the nearly $2 billion in BLRA Revised Rates it collected from ratepayers from 2009 – 2017. This refund takes place over a 4-year period.	30%	**7**

0.0 Base Year Pro-forma Statements

0.1 – Prepare the Base Year Pro-Forma Statements to be used in presenting each scenario

The Base Year Pro-forma Statements are the starting point for presenting each scenario. The statements are prepared based on the SCE&G FERC Form 1 regulatory filing for the year ended December 31, 2017. The 2017 statements are then rolled forward for the 4-year analysis period assuming no change in rates, operating expenses or other activity to arrive at the pro-forma balances as of the end of December 31, 2018, 2019, 2020 and 2021.

The Base Year Pro-forma Statements are then used to present the impact on the statements of the adjustments under Scenarios 1 – 8. Each scenario, thus has the same starting point prior to the adjustments.

We recognize that the change from year to year merely reflect the increase in equity due to providing normal service to existing customers. In reality, other assets and liabilities will also change but have not been adjusted to facilitate an easier comparison from year to year.

The Base Year Pro-forma Statements are presented in Table 3.

Table 3 – Base Year Pro-forma Statements

SCE&G
Docket No. 2017-305-E
Base Year Pro-forma Statements
Includes no potential adjustments related to Docket No. 2017-305-E

Pro-Forma Statement of Net Position

Line No.	FERC Form 1 Ref.		Actual December 31, 2017		Pro-Forma 2018 Income	Pro-Forma December 31, 2018		Pro-Forma 2019 Income	Pro-Forma December 31, 2019
		Assets:							
i	Page 110, Line 2	Utility plant in service	$ 11,454,000,000			$ 11,454,000,000			$ 11,454,000,000
ii	Page 110, Line 5	Accumulated depreciation	(4,394,000,000)			(4,394,000,000)			(4,394,000,000)
iii	Page 110, Line 2	Construction work in progress	346,000,000			346,000,000			346,000,000
iv	Page 110, Line 13	Nuclear fuel	208,000,000			208,000,000			208,000,000
1	Page 110, Line 14	Net Utility Plant *	7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	1,427,000,000	(a)	$ 1,177,000,000	2,604,000,000	(a)	$ 1,177,000,000	3,781,000,000
4	Page 111, Line 84	Deferred debits	7,098,000,000			7,098,000,000			7,098,000,000
5	Page 111, Line 85	**Total Assets**	**$ 16,348,000,000**		**$ 1,177,000,000**	**$ 17,525,000,000**		**$ 1,177,000,000**	**$ 18,702,000,000**
		Capitalization and Liabilities:							
6	Page 112, Line 16	Total Proprietary Capital ^	$ 4,839,000,000	(a)	$ 1,177,000,000	$ 6,016,000,000	(a)	$ 1,177,000,000	$ 7,193,000,000
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	9,768,000,000			10,945,000,000			12,122,000,000
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000
11	Page 112, Line 35	Non-current liabilities	770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 16,348,000,000**	†	**$ 1,177,000,000**	**$ 17,525,000,000**	†	**$ 1,177,000,000**	**$ 18,702,000,000**

SCE&G
Docket No. 2017-305-E
Base Year Pro-forma Statements
Includes no potential adjustments related to Docket No. 2017-305-E

Pro-Forma Statement of Net Position

Line No.	FERC Form 1 Ref.		Actual December 31, 2017		Pro-Forma 2020 Income	Pro-Forma December 31, 2020		Pro-Forma 2021 Income	Pro-Forma December 31, 2021
		Assets:							
i	Page 110, Line 2	Utility plant in service	$ 11,454,000,000			$ 11,454,000,000			$ 11,454,000,000
ii	Page 110, Line 5	Accumulated depreciation	(4,394,000,000)			(4,394,000,000)			(4,394,000,000)
iii	Page 110, Line 2	Construction work in progress	346,000,000			346,000,000			346,000,000
iv	Page 110, Line 13	Nuclear fuel	208,000,000			208,000,000			208,000,000
1	Page 110, Line 14	Net Utility Plant *	7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	1,427,000,000	(a)	$ 1,177,000,000	4,958,000,000	(a)	$ 1,177,000,000	6,135,000,000
4	Page 111, Line 84	Deferred debits	7,098,000,000			7,098,000,000			7,098,000,000
5	Page 111, Line 85	**Total Assets**	**$ 16,348,000,000**		**$ 1,177,000,000**	**$ 19,879,000,000**		**$ 1,177,000,000**	**$ 21,056,000,000**
		Capitalization and Liabilities:							
6	Page 112, Line 16	Total Proprietary Capital ^	$ 4,839,000,000	(a)	$ 1,177,000,000	$ 8,370,000,000	(a)	$ 1,177,000,000	$ 9,547,000,000
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	9,768,000,000			13,299,000,000			14,476,000,000
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000
11	Page 112, Line 35	Non-current liabilities	770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 16,348,000,000**	†	**$ 1,177,000,000**	**$ 19,879,000,000**	†	**$ 1,177,000,000**	**$ 21,056,000,000**

Pro-Forma Consolidated Statement of Comprehensive Income (Loss) ‡

Line No.	FERC Form 1 Ref.		Actual December 31, 2017	Current Year Income	Pro-Forma December 31, 2018	Current Year Income	Pro-Forma December 31, 2019
		Operating revenues:					
13	Page 114, line 2	Electric	$ 3,070,000,000		$ 3,070,000,000		$ 3,070,000,000
14	Page 114, line 2	Total Operating Revenues	3,070,000,000		3,070,000,000		3,070,000,000
		Operating expenses:					
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000		1,526,000,000		1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000		292,000,000		292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000		10,000,000		10,000,000
18		Impairment charge	-		-		-
19	Page 114, line 14	Taxes other than income taxes	240,000,000		240,000,000		240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)		(305,000,000)		(305,000,000)
21	Page 114, lines 17 - 19	Deferred Income taxes and other taxes	130,000,000		130,000,000		130,000,000
22		Total operating expenses	1,893,000,000		1,893,000,000		1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**		**$ 1,177,000,000**		**$ 1,177,000,000**

Assumptions used in application of this scenario:

* The base year assumes that cash flow for capital expenditure funding equals depreciation expense. Thus, total plant in service remains unchanged.

† Changes from year to year merely reflect the increase in equity due to providing normal service to existing customers. In reality, other assets and liabilities will also change but have not been adjusted to facilitate an easier comparison from year to year.

‡ Operating income - for purposes of analysis, all items below the operating income line are revenue neutral

Line No.		Actual December 31, 2017	Current Year Income	Pro-Forma December 31, 2018	Current Year Income	Pro-Forma December 31, 2019
	Pre-Tax Cash Flow					
24	Operating income/(loss)	$ 1,177,000,000		$ 1,177,000,000		$ 1,177,000,000
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000		$ 1,599,000,000		$ 1,599,000,000
26	Change in Cash Flow	-		-		-
	Pre-Tax Credit Metrics					
27	Long-term Debt to Total assets	30%		28%		26%
28	Equity to Total assets	30%		34%		38%
29	Debt to Total Capitalization (Debt + Equity)	50%		45%		41%

Adjustments:

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:

^ Total Proprietary Capital includes $100,000 for preferred stock

Pro-Forma Consolidated Statement of Comprehensive Income (Loss)

Line No.	FERC Form 1 Ref.		Actual December 31, 2017	Current Year Income	Pro-Forma December 31, 2020	Current Year Income	Pro-Forma December 31, 2021
		Operating revenues:					
13	Page 114, line 2	Electric	$ 3,070,000,000		$ 3,070,000,000		$ 3,070,000,000
14	Page 114, line 2	Total Operating Revenues	3,070,000,000		3,070,000,000		3,070,000,000
		Operating expenses:					
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000		1,526,000,000		1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000		292,000,000		292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000		10,000,000		10,000,000
18		Impairment charge	-		-		-
19	Page 114, line 14	Taxes other than income taxes	240,000,000		240,000,000		240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)		(305,000,000)		(305,000,000)
21	Page 114, lines 17 - 19	Deferred Income taxes and other taxes	130,000,000		130,000,000		130,000,000
22		Total operating expenses	1,893,000,000		1,893,000,000		1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**		**$ 1,177,000,000**		**$ 1,177,000,000**

Assumptions used in application of this scenario:

* The base year assumes that cash flow for capital expenditure funding equals depreciation expense. Thus, total plant in service remains unchanged.

† Changes from year to year merely reflect the increase in equity due to providing normal service to existing customers. In reality, other assets and liabilities will also change but have not been adjusted to facilitate an easier comparison from year to year.

‡ Operating income - for purposes of analysis, all items below the operating income line are revenue neutral

Line No.		Actual December 31, 2017	Current Year Income	Pro-Forma December 31, 2020	Current Year Income	Pro-Forma December 31, 2021
	Pre-Tax Cash Flow					
24	Operating income/(loss)	$ 1,177,000,000		$ 1,177,000,000		$ 1,177,000,000
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000		$ 1,599,000,000		$ 1,599,000,000
26	Change in Cash Flow	-		-		-
	Pre-Tax Credit Metrics					
27	Long-term Debt to Total assets	30%		25%		23%
28	Equity to Total assets	30%		42%		45%
29	Debt to Total Capitalization (Debt + Equity)	50%		37%		34%

Adjustments:

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:

^ Total Proprietary Capital includes $100,000 for preferred stock

1.0 Scenario 1

1.1 – Suspend annual collection of Revised Rates and do not credit ratepayers $2 billion of previously collected revenues

This scenario shows what the impact the following events would have on the Base Year Pro-forma Statements of SCE&G for the period of 2018 – 2021:

1. Suspend the annual collection of Revised Rates (the BLRA Revised Rates)
2. Do NOT credit ratepayers $2 billion from previously collected revenues over this four year period – meaning that no refunds occur

Executive summary – Scenario 1

In this scenario, the BLRA Revised Rates are suspended for an undefined period. For the purposes of our analysis, we have assumed that the BLRA rates cease for the entire period covered in this report. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the Carrying Costs of construction of V.C. Summer Units 2 & 3 and a Rate Of Return on the construction costs, the V.C. Summer construction costs are now impaired under the accounting requirements of ASC 980. Impairments must be recorded as Impairment Expense in the income statement in the period it is determined that the impairment exists. In this scenario, that occurs in Pro-forma 2018.

The Commission order did not specify when BLRA Revised Rates might be reinstated, so we have not modeled the resumption of rates or perform an analysis of the impact on SCE&G's financial benchmarks of resumed rates. Without a date certain of reinstatement of the BLRA Revised Rates, the accounting standard ASC 980 requires that the V.C. Summer construction costs should be impaired. If the rates are reinstated, then a new regulatory asset would be created and valued at the present value of future cash flows of the amounts included in customer rates as ordered by the Commission. The impacts on SCE&G's key financial ratios from Scenario 1 are as follows:

Table 4 – Executive Summary – Scenario 1

Ratio	Pro-forma 2018 before adjustments	Pro-forma 2018	Pro-forma 2019	Pro-forma 2020	Pro-forma 2021
Long-term debt/ Total assets	28%	38%	36%	34%	32%
Equity/ Total assets	34%	12%	17%	21%	25%
Long-term debt/ Total Capitalization (Debt+Equity)	45%	76%	68%	62%	57%

The financial ratios reach their lowest point in the year the asset is impaired (Pro-forma 2018) and then improve after that over the 4-year period of analysis.

1.2 – Procedures

Baker Tilly performed the following procedures to evaluate this scenario.

1. Used the FERC Form 1 financial information for SCE&G as of and for the year ended December 31, 2017.
2. Determined the adjustments needed to the Base Year Pro-forma Statements for these items:
    a. Suspension of the BLRA Revised Rates
    b. Cumulative impact of the suspension of the BLRA Revised Rates
    c. Impairment of the V.C. Summer Units 2 & 3 construction costs

Financial impacts

The following table shows the financial impact of this scenario.

Table 5 – Scenario 1 – Suspend annual collection of Revised Rates and do not credit ratepayers $2 billion of previously collected revenues

SCE&G
Docket No. 2017-305-E
Scenario 1 - Suspend annual collection of revised rates and do NOT credit ratepayers $2 billion of previously collected revenues over a four-year term

Line No.	FERC Form 1 Ref.	*Pro-Forma Balance Sheet*	Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (445,000,791)	2,158,999,209	3,781,000,000	(b)	$ (890,001,582)	2,890,998,418
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)			(c)	$ (3,976,000,000)	
						3,122,000,000	7,098,000,000			3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (4,421,000,791)**	**$ 13,103,999,209**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(a) (c)	(445,000,791) $ (3,976,000,000)	$ 1,594,999,209	$ 7,193,000,000	(b) (c)	$ (890,001,582) $ (3,976,000,000)	$ 2,326,998,418
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			6,523,999,209	12,122,000,000			7,255,998,418
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (4,421,000,791)**	**$ 13,103,999,209**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**

SCE&G
Docket No. 2017-305-E
Scenario 1 - Suspend annual collection of revised rates and do NOT credit rate collected revenues over a four-year term

Line No.	FERC Form 1 Ref.	*Pro-Forma Balance Sheet*	Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(b)	$ (1,335,002,373)	3,622,997,627	6,135,000,000	(b)	$ (1,780,003,164)	4,354,996,836
4	Page 111, Line 84	Deferred debits		(c)	$ (3,976,000,000)			(c)	$ (3,976,000,000)	
			7,098,000,000			3,122,000,000	7,098,000,000			3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (5,311,002,373)**	**$ 14,567,997,627**	**$ 21,056,000,000**		**$ (5,756,003,164)**	**$ 15,299,996,836**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b) (c)	$ (1,335,002,373) $ (3,976,000,000)	$ 3,058,997,627	$ 9,547,000,000	(b) (c)	$ (1,780,003,164) $ (3,976,000,000)	$ 3,790,996,836
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			7,987,997,627	14,476,000,000			8,719,996,836
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (5,311,002,373)**	**$ 14,567,997,627**	**$ 21,056,000,000**		**$ (5,756,003,164)**	**$ 15,299,996,836**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,624,999,209	3,070,000,000			2,624,999,209
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 3,976,000,000	3,976,000,000	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,869,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,244,000,791)**	**$ 1,177,000,000**			**$ 731,999,209**
		Assumptions used in application of this scenario:								
		(a) Suspension of BLRA revised rates			$ 445,000,791				$ 445,000,791	
		(b) Cumulative impact of suspension of BLRA revised rates			$ 445,000,791				$ 890,001,582	
		(c) Impairment of the V.C. Summer Units 2 & 3 construction costs			$ 3,976,000,000				$ 3,976,000,000	
		Pre-Tax Cash Flow								
24		Operating income/(loss)	$ 1,177,000,000			$ (3,244,000,791)	$ 1,177,000,000			$ 731,999,209
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000			$ 1,153,999,209	$ 1,599,000,000			$ 1,153,999,209
26		Change in Cash Flow				$ (445,000,791)				$ (445,000,791)
		Pre-Tax Credit Metrics								
27		Long term debt to Total assets	28%			38%	26%			36%
28		Equity to Total assets	34%			12%	38%			17%
29		Debt to total capitalization (debt + equity)	45%			76%	41%			68%

Adjustments

Total collections from customers under BLRA	NA
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,624,999,209	3,070,000,000			2,624,999,209
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,893,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 731,999,209**	**$ 1,177,000,000**			**$ 731,999,209**
		Assumptions used in application of this scenario:								
		(a) Suspension of BLRA revised rates			$ 445,000,791				$ 445,000,791	
		(b) Cumulative impact of suspension of BLRA revised rates			$ 1,335,002,373				$ 1,780,003,164	
		(c) Impairment of the V.C. Summer Units 2 & 3 construction costs			$ 3,976,000,000				$ 3,976,000,000	
		Pre-Tax Cash Flow								
24		Operating income/(loss)	$ 1,177,000,000			$ 731,999,209	$ 1,177,000,000			$ 731,999,209
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000			$ 1,153,999,209	$ 1,599,000,000			$ 1,153,999,209
26		Change in Cash Flow				$ (445,000,791)				$ (445,000,791)
		Pre-Tax Credit Metrics								
27		Long term debt to Total assets	25%			34%	23%			32%
28		Equity to Total assets	42%			21%	45%			25%
29		Debt to total capitalization (debt + equity)	37%			62%	34%			57%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:

^ Total Proprietary Capital includes $100,000 for preferred stock

1.3 – Discussion

Under this scenario, the Revised Rates authorized under the BLRA are suspended over the four-year analysis period. Suspending the Revised Rates also suspends the recovery of any cost recovery and return on investment that SCE&G can expect on the V.C. Summer Units 2 & 3 construction costs that are recorded as a deferred debit. Thus, under ASC 980-360-35-3, an evaluation would be made of the potential of future cash flows through rates that would allow SCE&G to recover its costs and a return. The standard states, "that determination shall focus on the facts and circumstances related to the specific abandonment and shall also consider the past practice and current policies of the applicable regulatory jurisdiction on abandonment situations."

Under Scenario 1, the Revised Rates are "suspended". If it is determined that they may resume at a future date, then under ASC 980-360-35-3, SCE&G may record a separate asset for the expected cost recovery. The language of ASC 980-360-35-3 states *"**The present value of the future revenues expected to be provided to recover the allowable cost of that abandoned plant and return on investment, if any, shall be reported as a separate new asset.** Any excess of the remainder of the cost of the abandoned plant over that present value also shall be recognized as a loss. The discount rate used to compute the present value shall be the entity's incremental borrowing rate, that is, the rate that the entity would have to pay to borrow an equivalent amount for a period equal to the expected recovery period."*

In Scenario 1, the rates are suspended and it is not indicated whether they will be resumed. Since there is no certainty of resumption, then under ASC 980-360-35-3, the accounting approach would be to impair the deferred debit where the construction costs were originally recorded and record a "loss on impairment" by reducing the deferred debit to zero.

Under ASC 360 – *Property, Plant and Equipment*, an impairment, once taken cannot be reversed. However, the Commission has the authority to create a recoverable asset in the future by restoring the Revised Rates under the BLRA. If that were to happen, then, under ASC 980-360-35-3, SCE&G would record a separate new regulatory asset calculated as the present value of the future revenues expected to be provided to recover the allowable cost of the abandoned plant and return on investment, if any, using its incremental borrowing rate.

1.4 – Adjustments made to Base Year Pro-forma Financial Statements

The following adjustments were made to the Base Year Pro-Forma Financial Statements under Scenario 1:

Pro-forma 2018

a. *Suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables*

Account	Debit	Credit
Operating revenue	445,000,791	
Current and accrued assets		445,000,791

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment expense in the current period. This will result in an increase in operating expenses and also result in a reduction in Retained Earnings in the same calendar year.*

Account	Debit	Credit
Impairment expense	3,976,000,000	
Deferred debits		3,976,000,000

Pro-forma 2019 *– this also incorporates the 2018 adjustments*

b. *Cumulative impact of the suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reduction in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	445,000,791	
Operating revenue	445,000,791	
Current and accrued assets		890,001,582

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

Pro-forma 2020*– this also incorporates the 2018 and 2019 adjustments*

b. *Cumulative impact of the suspension of the BLRA Revised Rates rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reductions in Pro-forma 2018 and 2019.*

Account	Debit	Credit
Retained earnings	890,001,582	
Operating revenue	445,000,791	
Current and accrued assets		1,335,002,373

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

Pro-forma 2021– *this also incorporates the 2018, 2019 and 2020 adjustments*

b. Cumulative impact of the suspension of the BLRA Revised Rates rates - Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reductions in Pro-forma 2018, 2019 and 2020.

Account	Debit	Credit
Retained earnings	1,335,002,373	
Operating revenue	445,000,791	
Current and accrued assets		1,780,003,164

c. Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

2.0 Scenario 2

2.1 – Suspend annual collection of Revised Rates and credit ratepayers $2 billion of previously collected revenues over a four-year term

This scenario shows what the impact the following events would have on the Base Year Pro-forma Statements of SCE&G for the period of 2018 – 2021:

1. Suspend the annual collection of Revised Rates (the BLRA Revised Rates)
2. Credit ratepayers $2 billion from previously collected revenues over this four year period

Executive summary – Scenario 2

In this scenario, the BLRA Revised Rates are suspended for an undefined period. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the Carrying Costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, the V.C. Summer construction costs are now impaired under the accounting requirements of ASC 980. Impairments must be recorded as Impairment Expense in the income statement in the period it is determined that impairment exists. In this scenario, that occurs in Pro-forma 2018. In addition, SCE&G must refund the nearly $2 billion in BLRA Revised Rates it collected from ratepayers from 2009 – 2017. Per the Commission order, this refund takes place over a 4-year period.

The Commission order did not specify when BLRA Revised Rates might be reinstated, so we did not model the resumption of rates or perform an analysis of the impact on SCE&G's financial benchmarks of resumed rates. Without a date certain of reinstatement of the BLRA Revised Rates, the accounting standard ASC 980 requires that the V.C. Summer construction costs should be impaired. If the rates are reinstated, then a new regulatory asset would be created and valued at the present value of future cash flows of the amounts included in customer rates as ordered by the Commission.

This scenario has the largest negative impact upon SCE&G in terms of financial ratios and pre-tax cash flow. The impacts on SCE&G's key financial ratios from Scenario 2 are as follows:

Table 6 – Executive Summary – Scenario 2

Ratio	Pro-forma 2018 before adjustments	Pro-forma 2018	Pro-forma 2019	Pro-forma 2020	Pro-forma 2021
Long-term debt/ Total assets	28%	34%	36%	36%	37%
Equity/ Total assets	34%	8%	10%	12%	14%
Long-term debt/ Total Capitalization (Debt+Equity)	45%	81%	78%	75%	72%

The financial ratios reach their lowest point in the year the asset is impaired (Pro-forma 2018) and then improve after that over the 4-year period of analysis.

2. 2 – Procedures

Baker Tilly performed the following procedures to evaluate this scenario.

1. Used the FERC Form 1 financial information for SCE&G as of and for the year ended December 31, 2017.
2. Determined the adjustments needed to the Base Year Pro-forma Statements for these items:
    a. Suspension of the BLRA Revised Rates
    b. Cumulative impact of the suspension of the BLRA Revised Rates
    c. Impairment of the V.C. Summer Units 2 & 3 construction costs
    d. Record the regulatory asset and liability for the refund of total collections from customers under the BLRA over 4 years
    e. Cumulative amortization of the refund of total collections from customers under the BLRA
    f. Annual impact of the refund of previous BLRA collections
    g. Cumulative impact of the refund of previous BLRA collections

Financial impacts

The following table shows the financial impact of this scenario.

Table 7 – Scenario 2 – Suspend annual collection of Revised Rates and credit ratepayers $2 billion of previously collected revenues over a four-year team

South Carolina Electric & Gas Company
Docket No. 2017-305-E
Scenario 2 - Suspend annual collection of revised rates and credit ratepayers $2 billion of previously collected revenues over a four-year term

Line No.	FERC Form 1 Ref.	*Pro-Forma Balance Sheet*	Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a) (g)	$ (445,000,791) $ (471,434,888)	1,687,564,321	3,781,000,000	(b) (g)	$ (890,001,582) $ (942,869,777)	1,948,128,642
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (471,434,888)	4,536,304,665	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (942,869,777)	4,064,869,777
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (3,478,131,015)**	**$ 14,046,868,986**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(a) (c) (g)	(445,000,791) $ (3,976,000,000) $ (471,434,888)	$ 1,123,564,321	$ 7,193,000,000	(b) (c) (g)	$ (890,001,582) $ (3,976,000,000) $ (942,869,777)	$ 1,384,128,642
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			6,052,564,321	12,122,000,000			6,313,128,642
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (471,434,888)	6,194,304,665	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (942,869,777)	5,722,869,777
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (3,478,131,015)**	**$ 14,046,868,986**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**

South Carolina Electric & Gas Company
Docket No. 2017-305-E
Scenario 2 - Suspend annual collection of revised rates and credit ratepayers $2 billion of previously collected revenues over a four-year term

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(b) (g)	$ (1,335,002,373) $ (1,414,304,665)	2,208,692,962	6,135,000,000	(b) (g)	$ (1,780,003,164) $ (1,885,739,553)	2,469,257,283
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (1,414,304,665)	3,593,434,888	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (1,885,739,553)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (6,253,872,150)**	**$ 13,625,127,851**	**$ 21,056,000,000**		**$ (7,641,742,717)**	**$ 13,414,257,283**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b) (c) (g)	$ (1,335,002,373) $ (3,976,000,000) $ (1,414,304,665)	$ 1,644,692,962	$ 9,547,000,000	(b) (c) (g)	$ (1,780,003,164) $ (3,976,000,000) $ (1,885,739,553)	$ 1,905,257,283
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			6,573,692,962	14,476,000,000			6,834,257,283
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (1,414,304,665)	5,251,434,888	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (1,885,739,553)	4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (6,253,872,150)**	**$ 13,625,127,851**	**$ 21,056,000,000**		**$ (7,641,742,717)**	**$ 13,414,257,283**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
				(f)	$ (471,434,888)			(f)	$ (471,434,888)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,153,564,321	3,070,000,000			2,153,564,321
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 3,976,000,000	3,976,000,000	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,869,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,715,435,679)**	**$ 1,177,000,000**			**$ 260,564,321**
		Assumptions used in application of this scenario:								
		(a) Suspension of BLRA revised rates			$ 445,000,791				$ 445,000,791	
		(b) Cumulative impact of suspension of BLRA revised rates			$ 445,000,791				$ 890,001,582	
		(c) Impairment of the V.C. Summer Units 2 & 3 construction costs			$ 3,976,000,000				$ 3,976,000,000	
		(d) Record the regulatory asset and liability for the refund of total collections from customers under BLRA over 4 years			$ 1,885,739,553				$ 1,885,739,553	
		(e) Cumulative amortization of refund of total collections from customers under BLRA			$ 471,434,888				$ 942,869,777	
		(f) Annual impact of refund of previous BLRA collections			$ 471,434,888				$ 471,434,888	
		(g) Cumulative impact of refund of previous BLRA collections			$ 471,434,888				$ 942,869,777	
		Pre-Tax Cash Flow								
24		Operating income/(loss)	$ 1,177,000,000			$ (3,715,435,679)	$ 1,177,000,000			$ 260,564,321
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000			$ 682,564,321	$ 1,599,000,000			$ 682,564,321
26		Change in Cash Flow				$ (916,435,679)				$ (916,435,679)
		Pre-Tax Credit Metrics								
27		Long term debt to Total assets	28%			35%	26%			36%
28		Equity to Total assets	34%			8%	38%			10%
29		Debt to total capitalization (debt + equity)	45%			81%	41%			78%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
				(f)	$ (471,434,888)			(f)	$ (471,434,888)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,153,564,321	3,070,000,000			2,153,564,321
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,893,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 260,564,321**	**$ 1,177,000,000**			**$ 260,564,321**
		Assumptions used in application of this scenario:								
		(a) Suspension of BLRA revised rates			$ 445,000,791				$ 445,000,791	
		(b) Cumulative impact of suspension of BLRA revised rates			$ 1,335,002,373				$ 1,780,003,164	
		(c) Impairment of the V.C. Summer Units 2 & 3 construction costs			$ 3,976,000,000				$ 3,976,000,000	
		(d) Record the regulatory asset and liability for the refund of total collections from customers under BLRA over 4 years			$ 1,885,739,553				$ 1,885,739,553	
		(e) Cumulative amortization of refund of total collections from customers under BLRA			$ 1,414,304,665				$ 1,885,739,553	
		(f) Annual impact of refund of previous BLRA collections			$ 471,434,888				$ 471,434,888	
		(g) Cumulative impact of refund of previous BLRA collections			$ 1,414,304,665				$ 1,885,739,553	
		Pre-Tax Cash Flow								
24		Operating income/(loss)	$ 1,177,000,000			$ 260,564,321	$ 1,177,000,000			$ 260,564,321
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000			$ 682,564,321	$ 1,599,000,000			$ 682,564,321
26		Change in Cash Flow				$ (916,435,679)				$ (916,435,679)
		Pre-Tax Credit Metrics								
27		Long term debt to Total assets	25%			36%	23%			37%
28		Equity to Total assets	42%			12%	45%			14%
29		Debt to total capitalization (debt + equity)	37%			75%	34%			72%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

2.3 – Discussion

Scenario 2 is the same as Scenario 1, with the addition of refunding prior collected BLRA Revised Rates from customers. Under Scenario 2, the Revised Rates authorized under the BLRA are suspended over the four-year analysis period. Thus, under ASC 980-360-35-3, an evaluation would be made of the potential of future cash flows through rates that would allow SCE&G to recover its costs and a return. The standard states, "that determination shall focus on the facts and circumstances related to the specific abandonment and shall also consider the past practice and current policies of the applicable regulatory jurisdiction on abandonment situations."

The Commission has the authority to approve creation of a recoverable asset in the future by restoring the Revised Rates under the BLRA. If that were to occur, then, under ASC 980-360-35-3, SCE&G would record a separate new asset calculated as the present value of the future revenues expected to be provided to recover the allowable cost of the abandoned plant and return on investment, if any, using its incremental borrowing rate.

In Scenario 2, the rates are suspended and it is not indicated whether they will be resumed. Since there is no certainty of resumption, under ASC 980-360-35-3, the accounting approach is to "Impair" the deferred debit where the construction costs are recorded and record a loss on impairment as a direct charge to expense in the current reporting period

The amount to be refunded over four years is $1.886 billion. The treatment of refunds falls under the guidance of ASC 980-405-25-1 –

> "Rate actions of a regulator can impose a liability on a regulated entity. Such liabilities are usually obligations to the entity's customers. The following are the usual ways in which liabilities can be imposed and the resulting accounting:
>
> a. A regulator may require refunds to customers. FAS 071, paragraph11 states Refunds can be paid to the customers who paid the amounts being refunded; however, they are usually provided to current customers by reducing current charges. FAS 071, paragraph 11 Refunds that meet the criteria of accrual of loss contingencies (per paragraph **450-20-25-2**) shall be recorded as liabilities and as reductions of revenue or as expenses of the regulated entity."

Since the total amount of $1.886 billion is to be refunded to customers over four years, proper matching would support that over four years each year's revenues should be reduced by $1.886 billion divided by 4 years equals $471 million annually. For purposes of analysis the annual pro-forma statement does not show a liability for the $471 million, rather it is assumed the refund flows through the annual rate-making process and impacts each individual year.

2. 4 – Adjustments made to Base Year Pro-forma Financial Statements

The following adjustments were made to the Base Year Pro-Forma Financial Statements under Scenario 2:

Pro-forma 2018

a. *Suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables*

Account	Debit	Credit
Operating revenue	445,000,791	
Current and accrued assets		445,000,791

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment expense in the current period. This will result in an increase in operating expenses and also result in a reduction in Retained Earnings in the same calendar year.*

Account	Debit	Credit
Impairment expense	3,976,000,000	
Deferred debits		3,976,000,000

d. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

e. *Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	471,434,888	
Deferred debits – Regulatory asset		471,434,888

g. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Current and accrued assets		471,434,888

Pro-forma 2019 *– this also incorporates the 2018 adjustments*

a. *Cumulative impact of suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reduction in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	445,000,791	
Operating revenue	445,000,791	
Current and accrued assets		890,001,582

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

d. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

e. *Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	942,869,777	
Deferred debits – Regulatory asset		942,869,777

f/g. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	471,434,888	
Current and accrued assets		942,869,777

Pro-forma 2020– *this also incorporates the 2018 and 2019 adjustments*

b. *Cumulative impact of suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reductions in Pro-forma 2018 and 2019.*

Account	Debit	Credit
Retained earnings	890,001,582	
Operating revenue	445,000,791	
Current and accrued assets		1,335,002,373

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

d. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

e. *Cumulative amortization of refund of total collections from customers under the BLRA - this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	1,414,304,665	
Deferred debits – Regulatory asset		1,414,304,665

f/g. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	942,869,777	
Current and accrued assets		1,414,304,665

Pro-forma 2021– *this also incorporates the 2018, 2019 and 2020 adjustments*

b. Cumulative impact of suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reductions in Pro-forma 2018, 2019 and 2020.

Account	Debit	Credit
Retained earnings	1,335,002,373	
Operating revenue	445,000,791	
Current and accrued assets		1,780,003,164

c. Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment expense in the current period. This will result in an increase in operating expenses and also result in a reduction in Retained Earnings in the same calendar year.

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

d. Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.

Account	Debit	Credit
Deferred debits	1,885,739,553	
Deferred credits		1,885,739,553

e. Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.

Account	Debit	Credit
Deferred credits	1,885,739,553	
Deferred debits		1,885,739,553

g. Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	1,414,304,665	
Current and accrued assets		1,885,739,553

3.0 Scenario 3

3.1 – Assuming no CWIP recovery and no credit to ratepayers of $2 billion of previously collected revenues

This scenario shows what the impact the following events would have on the Base Year Pro-forma Statements of SCE&G for the period of 2018 – 2021:

1. No CWIP recovery – which means that a return on CWIP will not be collected from ratepayers
2. Do NOT credit ratepayers $2 billion from previously collected revenues – meaning that no refunds occur

Executive summary – Scenario 3

In this scenario, the BLRA Revised Rates are eliminated with no future possibility of CWIP recovery by SCE&G. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the Carrying Costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, the V.C. Summer construction costs are now impaired under the accounting requirements of ASC 980. Impairments must be recorded as Impairment Expense in the income statement in the period it is determined that the impairment exists. In this scenario, that occurs in Pro-forma 2018.

This scenario is essentially the same result as Scenario 1. The reason for this is:

1. CWIP recovery cannot actually occur since no CWIP exists for this project at SCE&G anymore. The construction project has been terminated; therefore, CWIP has been reclassified as a deferred debit pending regulatory approval to either:
   a. Reclassify costs as a regulatory asset if full or partial recovery is allowed by the regulator
   b. Not obtain any regulatory rate recovery and therefore all deferred debit costs will be reflected as an expense in the currently active reporting period.

So, for analysis purposes, it is reasonable to assume that Scenario 3 equals Scenario 1.

The impacts on SCE&G's key financial ratios from Scenario 3 are as follows:

Table 8 – Executive Summary – Scenario 3

Ratio	Pro-forma 2018 before adjustments	Pro-forma 2018	Pro-forma 2019	Pro-forma 2020	Pro-forma 2021
Long-term debt/ Total assets	28%	38%	36%	34%	32%
Equity/ Total assets	34%	12%	17%	21%	25%
Long-term debt/ Total Capitalization (Debt+Equity)	45%	76%	68%	62%	57%

The financial ratios reach their lowest point in the year the asset is impaired (Pro-forma 2018) and then improve after that over the 4-year period of analysis.

In our analysis of Scenario 3 we conclude that the adjustments made to the Base Year are the same as in Scenario 1.

3. 2 – Procedures

Baker Tilly performed the following procedures to evaluate this scenario.

1. Used the FERC Form 1 financial information for SCE&G as of and for the year ended December 31, 2017.
2. Determined the adjustments needed to the Base Year Pro-forma Statements for these items:
    a. Elimination of the BLRA Revised Rates
    b. Cumulative impact of the elimination of the BLRA Revised Rates
    c. Impairment of the V.C. Summer Units 2 & 3 construction costs

Financial impacts

The following table shows the financial impact of this scenario.

Table 9 – Scenario 3 – Assuming no CWIP recovery and no credit to ratepayers of $2 billion of previously collected revenues

SCE&G
Docket No. 2017-305-E
Scenario 3 - Assuming no CWIP recovery and NO credit to ratepayers of previously collected revenues

Line No.	FERC Form 1 Ref.	*Pro-Forma Balance Sheet*	Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (445,000,791)	2,158,999,209	3,781,000,000	(b)	$ (890,001,582)	2,890,998,418
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (4,421,000,791)**	**$ 13,103,999,209**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(a) (c)	(445,000,791) $ (3,976,000,000)	$ 1,594,999,209	$ 7,193,000,000	(b) (c)	$ (890,001,582) $ (3,976,000,000)	$ 2,326,998,418
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			6,523,999,209	12,122,000,000			7,255,998,418
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (4,421,000,791)**	**$ 13,103,999,209**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**

SCE&G
Docket No. 2017-305-E
Scenario 3 - Assuming no CWIP recovery and NO credit to ratepayers of previously collected revenues

Line No.	FERC Form 1 Ref.	*Pro-Forma Balance Sheet*	Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(b)	$ (1,335,002,373)	3,622,997,627	6,135,000,000	(b)	$ (1,780,003,164)	4,354,996,836
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (5,311,002,373)**	**$ 14,567,997,627**	**$ 21,056,000,000**		**$ (5,756,003,164)**	**$ 15,299,996,836**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b) (c)	$ (1,335,002,373) $ (3,976,000,000)	$ 3,058,997,627	$ 9,547,000,000	(b) (c)	$ (1,780,003,164) $ (3,976,000,000)	$ 3,790,996,836
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			7,987,997,627	14,476,000,000			8,719,996,836
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (5,311,002,373)**	**$ 14,567,997,627**	**$ 21,056,000,000**		**$ (5,756,003,164)**	**$ 15,299,996,836**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,624,999,209	3,070,000,000			2,624,999,209
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 3,976,000,000	3,976,000,000	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,869,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,244,000,791)**	**$ 1,177,000,000**			**$ 731,999,209**
		Assumptions used in application of this scenario:								
		(a) Elimination of BLRA revised rates			$ 445,000,791				$ 445,000,791	
		(b) Cumulative impact of elimination of BLRA revised rates			$ 445,000,791				$ 890,001,582	
		(c) Impairment of the V.C. Summer Units 2 & 3 construction costs			$ 3,976,000,000				$ 3,976,000,000	
		Pre-Tax Cash Flow								
24		Operating income/(loss)	$ 1,177,000,000			$ (3,244,000,791)	$ 1,177,000,000			$ 731,999,209
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000			$ 1,153,999,209	$ 1,599,000,000			$ 1,153,999,209
26		Change in Cash Flow				$ (445,000,791)				$ (445,000,791)
		Pre-Tax Credit Metrics								
27		Long term debt to Total assets	28%			38%	26%			36%
28		Equity to Total assets	34%			12%	38%			17%
29		Debt to total capitalization (debt + equity)	45%			76%	41%			68%
		Adjustments								
		Total collections from customers under BLRA	NA							
		Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000							
		Annual BLRA revised rates	$ 445,000,791							

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,624,999,209	3,070,000,000			2,624,999,209
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,893,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 731,999,209**	**$ 1,177,000,000**			**$ 731,999,209**

Assumptions used in application of this scenario:

	Year 3	Year 4
(a) Elimination of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of elimination of BLRA revised rates	$ 1,335,002,373	$ 1,780,003,164
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000

Line No.		Pro-Forma December 31, 2020	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021	Pro-Forma December 31, 2021
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 731,999,209	$ 1,177,000,000	$ 731,999,209
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,153,999,209	$ 1,599,000,000	$ 1,153,999,209
26	Change in Cash Flow		$ (445,000,791)		$ (445,000,791)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	25%	34%	23%	32%
28	Equity to Total assets	42%	21%	45%	25%
29	Debt to total capitalization (debt + equity)	37%	62%	34%	57%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

3.3 – Discussion

We have interpreted the criteria in Scenario 3 of "No CWIP recovery" to mean the discontinuation of the Revised Rates, since the basis of the Revised Rates is CWIP recovery. Therefore, Scenario 3 is the same as Scenario 1, with the exception of there being no possibility of a resumption of the Revised Rates.

Under this scenario, the Revised Rates authorized under the BLRA are discontinued. Discontinuing the Revised Rates also discontinues the recovery of any return on investment that SCE&G can expect on the V.C. Summer Units 2 & 3 construction costs that are recorded as a deferred debit. Thus, under ASC 980-360-35-3, an evaluation would be made of the potential of future cash flows through rates that would allow SCE&G to recover its costs and a return. The standard states, "that determination shall focus on the facts and circumstances related to the specific abandonment and shall also consider the past practice and current policies of the applicable regulatory jurisdiction on abandonment situations." In this scenario, the rates will not be resumed.

As a result, under ASC 980-360-35-3 the construction costs are considered impaired and should be recognized as an impairment loss.

3. 4 – Adjustments made to Base Year Pro-forma Financial Statements

The following adjustments were made to the Base Year Pro-Forma Financial Statements under Scenario 3:

Pro-forma 2018

a. *Suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables*

Account	Debit	Credit
Operating revenue	445,000,791	
Current and accrued assets		445,000,791

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment expense in the current period. This will result in an increase in operating expenses and also result in a reduction in Retained Earnings in the same calendar year.*

Account	Debit	Credit
Impairment expense	3,976,000,000	
Deferred debits		3,976,000,000

Pro-forma 2019 *– this also incorporates the 2018 adjustments*

b. *Cumulative impact of the suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reduction in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	445,000,791	
Operating revenue	445,000,791	
Current and accrued assets		890,001,582

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

Pro-forma 2020– *this also incorporates the 2018 and 2019 adjustments*

b. *Cumulative impact of the suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reductions in Pro-forma 2018 and 2019.*

Account	Debit	Credit
Retained earnings	890,001,582	
Operating revenue	445,000,791	
Current and accrued assets		1,335,002,373

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

Pro-forma 2021– *this also incorporates the 2018, 2019 and 2020 adjustments*

b. *Cumulative impact of the suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reductions in Pro-forma 2018, 2019 and 2020.*

Account	Debit	Credit
Retained earnings	1,335,002,373	
Operating revenue	445,000,791	
Current and accrued assets		1,780,003,164

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

4.0 Scenario 4

4.1 – Assuming no CWIP recovery and a credit to ratepayers of $2 billion of previously collected revenues over a four-year term

This scenario shows what the impact the following events would have on the Base Year Pro-forma Statements of SCE&G for the period of 2018 – 2021:

1. No CWIP recovery – which means that a return on CWIP will not be collected from ratepayers
2. Credit ratepayers $2 billion from previously collected revenues over a four-year term

Executive summary – Scenario 4

In this scenario, the BLRA Revised Rates are eliminated with no future possibility of CWIP recovery by SCE&G. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the Carrying Costs of construction of V.C. Summer Units 2 & 3 and a Rate of Return on the construction costs, the V.C. Summer construction costs are now impaired under the accounting requirements of ASC 980. Impairments must be recorded as Impairment Expense in the income statement in the period it is determined that the impairment exists. In this scenario, that occurs in Pro-forma 2018. In addition, SCE&G must refund the nearly $2 billion in BLRA Revised Rates it collected from ratepayers from 2009 – 2017. This refund takes place over a 4-year period.

The impacts on SCE&G's key financial ratios from Scenario 4 are as follows:

Table 10 – Executive Summary – Scenario 4

Ratio	Pro-forma 2018 before adjustments	Pro-forma 2018	Pro-forma 2019	Pro-forma 2020	Pro-forma 2021
Long-term debt/ Total assets	28%	34%	36%	36%	37%
Equity/ Total assets	34%	8%	10%	12%	14%
Long-term debt/ Total Capitalization (Debt+Equity)	45%	81%	78%	75%	72%

The financial ratios reach their lowest point in the year the asset is impaired (Pro-forma 2018) and then improve after that over the 4-year period of analysis.

In our analysis of Scenario 4 we conclude that the adjustments made to the Base Year are the same as in Scenario 2.

4. 2 – Procedures

Baker Tilly performed the following procedures to evaluate this scenario.

1. Used the FERC Form 1 financial information for SCE&G as of and for the year ended December 31, 2017.

2. Determined the adjustments needed to the Base Year Pro-forma Statements for these items:
    a. Elimination of the BLRA Revised Rates
    b. Cumulative impact of the elimination of the BLRA Revised Rates
    c. Impairment of the V.C. Summer Units 2 & 3 construction costs
    d. Record the regulatory asset and liability for the refund of total collections from customers under the BLRA over 4 years
    e. Cumulative amortization of the refund of total collections from customers under the BLRA
    f. Annual impact of the refund of previous BLRA collections
    g. Cumulative impact of the refund of previous BLRA collections

Financial Impacts

The following table shows the financial impact of this scenario.

Table 11 – Scenario 4 – Assuming no CWIP recovery and a credit to ratepayers of $2 billion of previously collected revenues

SCE&G
Docket No. 2017-305-E
Scenario 4 - Assuming no CWIP recovery and a credit to ratepayers of previously collected revenues

Line No.	FERC Form 1 Ref.	*Pro-Forma Balance Sheet*	Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a) (g)	$ (445,000,791) $ (471,434,888)	1,687,564,321	3,781,000,000	(b) (g)	$ (890,001,582) $ (942,869,777)	1,948,128,642
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (471,434,888)	4,536,304,665	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (942,869,777)	4,064,869,777
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (3,478,131,015)**	**$ 14,046,868,986**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(a) (c) (g)	(445,000,791) $ (3,976,000,000) $ (471,434,888)	$ 1,123,564,321	$ 7,193,000,000	(b) (c) (g)	$ (890,001,582) $ (3,976,000,000) $ (942,869,777)	$ 1,384,128,642
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			6,052,564,321	12,122,000,000			6,313,128,642
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (471,434,888)	6,194,304,665	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (942,869,777)	5,722,869,777
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (3,478,131,015)**	**$ 14,046,868,986**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**

SCE&G
Docket No. 2017-305-E
Scenario 4 - Assuming no CWIP recovery and a credit to ratepayers of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(b) (g)	$ (1,335,002,373) $ (1,414,304,665)	2,208,692,962	6,135,000,000	(b) (g)	$ (1,780,003,164) $ (1,885,739,553)	2,469,257,283
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (1,414,304,665)	3,593,434,888	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (1,885,739,553)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (6,253,872,150)**	**$ 13,625,127,851**	**$ 21,056,000,000**		**$ (7,641,742,717)**	**$ 13,414,257,283**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b) (c) (g)	$ (1,335,002,373) $ (3,976,000,000) $ (1,414,304,665)	$ 1,644,692,962	$ 9,547,000,000	(b) (c) (g)	$ (1,780,003,164) $ (3,976,000,000) $ (1,885,739,553)	$ 1,905,257,283
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			6,573,692,962	14,476,000,000			6,834,257,283
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (1,414,304,665)	5,251,434,888	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (1,885,739,553)	4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (6,253,872,150)**	**$ 13,625,127,851**	**$ 21,056,000,000**		**$ (7,641,742,717)**	**$ 13,414,257,283**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
				(f)	$ (471,434,888)			(f)	$ (471,434,888)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,153,564,321	3,070,000,000			2,153,564,321
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 3,976,000,000	3,976,000,000	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,869,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,715,435,679)**	**$ 1,177,000,000**			**$ 260,564,321**

Assumptions used in application of this scenario:

	Year 1	Year 2
(a) Elimination of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of elimination of BLRA revised rates	$ 445,000,791	$ 890,001,582
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000
(d) Record the regulatory asset and liability for the refund of total collections from customers under BLRA	$ 1,885,739,553	$ 1,885,739,553
(e) Cumulative amortization of refund of total collections from customers under BLRA	$ 471,434,888	$ 942,869,777
(f) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(g) Cumulative impact of refund of previous BLRA collections	$ 471,434,888	$ 942,869,777

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ (3,715,435,679)	$ 1,177,000,000	$ 260,564,321
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 682,564,321	$ 1,599,000,000	$ 682,564,321
26	Change in Cash Flow		$ (916,435,679)		$ (916,435,679)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	28%	35%	26%	36%
28	Equity to Total assets	34%	8%	38%	10%
29	Debt to total capitalization (debt + equity)	45%	81%	41%	78%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
				(f)	$ (471,434,888)			(f)	$ (471,434,888)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,153,564,321	3,070,000,000			2,153,564,321
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,893,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 260,564,321**	**$ 1,177,000,000**			**$ 260,564,321**
		Assumptions used in application of this scenario:								
		(a) Elimination of BLRA revised rates			$ 445,000,791				$ 445,000,791	
		(b) Cumulative impact of elimination of BLRA revised rates			$ 1,335,002,373				$ 1,780,003,164	
		(c) Impairment of the V.C. Summer Units 2 & 3 construction costs			$ 3,976,000,000				$ 3,976,000,000	
		(d) Record the regulatory asset and liability for the refund of total collections from customers under BLRA			$ 1,885,739,553				$ 1,885,739,553	
		(e) Cumulative amortization of refund of total collections from customers under BLRA			$ 1,414,304,665				$ 1,885,739,553	
		(f) Annual impact of refund of previous BLRA collections			$ 471,434,888				$ 471,434,888	
		(g) Cumulative impact of refund of previous BLRA collections			$ 1,414,304,665				$ 1,885,739,553	
		Pre-Tax Cash Flow								
24		Operating income/(loss)	$ 1,177,000,000			$ 260,564,321	$ 1,177,000,000			$ 260,564,321
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000			$ 682,564,321	$ 1,599,000,000			$ 682,564,321
26		Change in Cash Flow				$ (916,435,679)				$ (916,435,679)
		Pre-Tax Credit Metrics								
27		Long term debt to Total assets	25%			36%	23%			37%
28		Equity to Total assets	42%			12%	45%			14%
29		Debt to total capitalization (debt + equity)	37%			75%	34%			72%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

4.3 – Discussion

We have interpreted the criteria in Scenario 4 of "No CWIP recovery" to mean the discontinuation of the Revised Rates, since the basis of the Revised Rates is CWIP recovery. Therefore, Scenario 4 is the same as Scenario 3, with the exception of there being no possibility of a resumption of the Revised Rates.

Under this scenario, the Revised Rates authorized under the BLRA are discontinued. Discontinuing the Revised Rates also discontinues the recovery of any return on investment that SCE&G can expect on the V.C. Summer Units 2 & 3 construction costs that are recorded as a deferred debit. Thus, under ASC 980-360-35-3, an evaluation would be made of the potential of future cash flows through rates that would allow SCE&G to recover its costs and a return. The standard states, "that determination shall focus on the facts and circumstances related to the specific abandonment and shall also consider the past practice and current policies of the applicable regulatory jurisdiction on abandonment situations." In this scenario, the rates will not be resumed.

As a result, under ASC 980-360-35-3, the construction costs are considered impaired and should be recorded as a direct charge to expense in the current reporting period.

The amount to be refunded over four years is $1.886 billion. The treatment of refunds falls under the guidance of ASC 980-405-25-1 –

> "Rate actions of a regulator can impose a liability on a regulated entity. Such liabilities are usually obligations to the entity's customers. The following are the usual ways in which liabilities can be imposed and the resulting accounting:
>
> a. A regulator may require refunds to customers. FAS 071, paragraph11 states Refunds can be paid to the customers who paid the amounts being refunded; however, they are usually provided to current customers by reducing current charges. FAS 071, paragraph 11 Refunds that meet the criteria of accrual of loss contingencies (per paragraph **450-20-25-2**) shall be recorded as liabilities and as reductions of revenue or as expenses of the regulated entity."

Since the total amount of $1.886 billion is to be refunded to customers over four years, proper matching would support that over four years each year's revenues should be reduced by $1.886 billion divided by 4 years equals $471 million annually. For purposes of analysis the annual pro-forma statement does not show a liability for the $471 million, rather it is assumed the refund flows through the annual rate-making process and affects each individual year.

4. 4 – Adjustments made to Base Year Pro-forma Financial Statements

The following adjustments were made to the Base Year Pro-Forma Financial Statements under Scenario 4:

Pro-forma 2018

a. Suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables.

Account	Debit	Credit
Operating revenue	445,000,791	
Current and accrued assets		445,000,791

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment expense in the current period. This will result in an increase in operating expenses and result in a reduction in Retained Earnings in the same calendar year.*

Account	Debit	Credit
Impairment expense	3,976,000,000	
Deferred debits		3,976,000,000

d. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

e. *Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	471,434,888	
Deferred debits – Regulatory asset		471,434,888

f/g. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Current and accrued assets		471,434,888

Pro-forma 2019 *– this also incorporates the 2018 adjustments*

a/b. *Cumulative impact of suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reduction in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	445,000,791	
Operating revenue	445,000,791	
Current and accrued assets		890,001,582

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

d. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

e. *Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	942,869,777	
Deferred debits – Regulatory asset		942,869,777

f/g. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	471,434,888	
Current and accrued assets		942,869,777

Pro-forma 2020 *– this also incorporates the 2018 and 2019 adjustments*

a/b. *Cumulative impact of suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reductions in Pro-forma 2018 and 2019.*

Account	Debit	Credit
Retained earnings	890,001,582	
Operating revenue	445,000,791	
Current and accrued assets		1,335,002,373

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment in Pro-forma 2018. This entry reflects the impairment recorded in Pro-forma 2018.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

d. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

e. *Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	1,414,304,665	
Deferred debits – Regulatory asset		1,414,304,665

f/g. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	942,869,777	
Current and accrued assets		1,414,304,665

Pro-forma 2021– *this also incorporates the 2018, 2019 and 2020 adjustments*

a/b. *Cumulative impact of suspension of the BLRA Revised Rates – Upon suspension of BLRA rates, annual revenue would decrease by $445 million resulting in an offsetting reduction in cash and receivables. This entry also reflects the revenue reductions in Pro-forma 2018, 2019 and 2020.*

Account	Debit	Credit
Retained earnings	1,335,002,373	
Operating revenue	445,000,791	
Current and accrued assets		1,780,003,164

c. *Impairment of the V.C. Summer Units 2 & 3 construction costs – with the suspension of BLRA rates, the total deferred debit balance will be reclassified as an impairment expense in the current period. This will result in an increase in operating expenses and also result in a reduction in Retained Earnings in the same calendar year.*

Account	Debit	Credit
Retained earnings	3,976,000,000	
Deferred debits		3,976,000,000

d. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits	1,885,739,553	
Deferred credits		1,885,739,553

e. *Cumulative amortization of refund of total collections from customers under the BLRA - this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits	1,885,739,553	
Deferred debits		1,885,739,553

f/g. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	1,414,304,665	
Current and accrued assets		1,885,739,553

5.0 Scenario 5

5.1 – Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and no credit to ratepayers of $2 billion of previously collected revenues

This scenario shows what the impact the following events would have on the Base Year Pro-forma Statements of SCE&G for the year ended December 31, 2018:

1. Disallowing CWIP back to each Revised Rates Date
2. Do NOT credit ratepayers $2 billion from previously collected revenues

Executive summary – Scenario 5

In our discussions with ORS staff we understand this scenario to be an analysis of what the impact would be on SCE&G in removing the BLRA rate increases one by one from the most recent to the oldest Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the Carrying Costs of construction of V.C. Summer Units 2 & 3 and a Rate of Return on the construction costs, as each BLRA rate increase is removed, a corresponding impairment of the V.C. Summer construction costs occurs.

The analysis is based on the Pro-Forma 2018 base case financials. The detailed schedule in this section shows the decline in SCE&G's financial ratios. Below is the lowest point of the SCE&G financial ratios, after the earliest order is disallowed – Order 2009-104(A).

Table 12 – Executive Summary – Scenario 5

Ratio	Disallow Order 2009-104(A)
Long-term debt/ Total assets	37%
Equity/ Total assets	13%
Long-term debt/ Total Capitalization (Debt+Equity)	73%

The approved rate increases per Order No. from most recent to the oldest are as follows:

Order Number	Amount of increase
2016-758	$64,427,813
2015-712	$64,526,000
2014-785	$66,238,000
2013-680 (A)	$67,240,232
2012-761	$52,148,913
2011-738	$52,783,342
2010-625	$47,301,000
2009-696	$22,533,000
2009-104 (A)	$7,802,491

5.2 – Procedures

Baker Tilly performed the following procedures to evaluate this scenario.

1. Used the FERC Form 1 financial information for SCE&G as of and for the year ended December 31, 2017.
2. Determined the adjustments needed to the Base Year Pro-forma Statements for these items:
    a. Discontinuation of the Revised Rates
    b. Partial CWIP recovery back to each Revised Rates Date
    c. Incremental and cumulative CWIP included in each order

Financial Impacts

The following table shows the financial impact of this scenario.

Table 13 – Scenario 5 – Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and no credit to ratepayers of $2 billion of previously collected revenues

SCE&G
Docket No. 2017-305-E
Scenario 5 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and No credit to ratepayers of $2 billion of previously collected revenues

Line No.		*Pro-Forma Balance Sheet*	Pro-forma December 31, 2018		Disallow Order 2016-758	Pro-Forma December 31, 2018		Disallow Order 2015-712	Pro-Forma December 31, 2018		Disallow Order 2014-785	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (64,427,813)	2,539,572,187	(a)	$ (128,953,813)	2,475,046,187	(a)	$ (195,191,813)	2,408,808,187
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (574,150,000)	6,523,850,000	(b)	$ (1,121,374,000)	5,976,626,000	(b)	$ (1,682,436,000)	5,415,564,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (638,577,813)	$ 16,886,422,187		$ (1,250,327,813)	$ 16,274,672,187		$ (1,877,627,813)	$ 15,647,372,187
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b)	$ (64,427,813) $ (574,150,000)	5,377,422,187	(a) (b)	$ (128,953,813) $ (1,121,374,000)	4,765,672,187	(a) (b)	$ (195,191,813) $ (1,682,436,000)	4,138,372,187
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			10,306,422,187			9,694,672,187			9,067,372,187
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (638,577,813)	$ 16,886,422,187		$ (1,250,327,813)	$ 16,274,672,187		$ (1,877,627,813)	$ 15,647,372,187

SCE&G
Docket No. 2017-305-E
Scenario 5 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and No credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.			Pro-forma December 31, 2018		Disallow Order 2013-680(A)	Pro-Forma December 31, 2018		Disallow Order 2012-761	Pro-Forma December 31, 2018		Disallow Order 2011-738	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (262,432,045)	2,341,567,955	(a)	$ (314,580,958)	2,289,419,042	(a)	$ (367,364,300)	2,236,635,700
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (2,251,792,000)	4,846,208,000	(b)	$ (2,688,021,000)	4,409,979,000	(b)	$ (3,124,746,000)	3,973,254,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (2,514,224,045)	$ 15,010,775,955		$ (3,002,601,958)	$ 14,522,398,042		$ (3,492,110,300)	$ 14,032,889,700
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b)	$ (262,432,045) $ (2,251,792,000)	3,501,775,955	(a) (b)	$ (314,580,958) $ (2,688,021,000)	3,013,398,042	(a) (b)	$ (367,364,300) $ (3,124,746,000)	2,523,889,700
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			8,430,775,955			7,942,398,042			7,452,889,700
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (2,514,224,045)	$ 15,010,775,955		$ (3,002,601,958)	$ 14,522,398,042		$ (3,492,110,300)	$ 14,032,889,700

SCE&G
Docket No. 2017-305-E
Scenario 5 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and No credit to ratepayers of $2 billion of previously collected revenues

Line No.		*Pro-Forma Balance Sheet*	Pro-forma December 31, 2018		Disallow Order 2010-625	Pro-Forma December 31, 2018		Disallow Order 2009-696	Pro-Forma December 31, 2018		Disallow Order 2009-104(A)	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (414,665,300)	2,189,334,700	(a)	$ (437,198,300)	2,166,801,700	(a)	$ (445,000,791)	2,158,999,209
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (3,523,892,000)	3,574,108,000	(b)	$ (3,722,256,000)	3,375,744,000	(b)	$ (3,788,217,000)	3,309,783,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (3,938,557,300)	$ 13,586,442,700		$ (4,159,454,300)	$ 13,365,545,700		$ (4,233,217,791)	$ 13,291,782,209
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b)	$ (414,665,300) $ (3,523,892,000)	2,077,442,700	(a) (b)	$ (437,198,300) $ (3,722,256,000)	1,856,545,700	(a) (b)	$ (445,000,791) $ (3,788,217,000)	1,782,782,209
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			7,006,442,700			6,785,545,700			6,711,782,209
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (3,938,557,300)	$ 13,586,442,700		$ (4,159,454,300)	$ 13,365,545,700		$ (4,233,217,791)	$ 13,291,782,209

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2016-758	Pro-Forma December 31, 2018		Disallow Order 2015-712	Pro-Forma December 31, 2018		Disallow Order 2014-785	Pro-Forma December 31, 2018
		Operating revenues:										
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	$ (64,427,813)	$ 3,005,572,187	(a)	$ (128,953,813)	$ 2,941,046,187	(a)	$ (195,191,813)	$ 2,874,808,187
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			3,005,572,187			2,941,046,187			2,874,808,187
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(b)	$ 574,150,000	574,150,000	(b)	$ 1,121,374,000	1,121,374,000	(b)	$ 1,682,436,000	1,682,436,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			2,467,150,000			3,014,374,000			3,575,436,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 538,422,187**			**$ (73,327,813)**			**$ (700,627,813)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order

Line No.		Pro-Forma December 31, 2018	Disallow Order 2016-758	Disallow Order 2015-712	Disallow Order 2014-785
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ 538,422,187	$ (73,327,813)	$ (700,627,813)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ 1,534,572,187	$ 1,470,046,187	$ 1,403,808,187
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	29%	30%	32%
27	Equity to Total assets	34%	32%	29%	26%
28	Debt to total capitalization (debt + equity)	45%	48%	51%	54%

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2013-680(A)	Pro-Forma December 31, 2018		Disallow Order 2012-761	Pro-Forma December 31, 2019		Disallow Order 2011-738	Pro-Forma December 31, 2018
		Operating revenues:										
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	$ (262,432,045)	$ 2,807,567,955	(a)	$ (314,580,958)	$ 2,755,419,042	(a)	$ (367,364,300)	$ 2,702,635,700
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,807,567,955			2,755,419,042			2,702,635,700
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(b)	$ 2,251,792,000	2,251,792,000	(b)	$ 2,688,021,000	2,688,021,000	(b)	$ 3,124,746,000	3,124,746,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			4,144,792,000		2688021000	4,581,021,000			5,017,746,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (1,337,224,045)**		**-2688021000**	**$ (1,825,601,958)**			**$ (2,315,110,300)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2018
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ (1,337,224,045)	$ (1,825,601,958)	$ (2,315,110,300)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ 1,336,567,955	$ 1,284,419,042	$ 1,231,635,700
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	33%	34%	35%
27	Equity to Total assets	34%	23%	21%	18%
28	Debt to total capitalization (debt + equity)	45%	58%	62%	66%

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2010-625	Pro-Forma December 31, 2018		Disallow Order 2009-696	Pro-Forma December 31, 2018		Disallow Order 2009-104(A)	Pro-Forma December 31, 2018
		Operating revenues:										
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	$ (414,665,300)	$ 2,655,334,700	(a)	$ (437,198,300)	$ 2,632,801,700	(a)	$ (445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,655,334,700			2,632,801,700			2,624,999,209
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(b)	$ 3,523,892,000	3,523,892,000	(b)	$ 3,722,256,000	3,722,256,000	(b)	$ 3,788,217,000	3,788,217,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,416,892,000			5,615,256,000			5,681,217,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (2,761,557,300)**			**$ (2,982,454,300)**			**$ (3,056,217,791)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018 (Disallow Order 2010-625)	Pro-Forma December 31, 2018 (Disallow Order 2009-696)	Pro-Forma December 31, 2018 (Disallow Order 2009-104(A))
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ (2,761,557,300)	$ (2,982,454,300)	$ (3,056,217,791)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ 1,184,334,700	$ 1,161,801,700	$ 1,153,999,209
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	36%	37%	37%
27	Equity to Total assets	34%	15%	14%	13%
28	Debt to total capitalization (debt + equity)	45%	70%	73%	73%

Adjustments

Total collections from customers under BLRA	$	1,885,739,553
Regulatory asset - unrecovered nuclear project costs	$	3,976,000,000
Annual BLRA revised rates	$	445,000,791
BLRA approved rate increase per Order No.:		
2009-104(A)	$	7,802,491
2009-696	$	22,533,000
2010-625	$	47,301,000
2011-738	$	52,783,342
2012-761	$	52,148,913
2013-680(A)	$	67,240,232
2014-785	$	66,238,000
2015-712	$	64,526,000
2016-758	$	64,427,813

5.3 – Discussion

In Scenario 5, the aim was to show the impact of eliminating each Revised Rates order on the financial metrics of SCE&G, if the orders were eliminated in the sequence in which they were approved, from the most recent to the oldest.

This impact was analyzed using the FERC Form 1 financial filing for SCE&G as of and for the year ended December 31, 2017. The analysis shows partial recovery of CWIP back to each Revised Rates Date and the impact of excluding the incremental and cumulative CWIP included in each order. The portion of the Revised Rates attributable to each Order Number are also cumulatively removed in the analysis as each Order Number is removed. The analysis is based on the 2017 starting actual financials.

5.4 – Adjustments to arrive at pro-forma financial results

The following adjustments were made under Scenario 5 to arrive at the pro-forma financial analysis:

a. The annual Revised Rates of $445 million are discontinued and removed from revenues in the analysis
b. Partial CWIP recovery back to each Revised Rates Date
c. Incremental and cumulative CWIP included in each order

The approved rate increases per Order No. from most recent to the oldest are as follows:

Order Number	Amount of increase
2016-758	$64,427,813
2015-712	$64,526,000
2014-785	$66,238,000
2013-680 (A)	$67,240,232
2012-761	$52,148,913
2011-738	$52,783,342
2010-625	$47,301,000
2009-696	$22,533,000
2009-104 (A)	$7,802,491

Also, refer to Appendix B for schedules on the incremental CWIP included in each order and other details.

6.0 Scenario 6

6.1 – Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues

This scenario shows what the impact the following events would have on the Base Year Pro-forma Statements of SCE&G for the year ended December 31, 2018:

1. Disallowing CWIP back to each Revised Rates Date
2. Credit ratepayers $2 billion from previously collected revenues over a four-year term

Executive summary – Scenario 6

In our discussions with ORS staff we understand this scenario to be an analysis of what the impact would be on SCE&G in removing the BLRA rate increases one by one from the most recent to the oldest. Since the BLRA Revised Rates provide the revenue stream for SCE&G to recover the carrying costs of construction of V.C. Summer Units 2 & 3 and a rate of return on the construction costs, as each BLRA rate increase is removed, a corresponding impairment of the V.C. Summer construction costs occurs. The additional item of analysis in this scenario is to credit ratepayers $2 billion from previously collected BLRA revenues.

The analysis is based on the Pro-Forma 2018 base case financials. The detailed schedule in this section shows the decline in SCE&G's financial ratios. Below is the lowest point of the SCE&G financial ratios, after the earliest order is disallowed – Order 2009-104(A).

Table 14 – Executive Summary – Scenario 6

Ratio	Disallow Order 2009-104(A)
Long-term debt/ Total assets	43%
Equity/ Total assets	-1%
Long-term debt/ Total Capitalization (Debt+Equity)	102%

The approved rate increases per Order No. from most recent to the oldest are as follows:

Order Number	Amount of increase
2016-758	$64,427,813
2015-712	$64,526,000
2014-785	$66,238,000
2013-680 (A)	$67,240,232
2012-761	$52,148,913
2011-738	$52,783,342
2010-625	$47,301,000
2009-696	$22,533,000
2009-104 (A)	$7,802,491

By removing each Order No. the related BLRA revenues are also removed, so the refund amounts in the analysis are those that are included with each Order No.

6.2 – Procedures

Baker Tilly performed the following procedures to evaluate this scenario.

1. Used the FERC Form 1 financial information for SCE&G as of and for the year ended December 31, 2017.
2. Determined the adjustments needed to the Base Year Pro-forma Statements for these items:
    a. Discontinuation of the Revised Rates
    b. Partial CWIP recovery back to each Revised Rates Date
    c. Refund of $2 billion of previously collected revenues
    d. Incremental and cumulative CWIP included in each order

Financial Impacts

The following table shows the financial impact of this scenario.

Table 15 – Scenario 6 – Assuming partial recovery of CWIP – Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues

SCE&G
Docket No. 2017-305-E
Scenario 6 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues

Line No.		*Pro-Forma Balance Sheet*	Pro-forma December 31, 2018		Disallow Order 2016-758	Pro-Forma December 31, 2018		Disallow Order 2015-712	Pro-Forma December 31, 2018		Disallow Order 2014-785	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a) (b)	$ (64,427,813) (1,885,739,553)	653,832,634	(a) (b)	$ (128,953,813) (1,885,739,553)	589,306,634	(a) (b)	$ (195,191,813) (1,885,739,553)	523,068,634
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (574,150,000)	6,523,850,000	(c)	$ (1,121,374,000)	5,976,626,000	(c)	$ (1,682,436,000)	5,415,564,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (2,524,317,366)	$ 15,000,682,634		$ (3,136,067,366)	$ 14,388,932,634		$ (3,763,367,366)	$ 13,761,632,634
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b) (c)	$ (64,427,813) (1,885,739,553) $ (574,150,000)	3,491,682,634	(a) (b) (c)	$ (128,953,813) (1,885,739,553) $ (1,121,374,000)	2,879,932,634	(a) (b) (c)	$ (195,191,813) (1,885,739,553) $ (1,682,436,000)	2,252,632,634
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			8,420,682,634			7,808,932,634			7,181,632,634
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (2,524,317,366)	$ 15,000,682,634		$ (3,136,067,366)	$ 14,388,932,634		$ (3,763,367,366)	$ 13,761,632,634

SCE&G
Docket No. 2017-305-E
Scenario 6 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.			Pro-forma December 31, 2018		Disallow Order 2013-680(A)	Pro-Forma December 31, 2018		Disallow Order 2012-761	Pro-Forma December 31, 2018		Disallow Order 2011-738	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (262,432,045)	455,828,402	(a)	$ (314,580,958)	403,679,489	(a)	$ (367,364,300)	350,896,147
				(b)	(1,885,739,553)		(b)	(1,885,739,553)		(b)	(1,885,739,553)	
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (2,251,792,000)	4,846,208,000	(c)	$ (2,688,021,000)	4,409,979,000	(c)	$ (3,124,746,000)	3,973,254,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (4,399,963,598)	$ 13,125,036,402		$ (4,888,341,511)	$ 12,636,658,489		$ (5,377,849,853)	$ 12,147,150,147
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a)	$ (262,432,045)	1,616,036,402	(a)	$ (314,580,958)	1,127,658,489	(a)	$ (367,364,300)	638,150,147
				(b)	(1,885,739,553)		(b)	(1,885,739,553)		(b)	(1,885,739,553)	
				(c)	$ (2,251,792,000)		(c)	$ (2,688,021,000)		(c)	$ (3,124,746,000)	
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			6,545,036,402			6,056,658,489			5,567,150,147
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (4,399,963,598)	$ 13,125,036,402		$ (4,888,341,511)	$ 12,636,658,489		$ (5,377,849,853)	$ 12,147,150,147

SCE&G
Docket No. 2017-305-E
Scenario 6 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.			Pro-forma December 31, 2018		Disallow Order 2010-625	Pro-Forma December 31, 2018		Disallow Order 2009-696	Pro-Forma December 31, 2018		Disallow Order 2009-104(A)	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a) (b)	$ (414,665,300) (1,885,739,553)	303,595,147	(a) (b)	$ (437,198,300) (1,885,739,553)	281,062,147	(a) (b)	$ (445,000,791) (1,885,739,553)	273,259,656
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,523,892,000)	3,574,108,000	(c)	$ (3,722,256,000)	3,375,744,000	(c)	$ (3,788,217,000)	3,309,783,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (5,824,296,853)	$ 11,700,703,147		$ (6,045,193,853)	$ 11,479,806,147		$ (6,118,957,344)	$ 11,406,042,656
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b) (c)	$ (414,665,300) (1,885,739,553) $ (3,523,892,000)	191,703,147	(a) (b) (c)	$ (437,198,300) (1,885,739,553) $ (3,722,256,000)	(29,193,853)	(a) (b) (c)	$ (445,000,791) (1,885,739,553) $ (3,788,217,000)	(102,957,344)
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			5,120,703,147			4,899,806,147			4,826,042,656
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (5,824,296,853)	$ 11,700,703,147		$ (6,045,193,853)	$ 11,479,806,147		$ (6,118,957,344)	$ 11,406,042,656

SOUTH CAROLINA OFFICE OF REGULATORY STAFF

Docket No. 2017-305-E, Order No. 2018-102 – Financial Impact Review of South Carolina Electric and Gas Under Scenarios Relative to the Base Load Review Act

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2016-758	Pro-Forma December 31, 2018		Disallow Order 2015-712	Pro-Forma December 31, 2018		Disallow Order 2014-785	Pro-Forma December 31, 2018
		Operating revenues:										
				(a)	$ (64,427,813)		(a)	$ (128,953,813)		(a)	$ (195,191,813)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(b)	(1,885,739,553)	$ 1,119,832,634	(b)	$ (1,885,739,553)	$ 1,055,306,634	(b)	$ (1,885,739,553)	$ 989,068,634
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			1,119,832,634		(1,885,739,553)	1,055,306,634		(1,885,739,553)	989,068,634
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 574,150,000	574,150,000	(c)	1,121,374,000	1,121,374,000	(c)	1,682,436,000	1,682,436,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			2,467,150,000			3,014,374,000			3,575,436,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (1,347,317,366)**			**$ (1,959,067,366)**			**$ (2,586,367,366)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order
(c) Incremental and cumulative CWIP included in order

	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ (1,347,317,366)	$ (1,959,067,366)	$ (2,586,367,366)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ (351,167,366)	$ (415,693,366)	$ (481,931,366)
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	33%	34%	36%
27	Equity to Total assets	34%	23%	20%	16%
28	Debt to total capitalization (debt + equity)	45%	59%	63%	69%

SOUTH CAROLINA OFFICE OF REGULATORY STAFF

Docket No. 2017-305-E, Order No. 2018-102 – Financial Impact Review of South Carolina Electric and Gas Under Scenarios Relative to the Base Load Review Act

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2013-680(A)	Pro-Forma December 31, 2019		Disallow Order 2012-761	Pro-Forma December 31, 2019		Disallow Order 2011-738	Pro-Forma December 31, 2018
		Operating revenues:										
				(a)	$ (262,432,045)		(a)	$ (314,580,958)		(a)	$ (367,364,300)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(b)	$ (1,885,739,553)	$ 921,828,402	(b)	$ (1,885,739,553)	$ 869,679,489	(b)	$ (1,885,739,553)	$ 816,896,147
14	Page 114, line 2	Total Operating Revenues	3,070,000,000		(1,885,739,553)	921,828,402		(1,885,739,553)	869,679,489		(1,885,739,553)	816,896,147
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(c)	2,251,792,000	2,251,792,000	(c)	2,688,021,000	2,688,021,000	(c)	3,124,746,000	3,124,746,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			4,144,792,000			4,581,021,000			5,017,746,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,222,963,598)**			**$ (3,711,341,511)**			**$ (4,200,849,853)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order
(c) Incremental and cumulative CWIP included in order

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019	Pro-Forma December 31, 2018
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ (3,222,963,598)	$ (3,711,341,511)	$ (4,200,849,853)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ (549,171,598)	$ (601,320,511)	$ (654,103,853)
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	38%	39%	41%
27	Equity to Total assets	34%	12%	9%	5%
28	Debt to total capitalization (debt + equity)	45%	75%	81%	89%

SOUTH CAROLINA OFFICE OF REGULATORY STAFF

Docket No. 2017-305-E, Order No. 2018-102 – Financial Impact Review of South Carolina Electric and Gas Under Scenarios Relative to the Base Load Review Act

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2010-625	Pro-Forma December 31, 2018		Disallow Order 2009-696	Pro-Forma December 31, 2018		Disallow Order 2009-104(A)	Pro-Forma December 31, 2018
		Operating revenues:										
				(a)	$ (414,665,300)		(a)	$ (437,198,300)		(a)	$ (445,000,791)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(b)	$ (1,885,739,553)	$ 769,595,147	(b)	$ (1,885,739,553)	$ 747,062,147	(b)	$ (1,885,739,553)	$ 739,259,656
14	Page 114, line 2	Total Operating Revenues	3,070,000,000		(1,885,739,553)	769,595,147		(1,885,739,553)	747,062,147		(1,885,739,553)	739,259,656
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(c)	3,523,892,000	3,523,892,000	(c)	3,722,256,000	3,722,256,000	(c)	3,788,217,000	3,788,217,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,416,892,000			5,615,256,000			5,681,217,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (4,647,296,853)**			**$ (4,868,193,853)**			**$ (4,941,957,344)**
		Pre-Tax Cash Flow										
24		Operating income/(loss)	$ 1,599,000,000			$ (4,647,296,853)			$ (4,868,193,853)			$ (4,941,957,344)
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000			$ (701,404,853)			$ (723,937,853)			$ (731,740,344)
		Pre-Tax Credit Metrics										
26		Long term debt to Total assets	28%			42%			43%			43%
27		Equity to Total assets	34%			2%			0%			-1%
28		Debt to total capitalization (debt + equity)	45%			96%			101%			102%

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order
(c) Incremental and cumulative CWIP included in order

Adjustments

Total collections from customers under BLRA	$	1,885,739,553
Regulatory asset - unrecovered nuclear project costs	$	3,976,000,000
Annual BLRA revised rates	$	445,000,791
BLRA approved rate increase per Order No.:		
2009-104(A)	$	7,802,491
2009-696	$	22,533,000
2010-625	$	47,301,000
2011-738	$	52,783,342
2012-761	$	52,148,913
2013-680(A)	$	67,240,232
2014-785	$	66,238,000
2015-712	$	64,526,000
2016-758	$	64,427,813

6.3 – Discussion

In Scenario 6, the aim was to show the impact of eliminating each Revised Rates order on the financial metrics of SCE&G, if the orders were eliminated in the sequence in which they were approved, from the most recent to the oldest.

This impact was analyzed using the FERC Form 1 financial filing for SCE&G as of and for the year ended December 31, 2017. The analysis shows partial recovery of CWIP back to each Revised Rates Date and the impact of excluding the incremental and cumulative CWIP included in each order. The portion of the Revised Rates attributable to each Order Number are also cumulatively removed in the analysis as each Order Number is removed. The analysis is based on the 2017 starting actual financials.

The amount to be refunded is $1.886 billion. The treatment of refunds falls under the guidance of ASC 980-405-25-1 –

> "Rate actions of a regulator can impose a liability on a regulated entity. Such liabilities are usually obligations to the entity's customers. The following are the usual ways in which liabilities can be imposed and the resulting accounting:

A regulator may require refunds to customers. FAS 071, paragraph 11 states Refunds can be paid to the customers who paid the amounts being refunded; however, they are usually provided to current customers by reducing current charges. FAS 071, paragraph 11 Refunds that meet the criteria of accrual of loss contingencies (per paragraph **450-20-25-2**) shall be recorded as liabilities and as reductions of revenue or as expenses of the regulated entity."

For purposes of analysis, the entire refund amount was deducted from the 2017 actual SCE&G Proprietary Capital and Current Assets in its Statement of Net Position in order to show the full impact of the ordered refund.

6.4 – Adjustments to arrive at pro-forma financial results

The following adjustments were made under Scenario 6 to arrive at the pro-forma financial analysis:

a. The annual Revised Rates are discontinued
b. Partial CWIP recovery back to each Revised Rates Date
c. Refund of $2 billion of previously collected revenues
d. Incremental and cumulative CWIP included in each order

The BLRA approved rate increases per Order No. from most recent to the oldest are as follows:

Order Number	Amount of increase
2016-758	$64,427,813
2015-712	$64,526,000
2014-785	$66,238,000
2013-680 (A)	$67,240,232
2012-761	$52,148,913
2011-738	$52,783,342
2010-625	$47,301,000
2009-696	$22,533,000
2009-104 (A)	$7,802,491

Also, refer to Appendix B for schedules on the incremental CWIP included in each order and other details.

7.0 Scenario 7

7.1 – Assuming full recovery of CWIP and no credit to ratepayers of $2 billion of previously collected revenues

This scenario shows what the impact the following events would have on the Base Year Pro-forma Statements of SCE&G for the period of 2018 – 2021:

1. Show full recovery of CWIP
2. Do NOT credit ratepayers $2 billion from previously collected revenues

Executive summary – Scenario 7

In this scenario, the BLRA Revised Rates continue at the 2017 level of approximately $37 million per month. By granting full recovery of CWIP in this scenario, the accounting rules under ASC 980 require that a Regulatory Asset be created and then amortized over a defined period. The asset will equal the CWIP recovery and be amortized over 39 years. A deeper discussion of the basis behind this is included under 7.3 – Discussion.

The impact on SCE&G's key financial ratios from Scenario 7 are as follows:

Table 16 – Executive Summary – Scenario 7

Ratio	Pro-forma 2018 before adjustments	Pro-forma 2018	Pro-forma 2019	Pro-forma 2020	Pro-forma 2021
Long-term debt/ Total assets	28%	28%	27%	25%	24%
Equity/ Total assets	34%	34%	38%	41%	44%
Long-term debt/ Total Capitalization (Debt+Equity)	45%	45%	41%	38%	35%

7. 2 – Procedures

Baker Tilly performed the following procedures to evaluate this scenario.

1. Used the FERC Form 1 financial information for SCE&G as of and for the year ended December 31, 2017.
2. Determined the adjustments needed to the Base Year Pro-forma Statements for these items:
    a. The Revised Rates remain unchanged
    b. There are no refunds due to customers
    c. The CWIP recovery asset is amortized over a period of 39.22 years, based on SCE&G's composite depreciation rate for 2017

Financial impacts

The following table shows the financial impact of this scenario.

Table 17 – Scenario 7 – Assuming full recovery of CWIP and no credit to ratepayers of $2 billion of previously collected revenues

SCE&G
Docket No. 2017-305-E
Scenario 7 - Assuming full recovery of CWIP and NO credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000			2,604,000,000	3,781,000,000			3,781,000,000
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (101,376,849)	6,996,623,151	7,098,000,000	(b)	$ (202,753,697)	6,895,246,303
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (101,376,849)**	**$ 17,423,623,151**	**$ 18,702,000,000**		**$ (202,753,697)**	**$ 18,499,246,303**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(b)	$ (101,376,849)	$ 5,914,623,151	$ 7,193,000,000	(b)	$ (202,753,697)	$ 6,990,246,303
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			10,843,623,151	12,122,000,000			11,919,246,303
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (101,376,849)**	**$ 17,423,623,151**	**$ 18,702,000,000**		**$ (202,753,697)**	**$ 18,499,246,303**

SCE&G
Docket No. 2017-305-E
Scenario 7 - Assuming full recovery of CWIP and NO credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000			4,958,000,000	6,135,000,000			6,135,000,000
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (304,130,546)	6,793,869,454	7,098,000,000	(b)	$ (405,507,394)	6,692,492,606
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (304,130,546)**	**$ 19,574,869,454**	**$ 21,056,000,000**		**$ (405,507,394)**	**$ 20,650,492,606**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b)	$ (304,130,546)	$ 8,065,869,454	$ 9,547,000,000	(b)	$ (405,507,394)	$ 9,141,492,606
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			12,994,869,454	14,476,000,000			14,070,492,606
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (304,130,546)**	**$ 19,574,869,454**	**$ 21,056,000,000**		**$ (405,507,394)**	**$ 20,650,492,606**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000			$ 3,070,000,000	$ 3,070,000,000			$ 3,070,000,000
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			3,070,000,000	3,070,000,000			3,070,000,000
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000	(a)	101,376,849	393,376,849	292,000,000	(a)	101,376,849	393,376,849
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,994,376,849	1,893,000,000			1,994,376,849
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 1,075,623,151**	**$ 1,177,000,000**			**$ 1,075,623,151**
		Assumptions used in application of this scenario:								
		(a) Annual amortization of the CWIP asset over 39.22 years			$ 101,376,849				$ 101,376,849	
		(b) Cumulative amortization of the CWIP asset			$ 101,376,849				$ 202,753,697	
		Pre-Tax Cash Flow								
24		Operating income/(loss)	$ 1,177,000,000			$ 1,075,623,151	$ 1,177,000,000			$ 1,075,623,151
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000			$ 1,599,000,000	$ 1,599,000,000			$ 1,599,000,000
26		Change in Cash Flow				$ -				$ -
		Pre-Tax Credit Metrics								
27		Long term debt to Total assets	28%			28%	26%			27%
28		Equity to Total assets	34%			34%	38%			38%
29		Debt to total capitalization (debt + equity)	45%			45%	41%			41%

Adjustments

Total collections from customers under BLRA	NA
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	NA

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000			$ 3,070,000,000	$ 3,070,000,000			$ 3,070,000,000
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			3,070,000,000	3,070,000,000			3,070,000,000
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000	(a)	101,376,849	393,376,849	292,000,000	(a)	101,376,849	393,376,849
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,994,376,849	1,893,000,000			1,994,376,849
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 1,075,623,151**	**$ 1,177,000,000**			**$ 1,075,623,151**
		Assumptions used in application of this scenario:								
		(a) Annual amortization of the CWIP asset over 39.22 years			$ 101,376,849				$ 101,376,849	
		(b) Cumulative amortization of the CWIP asset			$ 304,130,546				$ 405,507,394	
		Pre-Tax Cash Flow								
24		Operating income/(loss)	$ 1,177,000,000			$ 1,075,623,151	$ 1,177,000,000			$ 1,075,623,151
25		Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000			$ 1,599,000,000	$ 1,599,000,000			$ 1,599,000,000
26		Change in Cash Flow				$ -				$ -
		Pre-Tax Credit Metrics								
27		Long term debt to Total assets	25%			25%	23%			24%
28		Equity to Total assets	42%			41%	45%			44%
29		Debt to total capitalization (debt + equity)	37%			38%	34%			35%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

7.3 – Discussion

Scenario 7 allows full recovery of CWIP (which amount is recorded in deferred debits) totaling $3.976 billion. The applicable accounting standard for these transactions are addressed by ASC 980-360-35-3, which states, "the entity shall account for the cost of the abandoned plant as follows:

a. **Full return on investment is likely to be provided.** Any disallowance of all or part of the cost of the abandoned plant that is both probable and reasonably estimable (as defined in Topic 450 *Contingencies*) shall be recognized as a loss, and the carrying basis of the recorded asset shall be correspondingly reduced. The remainder of the cost of the abandoned plant shall be reported as a separate new asset."

In its financial statements as of and for the year ended December 31, 2017, SCE&G recognized a pre-tax impairment loss of approximately $1.118 billion, consisting of $670 million with respect to the probable disallowance of project costs, a pre-tax impairment loss of $361 million to write off costs that had been previously deferred, primarily as project regulatory assets, and an impairment loss of approximately $87 million to reduce to estimated fair value the carrying value of nuclear fuel acquired for use in Units 2 and 3.

This leaves a balance of the remainder of the cost of the abandoned plant of unrecovered CWIP of $3.976 billion, which was reclassified as a deferred debit, pending Commission resolution of the project recovery.

Since, in Scenario 7 full recovery of CWIP is allowed, ASC 980-360-35-8 would then apply, which states "During the recovery period, the new asset shall be amortized as follows…..a. ***If full return on investment is likely to be provided,*** the asset shall be amortized in the same manner as that used for rate-making purposes."

As the recovery period was not defined for this scenario, our analysis used the SCE&G 2017 composite weighted average depreciation rate of 2.55%, or 39.22 years. We understand the actual rate for nuclear facilities may differ, but this was the most detailed information provided in SCANA's Form 10-K and SCE&G's FERC Form 1 for the year ended December 31, 2017.

7. 4 – Adjustments made to Base Year Pro-forma Financial Statements

The following adjustments were made to the Base Year Pro-Forma Financial Statements under Scenario 7:

Pro-forma 2018

a/b. Cumulative amortization of the CWIP regulatory asset – This reflects the 2018 amortization of the regulatory asset created by the granting of the full recovery of CWIP. The amortization period is 39.22 years, equal to the SCE&G composite depreciation rate.

Account	Debit	Credit
Amortization of regulatory asset	101,376,849	
Current and accrued assets		101,376,849

Pro-forma 2019 *– this also incorporates the 2018 adjustments*

a/b. Cumulative amortization of the CWIP regulatory asset – This reflects the 2019 amortization of the regulatory asset created by the granting of the full recovery of CWIP and the cumulative amortization since 2018. The amortization period is 39.22 years, equal to the SCE&G composite depreciation rate.

Account	Debit	Credit
Retained earnings	101,376,849	
Amortization of regulatory asset	101,376,849	
Current and accrued assets		202,753,697

Pro-forma 2020 *– this also incorporates the 2018 and 2019 adjustments*

a/b. Cumulative amortization of the CWIP regulatory asset asset – This reflects the 2020 amortization of the regulatory asset created by the granting of the full recovery of CWIP and the cumulative amortization since 2018. The amortization period is 39.22 years, equal to the SCE&G composite depreciation rate.

Account	Debit	Credit
Retained earnings	202,753,697	
Amortization of regulatory asset	101,376,849	
Current and accrued assets		304,130,546

Pro-forma 2021*– this also incorporates the 2018, 2019 and 2020 adjustments*

b. Cumulative amortization of the CWIP regulatory asset – This reflects the 2020 amortization of the regulatory asset created by the granting of the full recovery of CWIP and the cumulative amortization since 2018. The amortization period is 39.22 years, equal to the SCE&G composite depreciation rate.

Account	Debit	Credit
Retained earnings	304,130,546	
Amortization of regulatory asset	101,376,849	
Current and accrued assets		405,507,394

8.0 Scenario 8

8.1 – Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues

This scenario shows what the impact the following events would have on the Base Year Pro-forma Statements of SCE&G for the period of 2018 – 2021:

1. Show full recovery of CWIP
2. Credit ratepayers $2 billion from previously collected revenues over a four-year term

Executive summary – Scenario 8

In this scenario, the BLRA Revised Rates continue at the 2017 level of approximately $37 million per month. By granting full recovery of CWIP in this scenario, the accounting rules under ASC 980 require that a regulatory asset be created and then amortized over a defined period. A deeper discussion of the basis behind this is included under 7.3 – Discussion. Also, in this scenario SCE&G must refund the nearly $2 billion in BLRA Revised Rates it collected from ratepayers from 2009 – 2017. This refund takes place over a 4-year period.

The impact on SCE&G's key financial ratios from Scenario 8 are as follows:

Table 18 – Executive Summary – Scenario 8

Ratio	Pro-forma 2018 before adjustments	Pro-forma 2018	Pro-forma 2019	Pro-forma 2020	Pro-forma 2021
Long-term debt/ Total assets	28%	27%	27%	26%	26%
Equity/ Total assets	34%	30%	33%	36%	39%
Long-term debt/ Total Capitalization (Debt+Equity)	45%	48%	45%	43%	40%

8. 2 – Procedures

Baker Tilly performed the following procedures to evaluate this scenario.

1. Used the FERC Form 1 financial information for SCE&G as of and for the year ended December 31, 2017.
2. Determined the adjustments needed to the Base Year Pro-forma Statements for these items:
    a. Record the regulatory asset and liability for the refund of total collections from customers under the BLRA over 4 years
    b. Cumulative amortization of the refund of total collections from customers under the BLRA
    c. Annual impact of the refund of previous BLRA collections
    d. Cumulative impact of the refund of previous BLRA collections
    e. The CWIP recovery asset is amortized over a period of 39.22 years, based on SCE&G's composite depreciation rate for 2017

Financial Impacts

The following table shows the financial impact of this scenario.

Table 19 – Scenario 8 – Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues

SCE&G
Docket No. 2017-305-E
Scenario 8 - Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues

Line No.	FERC Form 1 Ref.	*Pro-Forma Balance Sheet*	Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(d)	$ (471,434,888)	2,132,565,112	3,781,000,000	(d)	$ (942,869,777)	2,838,130,224
4	Page 111, Line 84	Deferred debits	7,098,000,000	(f) (a) (b)	$ (101,376,849) $ 1,885,739,553 $ (471,434,888)	8,410,927,816	7,098,000,000	(f) (a) (b)	$ (202,753,697) $ 1,885,739,553 $ (942,869,777)	7,838,116,079
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ 841,492,928**	**$ 18,366,492,928**	**$ 18,702,000,000**		**$ (202,753,697)**	**$ 18,499,246,303**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(d) (f)	$ (471,434,888) $ (101,376,849)	$ 5,443,188,263	$ 7,193,000,000	(d) (f)	$ (942,869,777) $ (202,753,697)	$ 6,047,376,526
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			10,372,188,263	12,122,000,000			10,976,376,526
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(a) (b)	$ 1,885,739,553 $ (471,434,888)	6,194,304,665	4,780,000,000	(a) (b)	$ 1,885,739,553 $ (942,869,777)	5,722,869,777
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ 841,492,928**	**$ 18,366,492,928**	**$ 18,702,000,000**		**$ (202,753,697)**	**$ 18,499,246,303**

SCE&G
Docket No. 2017-305-E
Scenario 8 - Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(d)	$ (1,414,304,665)	3,543,695,335	6,135,000,000	(d)	$ (1,885,739,553)	4,249,260,447
4	Page 111, Line 84	Deferred debits		(f)	$ (304,130,546)			(f)	$ (405,507,394)	
				(a)	$ 1,885,739,553			(a)	$ 1,885,739,553	
			7,098,000,000	(b)	$ (1,414,304,665)	7,265,304,343	7,098,000,000	(b)	$ (1,885,739,553)	6,692,492,606
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (1,247,000,322)**	**$ 18,631,999,678**	**$ 21,056,000,000**		**$ (2,291,246,947)**	**$ 18,764,753,053**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(d)	$ (1,414,304,665)	$ 6,651,564,790	$ 9,547,000,000	(d)	$ (1,885,739,553)	$ 7,255,753,053
				(f)	$ (304,130,546)			(f)	$ (405,507,394)	
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			11,580,564,790	14,476,000,000			12,184,753,053
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(a)	$ 1,885,739,553	5,251,434,888	4,780,000,000	(a)	$ 1,885,739,553	4,780,000,000
				(b)	$ (1,414,304,665)			(b)	$ (1,885,739,553)	
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (1,247,000,322)**	**$ 18,631,999,678**	**$ 21,056,000,000**		**$ (2,291,246,947)**	**$ 18,764,753,053**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(c)	$ (471,434,888)	$ 2,598,565,112	$ 3,070,000,000	(c)	$ (471,434,888)	$ 2,598,565,112
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,598,565,112	3,070,000,000			2,598,565,112
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000	(e)	$ 101,376,849	393,376,849	292,000,000	(e)	$ 101,376,849	393,376,849
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,994,376,849	1,893,000,000			1,994,376,849
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 604,188,263**	**$ 1,177,000,000**			**$ 604,188,263**

Assumptions used in application of this scenario:

	Year 1	Year 2
(a) Record the regulatory asset and liability for the refund of total collections from customers under BLRA over 4 years	$ 1,885,739,553	$ 1,885,739,553
(b) Cumulative amortization of refund of total collections from customers under BLRA	$ 471,434,888	$ 942,869,777
(c) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(d) Cumulative impact of refund of previous BLRA collections	$ 471,434,888	$ 942,869,777
(e) Annual amortization of the CWIP asset over 39.22 years	$ 101,376,849	$ 101,376,849
(f) Cumulative amortization of the CWIP asset	$ 101,376,849	$ 202,753,697

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 604,188,263	$ 1,177,000,000	$ 604,188,263
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,127,565,112	$ 1,599,000,000	$ 1,127,565,112
26	Change in Cash Flow		$ (471,434,888)		$ (471,434,888)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	28%	27%	26%	27%
28	Equity to Total assets	34%	30%	38%	33%
29	Debt to total capitalization (debt + equity)	45%	48%	41%	45%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	NA

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(c)	$ (471,434,888)	$ 2,598,565,112	$ 3,070,000,000	(c)	$ (471,434,888)	$ 2,598,565,112
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,598,565,112	3,070,000,000			2,598,565,112
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000	(e)	$ 101,376,849	393,376,849	292,000,000	(e)	$ 101,376,849	393,376,849
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,994,376,849	1,893,000,000			1,994,376,849
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 604,188,263**	**$ 1,177,000,000**			**$ 604,188,263**

Assumptions used in application of this scenario:

	Year 3	Year 4
(a) Record the regulatory asset and liability for the refund of total collections from customers under BLRA over 4 years	$ 1,885,739,553	$ 1,885,739,553
(b) Cumulative amortization of refund of total collections from customers under BLRA	$ 1,414,304,665	$ 1,885,739,553
(c) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(d) Cumulative impact of refund of previous BLRA collections	$ 1,414,304,665	$ 1,885,739,553
(e) Annual amortization of the CWIP asset over 39.22 years	$ 101,376,849	$ 101,376,849
(f) Cumulative amortization of the CWIP asset	$ 304,130,546	$ 405,507,394

Line No.		Pro-Forma December 31, 2020	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021	Pro-Forma December 31, 2021
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 604,188,263	$ 1,177,000,000	$ 604,188,263
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,127,565,112	$ 1,599,000,000	$ 1,127,565,112
26	Change in Cash Flow		$ (471,434,888)		$ (471,434,888)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	25%	26%	23%	26%
28	Equity to Total assets	42%	36%	45%	39%
29	Debt to total capitalization (debt + equity)	37%	43%	34%	40%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:

^ Total Proprietary Capital includes $100,000 for preferred stock

8.3 – Discussion

Scenario 8 allows full recovery of CWIP (which amount is recorded in deferred debits) totaling $3.976 billion. The applicable accounting standard for these transactions are addressed by ASC 980-360-35-3 which states, “the entity shall account for the cost of the abandoned plant as follows:

b. **Full return on investment is likely to be provided.** Any disallowance of all or part of the cost of the abandoned plant that is both probable and reasonably estimable (as defined in Topic 450 *Contingencies*) shall be recognized as a loss, and the carrying basis of the recorded asset shall be correspondingly reduced. The remainder of the cost of the abandoned plant shall be reported as a separate new asset.”

In its financial statements as of and for the year ended December 31, 2017, SCE&G recognized a pre-tax impairment loss of approximately $1.118 billion, consisting of $670 million with respect to the probable disallowance of project costs, a pre-tax impairment loss of $361 million to write off costs that had been previously deferred, primarily as project regulatory assets, and an impairment loss of approximately $87 million to reduce to estimated fair value the carrying value of nuclear fuel acquired for use in Units 2 and 3.

This leaves a balance of the remainder of the cost of the abandoned plant of unrecovered CWIP of $3.976 billion, which was reclassified as a deferred debit, pending Commission resolution of the project recovery.

Since, in Scenario 8 full recovery of CWIP is allowed, ASC 980-360-35-8 would then apply, which states “During the recovery period, the new asset shall be amortized as follows…..a. ***If full return on investment is likely to be provided,*** the asset shall be amortized in the same manner as that used for rate-making purposes.”

As the recovery period was not defined for this scenario, our analysis used the SCE&G 2017 composite weighted average depreciation rate of 2.55%, or 39.22 years. We understand the actual rate for nuclear facilities may differ, but this was the detailed information provided in SCANA’s 10 K and SCE&G’s FERC Form 1 for the year ended December 31, 2017.

The amount to be refunded over four years is $1.886 billion. The treatment of refunds falls under the guidance of ASC 980-405-25-1 –

> “Rate actions of a regulator can impose a liability on a regulated entity. Such liabilities are usually obligations to the entity's customers. The following are the usual ways in which liabilities can be imposed and the resulting accounting:
>
> a. A regulator may require refunds to customers. FAS 071, paragraph11 states Refunds can be paid to the customers who paid the amounts being refunded; however, they are usually provided to current customers by reducing current charges. FAS 071, paragraph 11 Refunds that meet the criteria of accrual of loss contingencies (per paragraph **450-20-25-2**) shall be recorded as liabilities and as reductions of revenue or as expenses of the regulated entity.”

Since the total amount of $1.886 billion is to be refunded to customers over four years, proper matching dictates that over four years each year’s revenues should be reduced by $1.886 billion divided by 4 years equals $471 million annually. For purposes of analysis the annual pro-forma statement does not show a liability for the $471 million, rather it is assumed the refund flows through the annual rate-making process and affects each individual year.

8. 4 – Adjustments made to Base Year Pro-forma Financial Statements

The following adjustments were made to the Base Year Pro-Forma Financial Statements under Scenario 4:

Pro-forma 2018

a. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

b. *Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	471,434,888	
Deferred debits – Regulatory asset		471,434,888

c/d. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Current and accrued assets		471,434,888

e/f. *Cumulative amortization of the CWIP regulatory asset – This reflects the 2018 amortization of the regulatory asset created by the granting of the full recovery of CWIP. The amortization period is 39.22 years, equal to the SCE&G composite depreciation rate.*

Account	Debit	Credit
Amortization of regulatory asset	101,376,849	
Current and accrued assets		101,376,849

Pro-forma 2019 *– this also incorporates the 2018 adjustments*

a. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

b. *Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	942,869,777	
Deferred debits – Regulatory asset		942,869,777

c/d. *Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.*

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	471,434,888	
Current and accrued assets		942,869,777

e/f. *Cumulative amortization of the CWIP regulatory asset – This reflects the 2019 amortization of the regulatory asset created by the granting of the full recovery of CWIP and the cumulative amortization since 2018. The amortization period is 39.22 years, equal to the SCE&G composite depreciation rate.*

Account	Debit	Credit
Retained earnings	101,376,849	
Amortization of regulatory asset	101,376,849	
Current and accrued assets		202,753,697

Pro-forma 2020 *– this also incorporates the 2018 and 2019 adjustments*

a. *Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.*

Account	Debit	Credit
Deferred debits – Regulatory asset	1,885,739,553	
Deferred credits – Regulatory liability		1,885,739,553

b. *Cumulative amortization of refund of total collections from customers under the BLRA - this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.*

Account	Debit	Credit
Deferred credits – Regulatory liability	1,414,304,665	
Deferred debits – Regulatory asset		1,414,304,665

c/d. Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	942,869,777	
Current and accrued assets		1,414,304,665

e/f. Cumulative amortization of the CWIP regulatory asset asset – This reflects the 2020 amortization of the regulatory asset created by the granting of the full recovery of CWIP and the cumulative amortization since 2018. The amortization period is 39.22 years, equal to the SCE&G composite depreciation rate.

Account	Debit	Credit
Retained earnings	202,753,697	
Amortization of regulatory asset	101,376,849	
Current and accrued assets		304,130,546

Pro-forma 2021*– this also incorporates the 2018, 2019 and 2020 adjustments*

a. Record the regulatory asset and liability for the refund of total collections from customers under the BLRA – when the refund is ordered by the Commission in this scenario, this creates a regulatory liability for the amount of the refund. It also creates a regulatory debit as an offset and balancing account for amortization of the amounts refunded.

Account	Debit	Credit
Deferred debits	1,885,739,553	
Deferred credits		1,885,739,553

b. Cumulative amortization of refund of total collections from customers under the BLRA – this reflects the amount of amortization of the cumulative refunds to customers due to the Commission's refund order in this scenario.

Account	Debit	Credit
Deferred credits	1,885,739,553	
Deferred debits		1,885,739,553

c/d. Cumulative impact of refund of previous BLRA collections on retained earnings (due to income impact) – this is the annual amount refunded to customers, it reduces revenues and reduces current and accrued assets due to use of cash for the refund or a reduction in customer accounts receivable for billings to customers reduced by the amount refunded.

Account	Debit	Credit
Revenues	471,434,888	
Retained earnings	1,414,304,665	
Current and accrued assets		1,885,739,553

e/f. Cumulative amortization of the CWIP regulatory asset – This reflects the 2020 amortization of the regulatory asset created by the granting of the full recovery of CWIP and the cumulative amortization since 2018. The amortization period is 39.22 years, equal to the SCE&G composite depreciation rate.

Account	Debit	Credit
Retained earnings	304,130,546	
Amortization of regulatory asset	101,376,849	
Current and accrued assets		405,507,394

Appendix A

Detailed Schedules for Each Scenario

SCE&G
Docket No. 2017-305-E
Base Year Pro-forma Statements
Includes no potential adjustments related to Docket No. 2017-305-E

Pro-Forma Statement of Net Position

Line No.	FERC Form 1 Ref.		Actual December 31, 2017		Pro-Forma 2018 Income	Pro-Forma December 31, 2018		Pro-Forma 2019 Income	Pro-Forma December 31, 2019
		Assets:							
i	Page 110, Line 2	Utility plant in service	$ 11,454,000,000			$ 11,454,000,000			$ 11,454,000,000
ii	Page 110, Line 5	Accumulated depreciation	(4,394,000,000)			(4,394,000,000)			(4,394,000,000)
iii	Page 110, Line 2	Construction work in progress	346,000,000			346,000,000			346,000,000
iv	Page 110, Line 13	Nuclear fuel	208,000,000			208,000,000			208,000,000
1	Page 110, Line 14	Net Utility Plant *	7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	1,427,000,000	(a)	$ 1,177,000,000	2,604,000,000	(a)	$ 1,177,000,000	3,781,000,000
4	Page 111, Line 84	Deferred debits	7,098,000,000			7,098,000,000			7,098,000,000
5	Page 111, Line 85	**Total Assets**	**$ 16,348,000,000**		**$ 1,177,000,000**	**$ 17,525,000,000**		**$ 1,177,000,000**	**$ 18,702,000,000**
		Capitalization and Liabilities:							
6	Page 112, Line 16	Total Proprietary Capital ^	$ 4,839,000,000	(a)	$ 1,177,000,000	$ 6,016,000,000	(a)	$ 1,177,000,000	$ 7,193,000,000
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	9,768,000,000			10,945,000,000			12,122,000,000
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000
11	Page 112, Line 35	Non-current liabilities	770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 16,348,000,000**	†	**$ 1,177,000,000**	**$ 17,525,000,000**	†	**$ 1,177,000,000**	**$ 18,702,000,000**

Pro-Forma Consolidated Statement of Comprehensive Income (Loss) ‡

Line No.	FERC Form 1 Ref.		Actual December 31, 2017	Current Year Income	Pro-Forma December 31, 2018	Current Year Income	Pro-Forma December 31, 2019
		Operating revenues:					
13	Page 114, line 2	Electric	$ 3,070,000,000		$ 3,070,000,000		$ 3,070,000,000
14	Page 114, line 2	Total Operating Revenues	3,070,000,000		3,070,000,000		3,070,000,000
		Operating expenses:					
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000		1,526,000,000		1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000		292,000,000		292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000		10,000,000		10,000,000
18		Impairment charge	-		-		-
19	Page 114, line 14	Taxes other than income taxes	240,000,000		240,000,000		240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)		(305,000,000)		(305,000,000)
21	Page 114, lines 17 - 19	Deferred Income taxes and other taxes	130,000,000		130,000,000		130,000,000
22		Total operating expenses	1,893,000,000		1,893,000,000		1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**		**$ 1,177,000,000**		**$ 1,177,000,000**

Assumptions used in application of this scenario:

* The base year assumes that cash flow for capital expenditure funding equals depreciation expense. Thus, total plant in service remains unchanged.

† Changes from year to year merely reflect the increase in equity due to providing normal service to existing customers. In reality, other assets and liabilities will also change but have not been adjusted to facilitate an easier comparison from year to year.

‡ Operating income - for purposes of analysis, all items below the operating income line are revenue neutral

Line No.		December 31, 2017		December 31, 2018		December 31, 2019
	Pre-Tax Cash Flow					
24	Operating income/(loss)	$ 1,177,000,000		$ 1,177,000,000		$ 1,177,000,000
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000		$ 1,599,000,000		$ 1,599,000,000
26	Change in Cash Flow	-		-		-
	Pre-Tax Credit Metrics					
27	Long-term Debt to Total assets	30%		28%		26%
28	Equity to Total assets	30%		34%		38%
29	Debt to Total Capitalization (Debt + Equity)	50%		45%		41%

Adjustments:

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:

^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Base Year Pro-forma Statements
Includes no potential adjustments related to Docket No. 2017-305-E

Pro-Forma Statement of Net Position

Line No.	FERC Form 1 Ref.		Actual December 31, 2017		Pro-Forma 2020 Income	Pro-Forma December 31, 2020		Pro-Forma 2021 Income	Pro-Forma December 31, 2021
		Assets:							
i	Page 110, Line 2	Utility plant in service	$ 11,454,000,000			$ 11,454,000,000			$ 11,454,000,000
ii	Page 110, Line 5	Accumulated depreciation	(4,394,000,000)			(4,394,000,000)			(4,394,000,000)
iii	Page 110, Line 2	Construction work in progress	346,000,000			346,000,000			346,000,000
iv	Page 110, Line 13	Nuclear fuel	208,000,000			208,000,000			208,000,000
1	Page 110, Line 14	Net Utility Plant *	7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	1,427,000,000	(a)	$ 1,177,000,000	4,958,000,000	(a)	$ 1,177,000,000	6,135,000,000
4	Page 111, Line 84	Deferred debits	7,098,000,000			7,098,000,000			7,098,000,000
5	Page 111, Line 85	**Total Assets**	**$ 16,348,000,000**		**$ 1,177,000,000**	**$ 19,879,000,000**		**$ 1,177,000,000**	**$ 21,056,000,000**
		Capitalization and Liabilities:							
6	Page 112, Line 16	Total Proprietary Capital ^	$ 4,839,000,000	(a)	$ 1,177,000,000	$ 8,370,000,000	(a)	$ 1,177,000,000	$ 9,547,000,000
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	9,768,000,000			13,299,000,000			14,476,000,000
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000
11	Page 112, Line 35	Non-current liabilities	770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 16,348,000,000**	†	**$ 1,177,000,000**	**$ 19,879,000,000**	†	**$ 1,177,000,000**	**$ 21,056,000,000**

Pro-Forma Consolidated Statement of Comprehensive Income (Loss)

Line No.	FERC Form 1 Ref.		Actual December 31, 2017	Current Year Income	Pro-Forma December 31, 2020	Current Year Income	Pro-Forma December 31, 2021
		Operating revenues:					
13	Page 114, line 2	Electric	$ 3,070,000,000		$ 3,070,000,000		$ 3,070,000,000
14	Page 114, line 2	Total Operating Revenues	3,070,000,000		3,070,000,000		3,070,000,000
		Operating expenses:					
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000		1,526,000,000		1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000		292,000,000		292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000		10,000,000		10,000,000
18		Impairment charge	-		-		-
19	Page 114, line 14	Taxes other than income taxes	240,000,000		240,000,000		240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)		(305,000,000)		(305,000,000)
21	Page 114, lines 17 - 19	Deferred Income taxes and other taxes	130,000,000		130,000,000		130,000,000
22		Total operating expenses	1,893,000,000		1,893,000,000		1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**		**$ 1,177,000,000**		**$ 1,177,000,000**

Assumptions used in application of this scenario:
* The base year assumes that cash flow for capital expenditure funding equals depreciation expense. Thus, total plant in service remains unchanged.

† Changes from year to year merely reflect the increase in equity due to providing normal service to existing customers. In reality, other assets and liabilities will also change but have not been adjusted to facilitate an easier comparison from year to year.
‡ Operating income - for purposes of analysis, all items below the operating income line are revenue neutral

Line No.		December 31, 2017		December 31, 2020		December 31, 2021
	Pre-Tax Cash Flow					
24	Operating income/(loss)	$ 1,177,000,000		$ 1,177,000,000		$ 1,177,000,000
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000		$ 1,599,000,000		$ 1,599,000,000
26	Change in Cash Flow	-		-		-
	Pre-Tax Credit Metrics					
27	Long-term Debt to Total assets	30%		25%		23%
28	Equity to Total assets	30%		42%		45%
29	Debt to Total Capitalization (Debt + Equity)	50%		37%		34%

Adjustments:

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 1 - Suspend annual collection of revised rates and do NOT credit ratepayers $2 billion of previously collected revenues over a four-year term

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (445,000,791)	2,158,999,209	3,781,000,000	(b)	$ (890,001,582)	2,890,998,418
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (4,421,000,791)**	**$ 13,103,999,209**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(a)	(445,000,791)	$ 1,594,999,209	$ 7,193,000,000	(b)	$ (890,001,582)	$ 2,326,998,418
				(c)	$ (3,976,000,000)			(c)	$ (3,976,000,000)	
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			6,523,999,209	12,122,000,000			7,255,998,418
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (4,421,000,791)**	**$ 13,103,999,209**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,624,999,209	3,070,000,000			2,624,999,209
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 3,976,000,000	3,976,000,000	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,869,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,244,000,791)**	**$ 1,177,000,000**			**$ 731,999,209**

Assumptions used in application of this scenario:

	Year 1	Year 2
(a) Suspension of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of suspension of BLRA revised rates	$ 445,000,791	$ 890,001,582
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ (3,244,000,791)	$ 1,177,000,000	$ 731,999,209
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,153,999,209	$ 1,599,000,000	$ 1,153,999,209
26	Change in Cash Flow		$ (445,000,791)		$ (445,000,791)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	28%	38%	26%	36%
28	Equity to Total assets	34%	12%	38%	17%
29	Debt to total capitalization (debt + equity)	45%	76%	41%	68%

Adjustments

Total collections from customers under BLRA	NA
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 1 - Suspend annual collection of revised rates and do NOT credit ratepayers $2 billion of previously collected revenues over a four-year term

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(b)	$ (1,335,002,373)	3,622,997,627	6,135,000,000	(b)	$ (1,780,003,164)	4,354,996,836
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (5,311,002,373)**	**$ 14,567,997,627**	**$ 21,056,000,000**		**$ (5,756,003,164)**	**$ 15,299,996,836**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b) (c)	$ (1,335,002,373) $ (3,976,000,000)	$ 3,058,997,627	$ 9,547,000,000	(b) (c)	$ (1,780,003,164) $ (3,976,000,000)	$ 3,790,996,836
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			7,987,997,627	14,476,000,000			8,719,996,836
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (5,311,002,373)**	**$ 14,567,997,627**	**$ 21,056,000,000**		**$ (5,756,003,164)**	**$ 15,299,996,836**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,624,999,209	3,070,000,000			2,624,999,209
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,893,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 731,999,209**	**$ 1,177,000,000**			**$ 731,999,209**

Assumptions used in application of this scenario:

	Year 3	Year 4
(a) Suspension of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of suspension of BLRA revised rates	$ 1,335,002,373	$ 1,780,003,164
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000

Line No.		Pro-Forma December 31, 2020	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021	Pro-Forma December 31, 2021
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 731,999,209	$ 1,177,000,000	$ 731,999,209
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,153,999,209	$ 1,599,000,000	$ 1,153,999,209
26	Change in Cash Flow		$ (445,000,791)		$ (445,000,791)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	25%	34%	23%	32%
28	Equity to Total assets	42%	21%	45%	25%
29	Debt to total capitalization (debt + equity)	37%	62%	34%	57%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

South Carolina Electric & Gas Company
Docket No. 2017-305-E
Scenario 2 - Suspend annual collection of revised rates and credit ratepayers $2 billion of previously collected revenues over a four-year term

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (445,000,791)	1,687,564,321	3,781,000,000	(b)	$ (890,001,582)	1,948,128,642
				(g)	$ (471,434,888)			(g)	$ (942,869,777)	
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)			(c)	$ (3,976,000,000)	
				(d)	$ 1,885,739,553			(d)	$ 1,885,739,553	
				(e)	$ (471,434,888)	4,536,304,665	7,098,000,000	(e)	$ (942,869,777)	4,064,869,777
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (3,478,131,015)**	**$ 14,046,868,986**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(a)	(445,000,791)	$ 1,123,564,321	$ 7,193,000,000	(b)	$ (890,001,582)	$ 1,384,128,642
				(c)	$ (3,976,000,000)			(c)	$ (3,976,000,000)	
				(g)	$ (471,434,888)			(g)	$ (942,869,777)	
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			6,052,564,321	12,122,000,000			6,313,128,642
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(d)	$ 1,885,739,553	6,194,304,665	4,780,000,000	(d)	$ 1,885,739,553	5,722,869,777
				(e)	$ (471,434,888)			(e)	$ (942,869,777)	
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (3,478,131,015)**	**$ 14,046,868,986**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
				(f)	$ (471,434,888)			(f)	$ (471,434,888)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,153,564,321	3,070,000,000			2,153,564,321
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 3,976,000,000	3,976,000,000	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,869,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,715,435,679)**	**$ 1,177,000,000**			**$ 260,564,321**

Assumptions used in application of this scenario:

	Year 1	Year 2
(a) Suspension of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of suspension of BLRA revised rates	$ 445,000,791	$ 890,001,582
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000
(d) Record the regulatory asset and liability for the refund of total collections from customers under BLRA over 4 years	$ 1,885,739,553	$ 1,885,739,553
(e) Cumulative amortization of refund of total collections from customers under BLRA	$ 471,434,888	$ 942,869,777
(f) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(g) Cumulative impact of refund of previous BLRA collections	$ 471,434,888	$ 942,869,777

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ (3,715,435,679)	$ 1,177,000,000	$ 260,564,321
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 682,564,321	$ 1,599,000,000	$ 682,564,321
26	Change in Cash Flow		$ (916,435,679)		$ (916,435,679)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	28%	35%	26%	36%
28	Equity to Total assets	34%	8%	38%	10%
29	Debt to total capitalization (debt + equity)	45%	81%	41%	78%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

South Carolina Electric & Gas Company
Docket No. 2017-305-E
Scenario 2 - Suspend annual collection of revised rates and credit ratepayers $2 billion of previously collected revenues over a four-year term

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(b) (g)	$ (1,335,002,373) $ (1,414,304,665)	2,208,692,962	6,135,000,000	(b) (g)	$ (1,780,003,164) $ (1,885,739,553)	2,469,257,283
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (1,414,304,665)	3,593,434,888	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (1,885,739,553)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (6,253,872,150)**	**$ 13,625,127,851**	**$ 21,056,000,000**		**$ (7,641,742,717)**	**$ 13,414,257,283**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b) (c) (g)	$ (1,335,002,373) $ (3,976,000,000) $ (1,414,304,665)	$ 1,644,692,962	$ 9,547,000,000	(b) (c) (g)	$ (1,780,003,164) $ (3,976,000,000) $ (1,885,739,553)	$ 1,905,257,283
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			6,573,692,962	14,476,000,000			6,834,257,283
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (1,414,304,665)	5,251,434,888	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (1,885,739,553)	4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (6,253,872,150)**	**$ 13,625,127,851**	**$ 21,056,000,000**		**$ (7,641,742,717)**	**$ 13,414,257,283**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(f) (a)	$ (471,434,888) (445,000,791)	$ 2,153,564,321	$ 3,070,000,000	(f) (a)	$ (471,434,888) (445,000,791)	$ 2,153,564,321
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,153,564,321	3,070,000,000			2,153,564,321
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,893,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 260,564,321**	**$ 1,177,000,000**			**$ 260,564,321**

Assumptions used in application of this scenario:

	Year 3	Year 4
(a) Suspension of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of suspension of BLRA revised rates	$ 1,335,002,373	$ 1,780,003,164
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000
(d) Record the regulatory asset and liability for the refund of total collections from customers under BLRA over 4 years	$ 1,885,739,553	$ 1,885,739,553
(e) Cumulative amortization of refund of total collections from customers under BLRA	$ 1,414,304,665	$ 1,885,739,553
(f) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(g) Cumulative impact of refund of previous BLRA collections	$ 1,414,304,665	$ 1,885,739,553

Line No.		Pro-Forma December 31, 2020	Pro-Forma December 31, 2020 (Adjusted)	Pro-Forma December 31, 2021	Pro-Forma December 31, 2021 (Adjusted)
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 260,564,321	$ 1,177,000,000	$ 260,564,321
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 682,564,321	$ 1,599,000,000	$ 682,564,321
26	Change in Cash Flow		$ (916,435,679)		$ (916,435,679)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	25%	36%	23%	37%
28	Equity to Total assets	42%	12%	45%	14%
29	Debt to total capitalization (debt + equity)	37%	75%	34%	72%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 3 - Assuming no CWIP recovery and NO credit to ratepayers of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (445,000,791)	2,158,999,209	3,781,000,000	(b)	$ (890,001,582)	2,890,998,418
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (4,421,000,791)**	**$ 13,103,999,209**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(a) (c)	(445,000,791) $ (3,976,000,000)	$ 1,594,999,209	$ 7,193,000,000	(b) (c)	$ (890,001,582) $ (3,976,000,000)	$ 2,326,998,418
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			6,523,999,209	12,122,000,000			7,255,998,418
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (4,421,000,791)**	**$ 13,103,999,209**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,624,999,209	3,070,000,000			2,624,999,209
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 3,976,000,000	3,976,000,000	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,869,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,244,000,791)**	**$ 1,177,000,000**			**$ 731,999,209**

Assumptions used in application of this scenario:

	Year 1	Year 2
(a) Elimination of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of elimination of BLRA revised rates	$ 445,000,791	$ 890,001,582
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ (3,244,000,791)	$ 1,177,000,000	$ 731,999,209
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,153,999,209	$ 1,599,000,000	$ 1,153,999,209
26	Change in Cash Flow		$ (445,000,791)		$ (445,000,791)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	28%	38%	26%	36%
28	Equity to Total assets	34%	12%	38%	17%
29	Debt to total capitalization (debt + equity)	45%	76%	41%	68%

Adjustments

Total collections from customers under BLRA	NA
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 3 - Assuming no CWIP recovery and NO credit to ratepayers of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(b)	$ (1,335,002,373)	3,622,997,627	6,135,000,000	(b)	$ (1,780,003,164)	4,354,996,836
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000	7,098,000,000	(c)	$ (3,976,000,000)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (5,311,002,373)**	**$ 14,567,997,627**	**$ 21,056,000,000**		**$ (5,756,003,164)**	**$ 15,299,996,836**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b)	$ (1,335,002,373)	$ 3,058,997,627	$ 9,547,000,000	(b)	$ (1,780,003,164)	$ 3,790,996,836
				(c)	$ (3,976,000,000)			(c)	$ (3,976,000,000)	
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			7,987,997,627	14,476,000,000			8,719,996,836
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (5,311,002,373)**	**$ 14,567,997,627**	**$ 21,056,000,000**		**$ (5,756,003,164)**	**$ 15,299,996,836**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209	$ 3,070,000,000	(a)	(445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,624,999,209	3,070,000,000			2,624,999,209
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,893,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 731,999,209**	**$ 1,177,000,000**			**$ 731,999,209**

Assumptions used in application of this scenario:

	Year 3	Year 4
(a) Elimination of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of elimination of BLRA revised rates	$ 1,335,002,373	$ 1,780,003,164
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000

Line No.		Pro-Forma December 31, 2020	Pro-Forma December 31, 2020 (adjusted)	Pro-Forma December 31, 2021	Pro-Forma December 31, 2021 (adjusted)
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 731,999,209	$ 1,177,000,000	$ 731,999,209
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,153,999,209	$ 1,599,000,000	$ 1,153,999,209
26	Change in Cash Flow		$ (445,000,791)		$ (445,000,791)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	25%	34%	23%	32%
28	Equity to Total assets	42%	21%	45%	25%
29	Debt to total capitalization (debt + equity)	37%	62%	34%	57%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 4 - Assuming no CWIP recovery and a credit to ratepayers of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (445,000,791)	1,687,564,321	3,781,000,000	(b)	$ (890,001,582)	1,948,128,642
				(g)	$ (471,434,888)			(g)	$ (942,869,777)	
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,976,000,000)			(c)	$ (3,976,000,000)	
				(d)	$ 1,885,739,553			(d)	$ 1,885,739,553	
				(e)	$ (471,434,888)	4,536,304,665	7,098,000,000	(e)	$ (942,869,777)	4,064,869,777
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (3,478,131,015)**	**$ 14,046,868,986**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(a)	(445,000,791)	$ 1,123,564,321	$ 7,193,000,000	(b)	$ (890,001,582)	$ 1,384,128,642
				(c)	$ (3,976,000,000)			(c)	$ (3,976,000,000)	
				(g)	$ (471,434,888)			(g)	$ (942,869,777)	
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			6,052,564,321	12,122,000,000			6,313,128,642
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(d)	$ 1,885,739,553	6,194,304,665	4,780,000,000	(d)	$ 1,885,739,553	5,722,869,777
				(e)	$ (471,434,888)			(e)	$ (942,869,777)	
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (3,478,131,015)**	**$ 14,046,868,986**	**$ 18,702,000,000**		**$ (4,866,001,582)**	**$ 13,835,998,418**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
				(f)	$ (471,434,888)			(f)	$ (471,434,888)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321	$ 3,070,000,000	(a)	(445,000,791)	$ 2,153,564,321
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,153,564,321	3,070,000,000			2,153,564,321
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 3,976,000,000	3,976,000,000	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,869,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,715,435,679)**	**$ 1,177,000,000**			**$ 260,564,321**

Assumptions used in application of this scenario:

	Year 1	Year 2
(a) Elimination of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of elimination of BLRA revised rates	$ 445,000,791	$ 890,001,582
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000
(d) Record the regulatory asset and liability for the refund of total collections from customers under BLRA	$ 1,885,739,553	$ 1,885,739,553
(e) Cumulative amortization of refund of total collections from customers under BLRA	$ 471,434,888	$ 942,869,777
(f) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(g) Cumulative impact of refund of previous BLRA collections	$ 471,434,888	$ 942,869,777

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018 (after Year 1 Adjustments)	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019 (after Year 2 Adjustments)
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ (3,715,435,679)	$ 1,177,000,000	$ 260,564,321
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 682,564,321	$ 1,599,000,000	$ 682,564,321
26	Change in Cash Flow		$ (916,435,679)		$ (916,435,679)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	28%	35%	26%	36%
28	Equity to Total assets	34%	8%	38%	10%
29	Debt to total capitalization (debt + equity)	45%	81%	41%	78%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 4 - Assuming no CWIP recovery and a credit to ratepayers of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(b) (g)	$ (1,335,002,373) $ (1,414,304,665)	2,208,692,962	6,135,000,000	(b) (g)	$ (1,780,003,164) $ (1,885,739,553)	2,469,257,283
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (1,414,304,665)	3,593,434,888	7,098,000,000	(c) (d) (e)	$ (3,976,000,000) $ 1,885,739,553 $ (1,885,739,553)	3,122,000,000
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (6,253,872,150)**	**$ 13,625,127,851**	**$ 21,056,000,000**		**$ (7,641,742,717)**	**$ 13,414,257,283**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b) (c) (g)	$ (1,335,002,373) $ (3,976,000,000) $ (1,414,304,665)	$ 1,644,692,962	$ 9,547,000,000	(b) (c) (g)	$ (1,780,003,164) $ (3,976,000,000) $ (1,885,739,553)	$ 1,905,257,283
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			6,573,692,962	14,476,000,000			6,834,257,283
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (1,414,304,665)	5,251,434,888	4,780,000,000	(d) (e)	$ 1,885,739,553 $ (1,885,739,553)	4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (6,253,872,150)**	**$ 13,625,127,851**	**$ 21,056,000,000**		**$ (7,641,742,717)**	**$ 13,414,257,283**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(f) (a)	$ (471,434,888) (445,000,791)	$ 2,153,564,321	$ 3,070,000,000	(f) (a)	$ (471,434,888) (445,000,791)	$ 2,153,564,321
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,153,564,321	3,070,000,000			2,153,564,321
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000	292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,893,000,000	1,893,000,000			1,893,000,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 260,564,321**	**$ 1,177,000,000**			**$ 260,564,321**

Assumptions used in application of this scenario:

	Year 3	Year 4
(a) Elimination of BLRA revised rates	$ 445,000,791	$ 445,000,791
(b) Cumulative impact of elimination of BLRA revised rates	$ 1,335,002,373	$ 1,780,003,164
(c) Impairment of the V.C. Summer Units 2 & 3 construction costs	$ 3,976,000,000	$ 3,976,000,000
(d) Record the regulatory asset and liability for the refund of total collections from customers under BLRA	$ 1,885,739,553	$ 1,885,739,553
(e) Cumulative amortization of refund of total collections from customers under BLRA	$ 1,414,304,665	$ 1,885,739,553
(f) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(g) Cumulative impact of refund of previous BLRA collections	$ 1,414,304,665	$ 1,885,739,553

Line No.		Pro-Forma December 31, 2020	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021	Pro-Forma December 31, 2021
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 260,564,321	$ 1,177,000,000	$ 260,564,321
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 682,564,321	$ 1,599,000,000	$ 682,564,321
26	Change in Cash Flow		$ (916,435,679)		$ (916,435,679)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	25%	36%	23%	37%
28	Equity to Total assets	42%	12%	45%	14%
29	Debt to total capitalization (debt + equity)	37%	75%	34%	72%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 5 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and No credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.			Pro-forma December 31, 2018		Disallow Order 2016-758	Pro-Forma December 31, 2018		Disallow Order 2015-712	Pro-Forma December 31, 2018		Disallow Order 2014-785	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (64,427,813)	2,539,572,187	(a)	$ (128,953,813)	2,475,046,187	(a)	$ (195,191,813)	2,408,808,187
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (574,150,000)	6,523,850,000	(b)	$ (1,121,374,000)	5,976,626,000	(b)	$ (1,682,436,000)	5,415,564,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (638,577,813)	$ 16,886,422,187		$ (1,250,327,813)	$ 16,274,672,187		$ (1,877,627,813)	$ 15,647,372,187
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b)	$ (64,427,813) $ (574,150,000)	5,377,422,187	(a) (b)	$ (128,953,813) $ (1,121,374,000)	4,765,672,187	(a) (b)	$ (195,191,813) $ (1,682,436,000)	4,138,372,187
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			10,306,422,187			9,694,672,187			9,067,372,187
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (638,577,813)	$ 16,886,422,187		$ (1,250,327,813)	$ 16,274,672,187		$ (1,877,627,813)	$ 15,647,372,187

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2016-758	Pro-Forma December 31, 2018		Disallow Order 2015-712	Pro-Forma December 31, 2018		Disallow Order 2014-785	Pro-Forma December 31, 2018
		Operating revenues:										
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	$ (64,427,813)	$ 3,005,572,187	(a)	$ (128,953,813)	$ 2,941,046,187	(a)	$ (195,191,813)	$ 2,874,808,187
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			3,005,572,187			2,941,046,187			2,874,808,187
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(b)	$ 574,150,000	574,150,000	(b)	$ 1,121,374,000	1,121,374,000	(b)	$ 1,682,436,000	1,682,436,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			2,467,150,000			3,014,374,000			3,575,436,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 538,422,187**			**$ (73,327,813)**			**$ (700,627,813)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order

Line No.		Pro-Forma	Disallow Order 2016-758	Disallow Order 2015-712	Disallow Order 2014-785
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ 538,422,187	$ (73,327,813)	$ (700,627,813)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ 1,534,572,187	$ 1,470,046,187	$ 1,403,808,187
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	29%	30%	32%
27	Equity to Total assets	34%	32%	29%	26%
28	Debt to total capitalization (debt + equity)	45%	48%	51%	54%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Regulatory asset - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791
BLRA approved rate increase per Order No.:	
2009-104(A)	$ 7,802,491
2009-696	$ 22,533,000
2010-625	$ 47,301,000
2011-738	$ 52,783,342
2012-761	$ 52,148,913
2013-680(A)	$ 67,240,232
2014-785	$ 66,238,000
2015-712	$ 64,526,000
2016-758	$ 64,427,813

SCE&G
Docket No. 2017-305-E
Scenario 5 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and No credit to ratepayers of $2 billion of previously collected revenues

Line No.		*Pro-Forma Balance Sheet*	Pro-forma December 31, 2018		Disallow Order 2013-680(A)	Pro-Forma December 31, 2018		Disallow Order 2012-761	Pro-Forma December 31, 2018		Disallow Order 2011-738	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (262,432,045)	2,341,567,955	(a)	$ (314,580,958)	2,289,419,042	(a)	$ (367,364,300)	2,236,635,700
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (2,251,792,000)	4,846,208,000	(b)	$ (2,688,021,000)	4,409,979,000	(b)	$ (3,124,746,000)	3,973,254,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (2,514,224,045)	$ 15,010,775,955		$ (3,002,601,958)	$ 14,522,398,042		$ (3,492,110,300)	$ 14,032,889,700
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b)	$ (262,432,045) $ (2,251,792,000)	3,501,775,955	(a) (b)	$ (314,580,958) $ (2,688,021,000)	3,013,398,042	(a) (b)	$ (367,364,300) $ (3,124,746,000)	2,523,889,700
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			8,430,775,955			7,942,398,042			7,452,889,700
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (2,514,224,045)	$ 15,010,775,955		$ (3,002,601,958)	$ 14,522,398,042		$ (3,492,110,300)	$ 14,032,889,700

Line No.	FERC Form 1 Ref.	*Pro-Forma Statement of Income*	Pro-Forma December 31, 2018		Disallow Order 2013-680(A)	Pro-Forma December 31, 2018		Disallow Order 2012-761	Pro-Forma December 31, 2019		Disallow Order 2011-738	Pro-Forma December 31, 2018
		Operating revenues:										
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	$ (262,432,045)	$ 2,807,567,955	(a)	$ (314,580,958)	$ 2,755,419,042	(a)	$ (367,364,300)	$ 2,702,635,700
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,807,567,955			2,755,419,042			2,702,635,700
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(b)	$ 2,251,792,000	2,251,792,000	(b)	$ 2,688,021,000	2,688,021,000	(b)	$ 3,124,746,000	3,124,746,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			4,144,792,000		2688021000	4,581,021,000			5,017,746,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (1,337,224,045)**		**-2688021000**	**$ (1,825,601,958)**			**$ (2,315,110,300)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order

Line No.					
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ (1,337,224,045)	$ (1,825,601,958)	$ (2,315,110,300)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ 1,336,567,955	$ 1,284,419,042	$ 1,231,635,700
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	33%	34%	35%
27	Equity to Total assets	34%	23%	21%	18%
28	Debt to total capitalization (debt + equity)	45%	58%	62%	66%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Regulatory asset - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791
BLRA approved rate increase per Order No.:	
2009-104(A)	$ 7,802,491
2009-696	$ 22,533,000
2010-625	$ 47,301,000
2011-738	$ 52,783,342
2012-761	$ 52,148,913
2013-680(A)	$ 67,240,232
2014-785	$ 66,238,000
2015-712	$ 64,526,000
2016-758	$ 64,427,813

SCE&G
Docket No. 2017-305-E
Scenario 5 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and No credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.			Pro-forma December 31, 2018		Disallow Order 2010-625	Pro-Forma December 31, 2018		Disallow Order 2009-696	Pro-Forma December 31, 2018		Disallow Order 2009-104(A)	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (414,665,300)	2,189,334,700	(a)	$ (437,198,300)	2,166,801,700	(a)	$ (445,000,791)	2,158,999,209
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (3,523,892,000)	3,574,108,000	(b)	$ (3,722,256,000)	3,375,744,000	(b)	$ (3,788,217,000)	3,309,783,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (3,938,557,300)	$ 13,586,442,700		$ (4,159,454,300)	$ 13,365,545,700		$ (4,233,217,791)	$ 13,291,782,209
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b)	$ (414,665,300) $ (3,523,892,000)	2,077,442,700	(a) (b)	$ (437,198,300) $ (3,722,256,000)	1,856,545,700	(a) (b)	$ (445,000,791) $ (3,788,217,000)	1,782,782,209
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			7,006,442,700			6,785,545,700			6,711,782,209
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (3,938,557,300)	$ 13,586,442,700		$ (4,159,454,300)	$ 13,365,545,700		$ (4,233,217,791)	$ 13,291,782,209

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2010-625	Pro-Forma December 31, 2018		Disallow Order 2009-696	Pro-Forma December 31, 2018		Disallow Order 2009-104(A)	Pro-Forma December 31, 2018
		Operating revenues:										
13	Page 114, line 2	Electric	$ 3,070,000,000	(a)	$ (414,665,300)	$ 2,655,334,700	(a)	$ (437,198,300)	$ 2,632,801,700	(a)	$ (445,000,791)	$ 2,624,999,209
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,655,334,700			2,632,801,700			2,624,999,209
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(b)	$ 3,523,892,000	3,523,892,000	(b)	$ 3,722,256,000	3,722,256,000	(b)	$ 3,788,217,000	3,788,217,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,416,892,000			5,615,256,000			5,681,217,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (2,761,557,300)**			**$ (2,982,454,300)**			**$ (3,056,217,791)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order

Line No.		Pro-Forma December 31, 2018	Order 2010-625	Order 2009-696	Order 2009-104(A)
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ (2,761,557,300)	$ (2,982,454,300)	$ (3,056,217,791)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ 1,184,334,700	$ 1,161,801,700	$ 1,153,999,209
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	36%	37%	37%
27	Equity to Total assets	34%	15%	14%	13%
28	Debt to total capitalization (debt + equity)	45%	70%	73%	73%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Regulatory asset - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791
BLRA approved rate increase per Order No.:	
2009-104(A)	$ 7,802,491
2009-696	$ 22,533,000
2010-625	$ 47,301,000
2011-738	$ 52,783,342
2012-761	$ 52,148,913
2013-680(A)	$ 67,240,232
2014-785	$ 66,238,000
2015-712	$ 64,526,000
2016-758	$ 64,427,813

SCE&G
Docket No. 2017-305-E
Scenario 6 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.			Pro-forma December 31, 2018		Disallow Order 2016-758	Pro-Forma ###############		Disallow Order 2015-712	Pro-Forma December 31, 2018		Disallow Order 2014-785	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a) (b)	$ (64,427,813) (1,885,739,553)	653,832,634	(a) (b)	$ (128,953,813) (1,885,739,553)	589,306,634	(a) (b)	$ (195,191,813) (1,885,739,553)	523,068,634
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (574,150,000)	6,523,850,000	(c)	$ (1,121,374,000)	5,976,626,000	(c)	$ (1,682,436,000)	5,415,564,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (2,524,317,366)	$ 15,000,682,634		$ (3,136,067,366)	$ 14,388,932,634		$ (3,763,367,366)	$ 13,761,632,634
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b) (c)	$ (64,427,813) (1,885,739,553) $ (574,150,000)	3,491,682,634	(a) (b) (c)	$ (128,953,813) (1,885,739,553) $ (1,121,374,000)	2,879,932,634	(a) (b) (c)	$ (195,191,813) (1,885,739,553) $ (1,682,436,000)	2,252,632,634
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			8,420,682,634			7,808,932,634			7,181,632,634
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (2,524,317,366)	$ 15,000,682,634		$ (3,136,067,366)	$ 14,388,932,634		$ (3,763,367,366)	$ 13,761,632,634

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2016-758	Pro-Forma December 31, 2018		Disallow Order 2015-712	Pro-Forma December 31, 2018		Disallow Order 2014-785	Pro-Forma December 31, 2018
		Operating revenues:										
13	Page 114, line 2	Electric	$ 3,070,000,000	(a) (b)	$ (64,427,813) (1,885,739,553)	$ 1,119,832,634	(a) (b)	$ (128,953,813) $ (1,885,739,553)	$ 1,055,306,634	(a) (b)	$ (195,191,813) $ (1,885,739,553)	$ 989,068,634
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			1,119,832,634		(1,885,739,553)	1,055,306,634		(1,885,739,553)	989,068,634
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(c)	$ 574,150,000	574,150,000	(c)	1,121,374,000	1,121,374,000	(c)	1,682,436,000	1,682,436,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			2,467,150,000			3,014,374,000			3,575,436,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (1,347,317,366)**			**$ (1,959,067,366)**			**$ (2,586,367,366)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order
(c) Incremental and cumulative CWIP included in order

	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ (1,347,317,366)	$ (1,959,067,366)	$ (2,586,367,366)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ (351,167,366)	$ (415,693,366)	$ (481,931,366)
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	33%	34%	36%
27	Equity to Total assets	34%	23%	20%	16%
28	Debt to total capitalization (debt + equity)	45%	59%	63%	69%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Regulatory asset - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791
BLRA approved rate increase per Order No.:	
2009-104(A)	$ 7,802,491
2009-696	$ 22,533,000
2010-625	$ 47,301,000
2011-738	$ 52,783,342
2012-761	$ 52,148,913
2013-680(A)	$ 67,240,232
2014-785	$ 66,238,000
2015-712	$ 64,526,000
2016-758	$ 64,427,813

SCE&G
Docket No. 2017-305-E
Scenario 6 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.			Pro-forma December 31, 2018		Disallow Order 2013-680(A)	Pro-Forma December 31, 2018		Disallow Order 2012-761	Pro-Forma December 31, 2018		Disallow Order 2011-738	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a)	$ (262,432,045)	455,828,402	(a)	$ (314,580,958)	403,679,489	(a)	$ (367,364,300)	350,896,147
				(b)	(1,885,739,553)		(b)	(1,885,739,553)		(b)	(1,885,739,553)	
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (2,251,792,000)	4,846,208,000	(c)	$ (2,688,021,000)	4,409,979,000	(c)	$ (3,124,746,000)	3,973,254,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (4,399,963,598)	$ 13,125,036,402		$ (4,888,341,511)	$ 12,636,658,489		$ (5,377,849,853)	$ 12,147,150,147
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a)	$ (262,432,045)	1,616,036,402	(a)	$ (314,580,958)	1,127,658,489	(a)	$ (367,364,300)	638,150,147
				(b)	(1,885,739,553)		(b)	(1,885,739,553)		(b)	(1,885,739,553)	
				(c)	$ (2,251,792,000)		(c)	$ (2,688,021,000)		(c)	$ (3,124,746,000)	
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			6,545,036,402			6,056,658,489			5,567,150,147
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (4,399,963,598)	$ 13,125,036,402		$ (4,888,341,511)	$ 12,636,658,489		$ (5,377,849,853)	$ 12,147,150,147

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2013-680(A)	Pro-Forma December 31, 2019		Disallow Order 2012-761	Pro-Forma December 31, 2019		Disallow Order 2011-738	Pro-Forma December 31, 2018
		Operating revenues:										
				(a)	$ (262,432,045)		(a)	$ (314,580,958)		(a)	$ (367,364,300)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(b)	$ (1,885,739,553)	$ 921,828,402	(b)	$ (1,885,739,553)	$ 869,679,489	(b)	$ (1,885,739,553)	$ 816,896,147
14	Page 114, line 2	Total Operating Revenues	3,070,000,000		(1,885,739,553)	921,828,402		(1,885,739,553)	869,679,489		(1,885,739,553)	816,896,147
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(c)	2,251,792,000	2,251,792,000	(c)	2,688,021,000	2,688,021,000	(c)	3,124,746,000	3,124,746,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			4,144,792,000			4,581,021,000			5,017,746,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (3,222,963,598)**			**$ (3,711,341,511)**			**$ (4,200,849,853)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order
(c) Incremental and cumulative CWIP included in order

	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,599,000,000	$ (3,222,963,598)	$ (3,711,341,511)	$ (4,200,849,853)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000	$ (549,171,598)	$ (601,320,511)	$ (654,103,853)
	Pre-Tax Credit Metrics				
26	Long term debt to Total assets	28%	38%	39%	41%
27	Equity to Total assets	34%	12%	9%	5%
28	Debt to total capitalization (debt + equity)	45%	75%	81%	89%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Regulatory asset - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

BLRA approved rate increase per Order No.:

2009-104(A)	$ 7,802,491
2009-696	$ 22,533,000
2010-625	$ 47,301,000
2011-738	$ 52,783,342
2012-761	$ 52,148,913
2013-680(A)	$ 67,240,232
2014-785	$ 66,238,000
2015-712	$ 64,526,000
2016-758	$ 64,427,813

SCE&G
Docket No. 2017-305-E
Scenario 6 - Assuming partial recovery of CWIP - Disallow CWIP back to each Revised Rates Date and a credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.			Pro-forma December 31, 2018		Disallow Order 2010-625	Pro-Forma December 31, 2018		Disallow Order 2009-696	Pro-Forma December 31, 2018		Disallow Order 2009-104(A)	Pro-Forma December 31, 2018
		Assets										
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000			7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000			209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(a) (b)	$ (414,665,300) (1,885,739,553)	303,595,147	(a) (b)	$ (437,198,300) (1,885,739,553)	281,062,147	(a) (b)	$ (445,000,791) (1,885,739,553)	273,259,656
4	Page 111, Line 84	Deferred debits	7,098,000,000	(c)	$ (3,523,892,000)	3,574,108,000	(c)	$ (3,722,256,000)	3,375,744,000	(c)	$ (3,788,217,000)	3,309,783,000
5	Page 111, Line 85	**Total Assets**	$ 17,525,000,000		$ (5,824,296,853)	$ 11,700,703,147		$ (6,045,193,853)	$ 11,479,806,147		$ (6,118,957,344)	$ 11,406,042,656
		Capitalization and Liabilities										
6	Page 112, Line 16	Total Proprietary Capital	$ 6,016,000,000	(a) (b) (c)	$ (414,665,300) (1,885,739,553) $ (3,523,892,000)	191,703,147	(a) (b) (c)	$ (437,198,300) (1,885,739,553) $ (3,722,256,000)	(29,193,853)	(a) (b) (c)	$ (445,000,791) (1,885,739,553) $ (3,788,217,000)	(102,957,344)
7	Page 112, Line 17	Long-term debt	4,929,000,000			4,929,000,000			4,929,000,000			4,929,000,000
8		Total capitalization	10,945,000,000			5,120,703,147			4,899,806,147			4,826,042,656
9	Page 113, Line 54	Current liabilities	1,030,000,000			1,030,000,000			1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000			4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000			770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	$ 17,525,000,000		$ (5,824,296,853)	$ 11,700,703,147		$ (6,045,193,853)	$ 11,479,806,147		$ (6,118,957,344)	$ 11,406,042,656

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Disallow Order 2010-625	Pro-Forma December 31, 2018		Disallow Order 2009-696	Pro-Forma December 31, 2018		Disallow Order 2009-104(A)	Pro-Forma December 31, 2018
		Operating revenues:										
				(a)	$ (414,665,300)		(a)	$ (437,198,300)		(a)	$ (445,000,791)	
13	Page 114, line 2	Electric	$ 3,070,000,000	(b)	$ (1,885,739,553)	$ 769,595,147	(b)	$ (1,885,739,553)	$ 747,062,147	(b)	$ (1,885,739,553)	$ 739,259,656
14	Page 114, line 2	Total Operating Revenues	3,070,000,000		(1,885,739,553)	769,595,147		(1,885,739,553)	747,062,147		(1,885,739,553)	739,259,656
		Operating expenses:										
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000			1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000			292,000,000			292,000,000			292,000,000
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000			10,000,000			10,000,000
18		Impairment charge	-	(c)	3,523,892,000	3,523,892,000	(c)	3,722,256,000	3,722,256,000	(c)	3,788,217,000	3,788,217,000
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000			240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)			(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000			130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			5,416,892,000			5,615,256,000			5,681,217,000
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ (4,647,296,853)**			**$ (4,868,193,853)**			**$ (4,941,957,344)**

Assumptions used in application of this scenario:

(a) Partial CWIP recovery back to revised rates dates
(b) Incremental and cumulative CWIP included in order
(c) Incremental and cumulative CWIP included in order

	Pre-Tax Cash Flow					
24	Operating income/(loss)	$ 1,599,000,000		$ (4,647,296,853)	$ (4,868,193,853)	$ (4,941,957,344)
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 2,021,000,000		$ (701,404,853)	$ (723,937,853)	$ (731,740,344)
	Pre-Tax Credit Metrics					
26	Long term debt to Total assets	28%		42%	43%	43%
27	Equity to Total assets	34%		2%	0%	-1%
28	Debt to total capitalization (debt + equity)	45%		96%	101%	102%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Regulatory asset - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	$ 445,000,791

BLRA approved rate increase per Order No.:

2009-104(A)	$ 7,802,491
2009-696	$ 22,533,000
2010-625	$ 47,301,000
2011-738	$ 52,783,342
2012-761	$ 52,148,913
2013-680(A)	$ 67,240,232
2014-785	$ 66,238,000
2015-712	$ 64,526,000
2016-758	$ 64,427,813

SCE&G
Docket No. 2017-305-E
Scenario 7 - Assuming full recovery of CWIP and NO credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000			2,604,000,000	3,781,000,000			3,781,000,000
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (101,376,849)	6,996,623,151	7,098,000,000	(b)	$ (202,753,697)	6,895,246,303
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ (101,376,849)**	**$ 17,423,623,151**	**$ 18,702,000,000**		**$ (202,753,697)**	**$ 18,499,246,303**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(b)	$ (101,376,849)	$ 5,914,623,151	$ 7,193,000,000	(b)	$ (202,753,697)	$ 6,990,246,303
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			10,843,623,151	12,122,000,000			11,919,246,303
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ (101,376,849)**	**$ 17,423,623,151**	**$ 18,702,000,000**		**$ (202,753,697)**	**$ 18,499,246,303**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000			$ 3,070,000,000	$ 3,070,000,000			$ 3,070,000,000
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			3,070,000,000	3,070,000,000			3,070,000,000
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000	(a)	101,376,849	393,376,849	292,000,000	(a)	101,376,849	393,376,849
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,994,376,849	1,893,000,000			1,994,376,849
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 1,075,623,151**	**$ 1,177,000,000**			**$ 1,075,623,151**

Assumptions used in application of this scenario:

	Year 1	Year 2
(a) Annual amortization of the CWIP asset over 39.22 years	$ 101,376,849	$ 101,376,849
(b) Cumulative amortization of the CWIP asset	$ 101,376,849	$ 202,753,697

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 1,075,623,151	$ 1,177,000,000	$ 1,075,623,151
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,599,000,000	$ 1,599,000,000	$ 1,599,000,000
26	Change in Cash Flow		$ -		$ -
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	28%	28%	26%	27%
28	Equity to Total assets	34%	34%	38%	38%
29	Debt to total capitalization (debt + equity)	45%	45%	41%	41%

Adjustments

Total collections from customers under BLRA	NA
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	NA

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 7 - Assuming full recovery of CWIP and NO credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000			4,958,000,000	6,135,000,000			6,135,000,000
4	Page 111, Line 84	Deferred debits	7,098,000,000	(b)	$ (304,130,546)	6,793,869,454	7,098,000,000	(b)	$ (405,507,394)	6,692,492,606
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (304,130,546)**	**$ 19,574,869,454**	**$ 21,056,000,000**		**$ (405,507,394)**	**$ 20,650,492,606**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(b)	$ (304,130,546)	$ 8,065,869,454	$ 9,547,000,000	(b)	$ (405,507,394)	$ 9,141,492,606
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			12,994,869,454	14,476,000,000			14,070,492,606
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000			4,780,000,000	4,780,000,000			4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (304,130,546)**	**$ 19,574,869,454**	**$ 21,056,000,000**		**$ (405,507,394)**	**$ 20,650,492,606**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000			$ 3,070,000,000	$ 3,070,000,000			$ 3,070,000,000
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			3,070,000,000	3,070,000,000			3,070,000,000
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000	(a)	101,376,849	393,376,849	292,000,000	(a)	101,376,849	393,376,849
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,994,376,849	1,893,000,000			1,994,376,849
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 1,075,623,151**	**$ 1,177,000,000**			**$ 1,075,623,151**

Assumptions used in application of this scenario:

	Year 3	Year 4
(a) Annual amortization of the CWIP asset over 39.22 years	$ 101,376,849	$ 101,376,849
(b) Cumulative amortization of the CWIP asset	$ 304,130,546	$ 405,507,394

Line No.		Pro-Forma December 31, 2020	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021	Pro-Forma December 31, 2021
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 1,075,623,151	$ 1,177,000,000	$ 1,075,623,151
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,599,000,000	$ 1,599,000,000	$ 1,599,000,000
26	Change in Cash Flow		$ -		$ -
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	25%	25%	23%	24%
28	Equity to Total assets	42%	41%	45%	44%
29	Debt to total capitalization (debt + equity)	37%	38%	34%	35%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 8 - Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	2,604,000,000	(d)	$ (471,434,888)	2,132,565,112	3,781,000,000	(d)	$ (942,869,777)	2,838,130,224
4	Page 111, Line 84	Deferred debits	7,098,000,000	(f) (a) (b)	$ (101,376,849) $ 1,885,739,553 $ (471,434,888)	8,410,927,816	7,098,000,000	(f) (a) (b)	$ (202,753,697) $ 1,885,739,553 $ (942,869,777)	7,838,116,079
5	Page 111, Line 85	**Total Assets**	**$ 17,525,000,000**		**$ 841,492,928**	**$ 18,366,492,928**	**$ 18,702,000,000**		**$ (202,753,697)**	**$ 18,499,246,303**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 6,016,000,000	(d) (f)	$ (471,434,888) $ (101,376,849)	$ 5,443,188,263	$ 7,193,000,000	(d) (f)	$ (942,869,777) $ (202,753,697)	$ 6,047,376,526
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	10,945,000,000			10,372,188,263	12,122,000,000			10,976,376,526
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(a) (b)	$ 1,885,739,553 $ (471,434,888)	6,194,304,665	4,780,000,000	(a) (b)	$ 1,885,739,553 $ (942,869,777)	5,722,869,777
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 17,525,000,000**		**$ 841,492,928**	**$ 18,366,492,928**	**$ 18,702,000,000**		**$ (202,753,697)**	**$ 18,499,246,303**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2018		Year 1 Adjustments	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019		Year 2 Adjustments	Pro-Forma December 31, 2019
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(c)	$ (471,434,888)	$ 2,598,565,112	$ 3,070,000,000	(c)	$ (471,434,888)	$ 2,598,565,112
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,598,565,112	3,070,000,000			2,598,565,112
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000	(e)	$ 101,376,849	393,376,849	292,000,000	(e)	$ 101,376,849	393,376,849
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,994,376,849	1,893,000,000			1,994,376,849
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 604,188,263**	**$ 1,177,000,000**			**$ 604,188,263**

Assumptions used in application of this scenario:

	Year 1	Year 2
(a) Record the regulatory asset and liability for the refund of total collections from customers under BLRA over 4 years	$ 1,885,739,553	$ 1,885,739,553
(b) Cumulative amortization of refund of total collections from customers under BLRA	$ 471,434,888	$ 942,869,777
(c) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(d) Cumulative impact of refund of previous BLRA collections	$ 471,434,888	$ 942,869,777
(e) Annual amortization of the CWIP asset over 39.22 years	$ 101,376,849	$ 101,376,849
(f) Cumulative amortization of the CWIP asset	$ 101,376,849	$ 202,753,697

Line No.		Pro-Forma December 31, 2018	Pro-Forma December 31, 2018	Pro-Forma December 31, 2019	Pro-Forma December 31, 2019
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 604,188,263	$ 1,177,000,000	$ 604,188,263
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,127,565,112	$ 1,599,000,000	$ 1,127,565,112
26	Change in Cash Flow		$ (471,434,888)		$ (471,434,888)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	28%	27%	26%	27%
28	Equity to Total assets	34%	30%	38%	33%
29	Debt to total capitalization (debt + equity)	45%	48%	41%	45%

Adjustments

Total collections from customers under BLRA	$ 1,885,739,553
Deferred debit - unrecovered nuclear project costs	$ 3,976,000,000
Annual BLRA revised rates	NA

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G
Docket No. 2017-305-E
Scenario 8 - Assuming full recovery of CWIP and a credit to ratepayers of $2 billion of previously collected revenues

Pro-Forma Balance Sheet

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Assets								
1	Page 110, Line 14	Net Utility Plant	7,614,000,000			7,614,000,000	7,614,000,000			7,614,000,000
2	Page 110, Line 32	Other property and investments	209,000,000			209,000,000	209,000,000			209,000,000
3	Page 111, Line 67	Current and accrued assets	4,958,000,000	(d)	$ (1,414,304,665)	3,543,695,335	6,135,000,000	(d)	$ (1,885,739,553)	4,249,260,447
4	Page 111, Line 84	Deferred debits	7,098,000,000	(f) (a) (b)	$ (304,130,546) $ 1,885,739,553 $ (1,414,304,665)	7,265,304,343	7,098,000,000	(f) (a) (b)	$ (405,507,394) $ 1,885,739,553 $ (1,885,739,553)	6,692,492,606
5	Page 111, Line 85	**Total Assets**	**$ 19,879,000,000**		**$ (1,247,000,322)**	**$ 18,631,999,678**	**$ 21,056,000,000**		**$ (2,291,246,947)**	**$ 18,764,753,053**
		Capitalization and Liabilities								
6	Page 112, Line 16	Total Proprietary Capital ^	$ 8,370,000,000	(d) (f)	$ (1,414,304,665) $ (304,130,546)	$ 6,651,564,790	$ 9,547,000,000	(d) (f)	$ (1,885,739,553) $ (405,507,394)	$ 7,255,753,053
7	Page 112, Line 17	Long-Term Debt	4,929,000,000			4,929,000,000	4,929,000,000			4,929,000,000
8		Total Capitalization	13,299,000,000			11,580,564,790	14,476,000,000			12,184,753,053
9	Page 113, Line 54	Current Liabilities	1,030,000,000			1,030,000,000	1,030,000,000			1,030,000,000
10	Page 113, Line 65	Deferred credits	4,780,000,000	(a) (b)	$ 1,885,739,553 $ (1,414,304,665)	5,251,434,888	4,780,000,000	(a) (b)	$ 1,885,739,553 $ (1,885,739,553)	4,780,000,000
11		Non-current liabilities	770,000,000			770,000,000	770,000,000			770,000,000
12		**Total Capitalization and Liabilities**	**$ 19,879,000,000**		**$ (1,247,000,322)**	**$ 18,631,999,678**	**$ 21,056,000,000**		**$ (2,291,246,947)**	**$ 18,764,753,053**

Pro-Forma Statement of Income

Line No.	FERC Form 1 Ref.		Pro-Forma December 31, 2020		Year 3 Adjustments	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021		Year 4 Adjustments	Pro-Forma December 31, 2021
		Operating revenues:								
13	Page 114, line 2	Electric	$ 3,070,000,000	(c)	$ (471,434,888)	$ 2,598,565,112	$ 3,070,000,000	(c)	$ (471,434,888)	$ 2,598,565,112
14	Page 114, line 2	Total Operating Revenues	3,070,000,000			2,598,565,112	3,070,000,000			2,598,565,112
		Operating expenses:								
15	Page 114, lines 3 - 4	Operation and maintenance expenses	1,526,000,000			1,526,000,000	1,526,000,000			1,526,000,000
16	Page 114, lines 6 - 11	Depreciation and amortization	292,000,000	(e)	$ 101,376,849	393,376,849	292,000,000	(e)	$ 101,376,849	393,376,849
17	Page 114, line 12	Regulatory debits	10,000,000			10,000,000	10,000,000			10,000,000
18		Impairment charge	-			-	-			-
19	Page 114, line 14	Taxes other than income taxes	240,000,000			240,000,000	240,000,000			240,000,000
20	Page 114, lines 15 - 16	Income taxes	(305,000,000)			(305,000,000)	(305,000,000)			(305,000,000)
21	Page 114, lines 17 - 19	Deferred and other taxes	130,000,000			130,000,000	130,000,000			130,000,000
22		Total operating expenses	1,893,000,000			1,994,376,849	1,893,000,000			1,994,376,849
23		**Operating income (loss)**	**$ 1,177,000,000**			**$ 604,188,263**	**$ 1,177,000,000**			**$ 604,188,263**

Assumptions used in application of this scenario:

	Year 3	Year 4
(a) Record the regulatory asset and liability for the refund of total collections from customers under BLRA over 4 years	$ 1,885,739,553	$ 1,885,739,553
(b) Cumulative amortization of refund of total collections from customers under BLRA	$ 1,414,304,665	$ 1,885,739,553
(c) Annual impact of refund of previous BLRA collections	$ 471,434,888	$ 471,434,888
(d) Cumulative impact of refund of previous BLRA collections	$ 1,414,304,665	$ 1,885,739,553
(e) Annual amortization of the CWIP asset over 39.22 years	$ 101,376,849	$ 101,376,849
(f) Cumulative amortization of the CWIP asset	$ 304,130,546	$ 405,507,394

Line No.		Pro-Forma December 31, 2020	Pro-Forma December 31, 2020	Pro-Forma December 31, 2021	Pro-Forma December 31, 2021
	Pre-Tax Cash Flow				
24	Operating income/(loss)	$ 1,177,000,000	$ 604,188,263	$ 1,177,000,000	$ 604,188,263
25	Cash Flows From Operations - excludes Deferred Income Taxes, Depreciation, Amortization and Impairment charges	$ 1,599,000,000	$ 1,127,565,112	$ 1,599,000,000	$ 1,127,565,112
26	Change in Cash Flow		$ (471,434,888)		$ (471,434,888)
	Pre-Tax Credit Metrics				
27	Long term debt to Total assets	25%	26%	23%	26%
28	Equity to Total assets	42%	36%	45%	39%
29	Debt to total capitalization (debt + equity)	37%	43%	34%	40%

Adjustments

Total collections from customers under BLRA

Deferred debit - unrecovered nuclear project costs

Annual BLRA revised rates

Notes:
^ Total Proprietary Capital includes $100,000 for preferred stock

SCE&G Cumulative Rate Increases Approved Under the Base Load Review Act

Docket	Year	Approved Increase	Estimated Cumulative Impact 2009	2010	2011	2012	2013	2014	2015	2016	2017
2008-196-E	2009		5,851,868	7,802,491	7,802,491	7,802,491	7,802,491	7,802,491	7,802,491	7,802,491	7,802,491
2009-696-E	2009		3,755,500	22,533,000	22,533,000	22,533,000	22,533,000	22,533,000	22,533,000	22,533,000	22,533,000
2010-157-E	2010			7,883,500	47,301,000	47,301,000	47,301,000	47,301,000	47,301,000	47,301,000	47,301,000
2011-207-E	2011				8,797,224	52,783,342	52,783,342	52,783,342	52,783,342	52,783,342	52,783,342
2012-186-E	2012					8,691,486	52,148,913	52,148,913	52,148,913	52,148,913	52,148,913
2013-150-E	2013						11,206,705	67,240,232	67,240,232	67,240,232	67,240,232
2014-187-E	2014							11,039,667	66,238,000	66,238,000	66,238,000
2015-160-E	2015								10,754,333	64,526,000	64,526,000
2016-224-E	2016									5,368,984	64,427,813
Total			**9,607,368**	**38,218,991**	**86,433,715**	**139,111,319**	**193,775,451**	**260,848,645**	**326,801,311**	**385,941,962**	**445,000,791**

Estimated cumulative impact of approved increases 2009 - 2016	1,440,738,762	
Estimated cumulative impact of approved increases 2009 - 2017		1,885,739,553

Docket	Earliest date at which company could implement Revised Rates
2008-196-E	From April 1, 2009
2009-696-E	From October 30, 2009
2010-157-E	From October 30, 2010
2011-207-E	From October 30, 2011
2012-186-E	From October 30, 2012
2013-150-E	From October 30, 2013
2014-187-E	From October 30, 2014
2015-160-E	From October 30, 2015
2016-224-E	From November 27, 2016

Schedule originally prepared by South Carolina Office of Regulatory Staff - 11.21.16

Appendix B

Schedules of Base Load Review Act Revenues and Incremental CWIP and Rates Authorized for the V.C. Summer Units 2 & 3 Project in Each Rate Order

SCE&G Cumulative CWIP and Incremental Allowable CWIP Approved Under the Base Load Review Act

Docket No.	Order No.	Commission Order Date	Earliest Possible Revised Rate Tariffs Effective Date	Commission Approved Increase	Date CWIP effective through:	Total Cumulative CWIP already in Rates - through June 30th each year	Total Incremental Allowable CWIP (net of deferrals) - as of June 30th for filing year
2008-196-E	2009-104(A)	3/2/2009	4/1/2009	$7,802,491	6/30/2008	-	$65,961,000
2009-211-E	2009-696	9/30/2009	10/30/2009	$22,533,000	6/30/2009	$65,961,000	$198,364,000
2010-157-E	2010-625	9/30/2010	10/30/2010	$47,301,000	6/30/2010	$264,325,000	$399,146,000
2011-207-E	2011-738	9/30/2011	10/30/2011	$52,783,342	6/30/2011	$663,471,000	$436,725,000
2012-186-E	2012-761	9/28/2012	10/30/2012	$52,148,913	6/30/2012	$1,100,237,000	$436,229,000
2013-150-E	2013-680(A)	10/2/2013	10/30/2013	$67,240,232	6/30/2013	$1,536,466,000	$569,356,000
2014-187-E	2014-785	9/30/2014	10/30/2014	$66,238,000	6/30/2014	$2,105,780,000	$561,062,000
2015-160-E	2015-712	9/30/2015	10/30/2015	$64,526,000	6/30/2015	$2,666,843,000	$547,224,000
2016-224-E	2016-758	10/26/2016	11/27/2016	$64,427,813	6/30/2016	$3,214,067,000	$574,150,000
				$445,000,791			**$3,788,217,000**

Source: Review of PSC Commission Orders and supporting ORS analysis reports filed in same docket proceeding of BLRA Annual Request for Revised Rates