



**Monthly Review of South Carolina Public Service
Authority Pursuant to Act 135 Section 11 (E)**

South Carolina
Office of Regulatory Staff

June 1, 2021

Executive Summary

On May 18, 2020, Act 135 was signed into law by Governor Henry McMaster. Section 11 of Act 135 requires that the South Carolina Public Service Authority (“Santee Cooper”) be subject to monthly reviews by the South Carolina Office of Regulatory Staff (“ORS”). The objective of the monthly review is to determine if Santee Cooper violated the terms contained in Section 11 subsection E of Act 135. This Report details the results of ORS’s monthly review of Santee Cooper activities under Section 11 subsection E of Act 135 for the time period of March 1, 2021, through March 31, 2021 (“Review Period”).

Act 135 allows the Santee Cooper Oversight Committee (“SCOC”) to convene to consider and clarify any matter discovered by ORS pursuant to Section 11 subsection E that ORS determines is in violation of the terms contained in subsection E.

ORS has not audited or verified the appropriateness, accuracy or completeness of the actions undertaken by Santee Cooper. Further, this Report, and all associated analyses, are based upon the information and attestations made by Santee Cooper and in reliance that the responses provided by Santee Cooper are full and accurate responses. ORS conducted the review contained in this Report in reasonable reliance upon the information provided by Santee Cooper. Moreover, ORS did not retain outside legal or financial experts to assist with the review contained in this Report. Through this Report, ORS makes no comment regarding actions taken by Santee Cooper related to the *Cook Settlement*, Act 135 Section 11(A).

ORS determined Santee Cooper did not take action that violated the terms contained in Act 135 Section 11 subsection E during the Review Period. Act 135, Section 11(G) provides that the provisions of Act 135, Section 11 “remain in effect through the earlier of May 31, 2021, or until an act of the General Assembly expressly supersedes this provision.” Because this provision of Act 135 has now expired, this Monthly Review of Santee Cooper will be the last one conducted by ORS. ORS appreciates the opportunity to have been of service to you, the Santee Cooper Oversight Committee, the General Assembly, and the State of South Carolina.

Scope of ORS Review

In accordance with Act 135 Section 11, the scope of the monthly review by ORS is to determine if Santee Cooper activities during the Review Period were in violation of subsection E which specifies:

(E) Nothing in this section prohibits Santee Cooper from:

(1) *doing those things necessary for closing and decommissioning the Winyah Generating Station including, but not limited to, planning, permitting, and securing by purchase or lease one hundred megawatts of combustion turbines and minor transmission upgrades, subject to the consent of Central pursuant to the Power System Coordination and Integration Agreement between Santee Cooper and Central, as amended (the Coordination Agreement). In no event will this include constructing a natural gas combined cycle or other major generation resource;*

(2) *doing all those things necessary for deploying up to 500 megawatts of new solar generation, within the structure described in the Santee Cooper Act 95 Reform Plan Appendix 8.2.4, subject to consent of Central pursuant to the Coordination Agreement;*

(3) *entering into operational efficiency and joint dispatch agreements with neighboring utilities for a period of up to one year, with annual renewals and reciprocal cancellation clauses thereafter;*

(4) *renegotiating existing and entering into new coal supply, transportation, and related agreements that produce savings and for terms not to exceed five years or such longer period of time as may be approved by the Santee Cooper Oversight Committee;*

(5) *entering into natural gas hedging arrangements for terms not to exceed five years, or such longer period of time as may be approved by the Santee Cooper Oversight Committee;*

(6) *conducting the planning, permitting, engineering and feasibility studies to develop natural gas transportation and power transmission to ensure a reliable power supply;*

(7) *entering into purchase power arrangements needed for, but not in excess of, anticipated load for a term not to exceed the rate freeze period of the Cook Settlement, and supportive thereof;*

(8) *defeasing debt, issuing or refunding debt under existing bond resolutions and agreements, and entering into financing arrangements consistent with existing bank facilities, all as necessary to manage day to day operations and financing needs, including converting variable rate debt to fixed rate debt. Refunding of existing debt is permitted if it achieves present value savings or mitigates risk and does not extend the average life of the debt;*

(9) *resolving outstanding lawsuits and claims;*

(10) *taking whatever steps are prudent and consistent with good utility practice to address the impact of the COVID-19 pandemic; and*

(11) *freezing rates as provided in the settlement of Cook v. Santee Cooper, et al.*

ORS Review Methodology

Within 30 days of the passage of Act 135, ORS was required to provide Santee Cooper with a reasonable process by which ORS will accomplish its obligations. ORS provided

the process, estimated schedule and sample documents to Santee Cooper on June 10, 2020.

ORS determined a timely exchange of information and records between Santee Cooper and ORS would be critical to meet the monthly review requirement of Act 135. The process determined by ORS and provided to Santee Cooper included the following:

- ORS will send Santee Cooper a Request for Information (“RFI”) on a monthly basis.
- Santee Cooper will provide a response within fourteen (14) days of receipt of the RFI.
- Each response by Santee Cooper requires a signature and attestation from a Santee Cooper officer.
- ORS may request additional information and documents.
- ORS may interview, or discuss the Santee Cooper responses with, the individual that prepared the response.
- ORS will provide the findings of the monthly review to Santee Cooper and the SCOC.

ORS issued the Eleventh RFI to Santee Cooper on April 16, 2021, and received responses from Santee Cooper on April 30, 2021.

ORS Review of Section 11 subsection E

Winyah Generating Station Closing & Decommissioning

(E) Nothing in this section prohibits Santee Cooper from:
(1) doing those things necessary for closing and decommissioning the Winyah Generating Station including, but not limited to, planning, permitting, and securing by purchase or lease one hundred megawatts of combustion turbines and minor transmission upgrades, subject to the consent of Central pursuant to the Power System Coordination and Integration Agreement between Santee Cooper and Central, as amended (the Coordination Agreement). In no event will this include constructing a natural gas combined cycle or other major generation resource;

Summary of Santee Cooper Activities during Review Period

ORS’s review of the information provided indicates that, during the Review Period, Santee Cooper performed several activities related to the retirement of Winyah Generating Station (“Winyah”), including activities related to the construction of twenty

(20) megawatts (“MW”) of diesel generators to provide standby power, peaking generation, and transmission system support.

During the December Review Period, the Santee Cooper Board of Directors (“Board”) approved the construction of twenty (20) MW of diesel generators at a site in the Horry-Georgetown area (“Horry County Site”), and executed a Purchase and Sale Agreement for the site. During the Review Period, Santee Cooper continued permit and construction activities at the Horry County Site. Santee Cooper submitted applications for, and received concurrence on, several permits for the Horry County Site. In addition, Santee Cooper submitted requisitions, received bids, and awarded contracts for generation station equipment. Santee Cooper also reported that it continues to work on the Winyah Station Staffing Plan to address the need for fewer employees at Winyah due to unit retirements.

During the Board Meeting on March 22, 2021, the Board approved an electric service agreement to serve Century Aluminum Company, Inc.’s (“Century”) Mt. Holly facility through March 31, 2022. Thereafter, the agreement reportedly would continue in effect through December 31, 2023, unless further prohibited by Act 135. As part of this agreement, Santee Cooper would continue to operate Winyah Unit 3 through 2023, as opposed to idling the Unit at the end of 2021 as previously planned. Further details are discussed in Section 11 subsection E (11) of this report. During the Board Meeting, the Board also approved a resolution to officially and irrevocably retire the Winyah units pursuant to the United States Environmental Protection Agency’s 2020 revised ruling on the Steam Effluent Limitation Guidelines (“ELG”). The resolution extended the retirement date for Winyah Units 1 & 2 from the previously proposed date of December 2027 to no later than December 31, 2028, in compliance with the ELG regulatory deadline.¹

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (1) of Act 135 during the Review Period.

Deployment of up to 500 MW of New Solar Generation

- (E) *Nothing in this section prohibits Santee Cooper from:*
- (2) *doing all those things necessary for deploying up to 500 megawatts of new solar generation, within the structure described in the Santee Cooper Act 95 Reform Plan Appendix 8.2.4, subject to consent of Central pursuant to the Coordination Agreement*

Summary of Santee Cooper Activities during Review Period

ORS’s review of the information provided by Santee Cooper indicates work was conducted to support the addition of new solar generation during the Review Period. No additional PPAs were executed during the Review Period; however, Santee Cooper and

¹ Santee Cooper March Board of Directors meeting, <https://vimeo.com/527256740> at 1:26:44

Central jointly continued to explore options to pursue an additional 75 MW from the previously issued Request for Proposals (“RFP”).

At the Board meeting on March 22, 2021, Santee Cooper reported that it has jointly executed PPAs with an aggregate capacity of 425 MW—of which Santee Cooper’s share is 117 MW—and that various options were being pursued for the 75 MW of additional capacity. Santee Cooper also indicated that, following the execution of PPAs for the initial 500 MW, an additional 1,000 MW of solar resources and 200 MW of storage will be secured over the long-term.²

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (2) of Act 135 during the Review Period.

Operational Efficiency & Joint Dispatch Agreements

- (E) *Nothing in this section prohibits Santee Cooper from:*
- (3) *entering into operational efficiency and joint dispatch agreements with neighboring utilities for a period of up to one year, with annual renewals and reciprocal cancellation clauses thereafter*

Summary of Santee Cooper Activities during Review Period

ORS’s review of the information provided by Santee Cooper indicates Santee Cooper conducted no activities regarding joint dispatch during the Review Period. Although not part of a joint dispatch scenario, Santee Cooper enhanced existing hourly and daily energy bid and offer process to identify opportunities to enter into bilateral transactions (buy and sell energy) with Dominion Energy South Carolina, Inc. (“Dominion”). During the Review Period, sixteen (16) transactions were executed totaling 9,660 megawatt-hours (“MWh”) priced below system incremental cost.

Santee Cooper stated that, during the Review Period, Santee Cooper and Dominion Right-of-Way operations personnel met on March 1, 2021, to compare existing Vegetation Management Applications used for managing right-of-way vegetation maintenance. Santee Cooper and Dominion personnel discussed ways to advance the technology currently being utilized for vegetation maintenance and plan to begin the joint herbicide application over the period of May 1 to September 30, 2021.

Santee Cooper continued to evaluate opportunities to obtain gypsum from Dominion at lower costs to fulfill contract requirements. During the February Review Period, Santee Cooper received approval from SC Department of Health and Environmental Control (“SCDHEC”) to allow testing of Dominion gypsum from Williams Station. On March 15, 2021, Santee Cooper held an internal planning and coordination meeting to discuss

² Santee Cooper March Board of Directors meeting, <https://vimeo.com/527256740> at 3:41:44.

testing of the ability to re-slurry the gypsum from Williams Station. Santee Cooper held the testing at Winyah Station on March 17, 2021; however, the test was unsuccessful due to the startup of Winyah units and deficiency in the amount of gypsum available for testing. Santee Cooper plans to schedule another test in the subsequent months once the Winyah units and additional gypsum become available.

During the Review Period, Santee Cooper continued discussions with Southern Power Company and Southern Company Services, Inc. (collectively “Southern”) to determine what areas would have the best opportunities for increased efficiencies. Different technical groups within Santee Cooper and Southern continued to work together to develop mutually beneficial opportunities. In particular:

- The Procurement team continued inventory management and collaborative procurement discussions with Southern, with the intent to identify one specific project to proceed.
- The Generation Technical Services team selected four focus areas to begin detailed discussions with the Southern team. The focus areas are Asset Performance Management, Asset Health and Criticality, Reliability Centered Maintenance, and Data Analytics. Santee Cooper stated its plan to travel to Southern in Summer 2021 once business travel is permitted.

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (3) of Act 135 during the Review Period.

Coal Supply, Transportation, & Related Agreements

- (E) *Nothing in this section prohibits Santee Cooper from:*
- (4) *renegotiating existing and entering into new coal supply, transportation, and related agreements that produce savings and for terms not to exceed five years or such longer period of time as may be approved by the Santee Cooper Oversight Committee*

Summary of Santee Cooper Activities during Review Period

ORS’s review of the information provided by Santee Cooper indicates that, during the Review Period, Santee Cooper executed a contract amendment with Foresight Coal Sales to increase volumes in 2021-2023 in order to secure the pricing associated with serving the increased demand of one of its industrial customers. Santee Cooper indicated that the contract amendment with Foresight Coal would result in savings over 2021-2023 based on the projected consumption volumes from the 2021 Budget.

During the Review Period, Santee Cooper entered into a one-year agreement with RPM Solutions LLC for coal reclamation services at the Winyah Generating Station. Information

provided by Santee Cooper indicates that the reclamation services would be availed for the recovery of coal which had run off the stockpile and outside the coal yard into exterior locations. Santee Cooper states that RPM Solutions LLC would reclaim the coal from the exterior of the coal yard and would stockpile it at a lower price compared to purchase and transportation of additional coal, resulting in net savings to Santee Cooper's fuel costs. Santee Cooper and RPM Solutions LLC executed a Master Services Agreement on February 24, 2021,³ and an associated Purchase Order was executed on March 8, 2021.

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (4) of Act 135 during the Review Period.

Natural Gas Hedging Arrangements

- (E) *Nothing in this section prohibits Santee Cooper from:*
- (5) *entering into natural gas hedging arrangements for terms not to exceed five years, or such longer period of time as may be approved by the Santee Cooper Oversight Committee;*

Summary of Santee Cooper Activities during Review Period

ORS's review of the information provided by Santee Cooper indicates that Santee Cooper continued implementing its repositioning strategy on natural gas hedge positions. Santee Cooper's 2020 October Fuel Dispatch (2021 Budget) projected less natural gas consumption in comparison to the Reform Plan (2020 Budget) projections. Santee Cooper stated that the repositioning strategy will sell enough contracts to lower its hedge volumes below 100% for those months that it has excess and will purchase contracts for months that were already below 100% with a desired outcome of reaching 100% coverage in each month through 2024. During the Review Period, Santee Cooper stated that it executed a purchase for October 2023 that results in a projected savings of \$26,000 compared to the Reform Plan projections.

On March 23, 2021, the Santee Cooper Executive Energy Management Committee approved the placement of natural gas hedges in 2025. Santee Cooper stated that, as of the beginning of March 2021, natural gas hedges were placed through 2024, but coverage dropped to 0% in 2025 and beyond. Santee Cooper asserted that forward curve pricing for 2025 is currently below the current year prices and that implementing additional natural gas hedges in 2025 would reduce overall system fuel rate risk. Santee Cooper acknowledged that Act 135 Section 11(E) allows Santee Cooper to enter into natural gas hedging arrangements for terms not to exceed five years, or such longer period of time as may be approved by the SCOC. However, Santee Cooper advised that it interprets the five-year term set by Act 135 to be a rolling limit, thereby allowing this activity as the

³ The effective date of the Master Services Agreement was February 24, 2021. The Agreement was signed by RPM Solutions, LLC on February 24, 2021, but was signed by Santee Cooper in this Review Period on March 4, 2021. The Agreement will remain in effect for an initial term of one year from the effective date.

hedges placed in 2025 do not exceed the five-year term permitted thereunder. ORS concurred with this interpretation.

During the Review Period, Santee Cooper began the implementation of the 2025 natural gas hedge strategy. Santee Cooper indicated the plan to implement the strategy in two phases through which Santee Cooper would secure 68% of total projected natural gas volumes in 2025, which is equivalent to 100% of the projected combined cycle natural gas volumes. Santee Cooper stated that Phase 1 of the strategy was completed and that the purchases during the Review Period result in a projected savings of \$4,676,358 compared to the Reform Plan.

In addition, Santee Cooper provided ORS with information related to heating oil hedge positions. Act 135 Section 11 does not require ORS to review this information on a monthly basis and, as a result, ORS does not make a determination about Santee Coopers heating oil hedging positions.

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (5) of Act 135 during the Review Period.

Develop Natural Gas Transportation & Power Transmission

- (E) *Nothing in this section prohibits Santee Cooper from:*
- (6) *conducting the planning, permitting, engineering and feasibility studies to develop natural gas transportation and power transmission to ensure a reliable power supply*

Summary of Santee Cooper Activities during Review Period

ORS's review of the information provided by Santee Cooper indicates that routine planning activities associated with transmission model development were conducted in preparation for the annual transmission system planning assessment. No other actions were taken by Santee Cooper during the Review Period.

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (6) of Act 135 during the Review Period.

Purchased Power Arrangements

- (E) *Nothing in this section prohibits Santee Cooper from:*
- (7) *entering into purchase power arrangements needed for, but not in excess of, anticipated load for a term not to exceed the rate freeze period of the Cook Settlement, and supportive thereof*

Summary of Santee Cooper Activities during Review Period

ORS's review of the information provided by Santee Cooper indicates Santee Cooper continued to monitor pricing of purchase power supply during the rate freeze period for up to 150 MW blocks. No action was taken towards entering into agreements and this activity is on-going.

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (7) of Act 135 during the Review Period.

Debt & Financing Arrangements

(E) Nothing in this section prohibits Santee Cooper from:

(8) defeasing debt, issuing or refunding debt under existing bond resolutions and agreements, and entering into financing arrangements consistent with existing bank facilities, all as necessary to manage day to day operations and financing needs, including converting variable rate debt to fixed rate debt. Refunding of existing debt is permitted if it achieves present value savings or mitigates risk and does not extend the average life of the debt

Summary of Santee Cooper Activities during Review Period

ORS's review of the information provided by Santee Cooper indicates Santee Cooper managed bank facility agreements for two types of short-term products (Commercial Paper and Revolving Credit Agreements) during the Review Period. Santee Cooper indicated the management of the bank facility agreements facilitates day-to-day financing needs. Santee Cooper reported there was an increase in total balances of approximately \$19.2 million for the bank facility program during the Review Period. Santee Cooper attributes the increase in the bank facility program balances to Santee Cooper's actions to refunding a portion of the 2019A Bonds as further described below. The balance of the increase is a result of issuing to reimburse the revenue fund for capital project expenditures.

On March 29, 2021, Santee Cooper completed the First Amendment to the Reimbursement Agreement with Bank of America which extends the 2019A Letter of Credit. The extension of the current Letter of Credit by Bank of America Merrill Lynch required Santee Cooper to refund \$17,495,000 par of water bonds through the use of commercial paper. Santee Cooper reported the refunding transaction produced a present value savings of \$1.8 million and not extend the average life of the debt.

During the Review Period, Santee Cooper continued discussions with its financial advisor, PFM related to the Interest Rate Swap Management Policy ("Swap Policy") and executed

a Swap Advisory Agreement to allow PFM to assist Santee Cooper with development and negotiation of the ISDA Master Agreements. Santee Cooper has Safe Harbor Letters in place with Goldman Sachs, Wells Fargo, and Morgan Stanley. Santee Cooper began the process to execute Safe Harbor Letters with Bank of America, Barclays, and Citigroup. Santee Cooper stated an initial timeline for ISDA Master Agreement negotiations had been developed and was expected to be modified.

The initial timeline for ISDA Master Agreement negotiations is:

Board approve swap policy	February 24
Update draft ISDA Agreement & potential term sheet	March 22-26
Send draft ISDA Agreement & draft potential term sheet to those banks whom Santee Cooper has executed a Safe Harbor Letter	March 29-April 9
Review feedback on ISDA Agreements from potential counterparties	April 26-May 14
Negotiate/Finalize ISDA Documents with counterparties	TBD
Receive bids and award swap	TBD
Execute swap with winning counterparty	TBD

Santee Cooper states the Swap Policy adoption by the Board and negotiations of the ISDA Master Agreements do not constitute a financial commitment on behalf of Santee Cooper. Santee Cooper determined “Act 135 prohibits contracts in excess of one year, unless in the ordinary course of business, or unless otherwise expressly permitted. Swap contracts would have a term longer than a year, and because we had never transacted a Swap, it is questionable whether they are in the ordinary course.”⁴

Santee Cooper continued to discuss potential bond refunding’s with PFM, bond counsel and bankers, how interest rate swaps may be used and the projected need and timing of Santee Cooper needs for new money. Santee Cooper continues to evaluate a possible bond refunding in the early fall of 2021 to refinance existing bonds at lower interest rates if market conditions are favorable. Santee Cooper indicates it may consider if any new money is needed based on capital expenditures and market conditions. A timeline for the potential refunding transaction had not been developed as of March 31, 2021.

On March 30, 2021 Santee Cooper reimbursed the Capital Improvement Fund from 2020A proceeds for approximately \$12 million of tax-exempt expenditures made in February 2021. Below is a detailed breakdown of the reimbursement by project:

⁴ Santee Cooper Response to ORS Question 1 dated March 4, 2021.

Distribution System	\$ 4,987,471.25
VC Summer 1	\$ 16,960.61
Cross Generating Station	\$ 1,589,231.06
Rainey Generating Station	\$ 1,857,920.72
Solid Waste Landfill ¹	\$ 3,842,140.59
	<u>\$ 12,293,724.24</u>

(1) SWLF expenditures for January-February. Currently 100% tax-exempt due to a true-up.

Santee Cooper published the 2020 Annual Report during the Review Period.⁵

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (8) of Act 135 during the Review Period.

Resolve Lawsuits & Claims

- (E) *Nothing in this section prohibits Santee Cooper from:*
 (9) *resolving outstanding lawsuits and claims*

Summary of Santee Cooper Activities during Review Period

ORS’s review of the information provided by Santee Cooper indicates Santee Cooper filed various pleadings in litigation matters, engaged in various settlement discussions with opposing party representatives, and conducted other litigation activities.

Santee Cooper reported that, during the Review Period, the parties to *Century Aluminum v. South Carolina Public Service Authority* (Case No. 2020-CP-08-00955) executed a new electric service agreement with Century (“Century Agreement”). The parties also engaged in additional negotiations of the settlement agreement. On March 22, 2021, the Board approved the execution of finalized settlement agreement between the parties and a modified version of the Century Agreement, the details of which are discussed in Section 11 subsection E (11) of this report. Santee Cooper reported that, during the Review Period, the proposed Century Agreement was executed by Santee Cooper and Century. On March 25, 2021, settlement agreements were executed by the various parties in the following litigation matters:

- *Century Aluminum v. South Carolina Public Service Authority* (Case No. 2020-CP-08-00955)
- *Goose Creek v. South Carolina Public Service Authority* (Case No. 2020-CP-08-00821)

⁵ <https://www.flipsnack.com/santeecooper/2020-annual-report/full-view.html>

- *City of Goose Creek, South Carolina v. South Carolina Public Service Authority* (Docket No. EL20-33-000)

On March 5, 2021, Santee Cooper filed its respondent position statement in response to an Equal Employment Opportunity Commission Charge filed against Santee Cooper by a current employee on February 4, 2021, in which the employee alleges discrimination based on a disability.

On March 12, 2021, in *Robert O. Merritt v. South Carolina Public Service Authority d/b/a Santee Cooper* (Case No. 2020-CP-08-02063), Santee Cooper filed its amended answer to the complaint filed in Berkeley County on September 18, 2020, and concurrently filed a third-party complaint against MOR PPM, Inc.

On March 30, 2021, in *Wannamaker v. 3M Company, et al.* (Case No.: 2021-CP-38-00240), Santee Cooper accepted service of the complaint filed by Tommy D. Wannamaker and Dale J. Wannamaker on March 4, 2021. The complaint alleges asbestos-related personal injury against manufacturers and sellers of asbestos-containing products and owners of work sites where asbestos-containing products were used.

During the Review Period, in *George M. Hearn Jr., on Behalf of Himself and All Others Similarly Situated v. South Carolina Public Service Authority d/b/a Santee Cooper* (Case No. 2017-CP-26-05256), the parties engaged in additional negotiations on the terms of the settlement reached in principle. On March 18, 2021, the parties executed a settlement term sheet. During the Board Meeting on March 22, 2021, the Board ratified the settlement term sheet and authorized the execution of a settlement agreement consistent therewith.

During the Review Period, in *South Carolina Public Service Authority v. Gunsight Solar, LLC* (Case No. 3:20-cv-03913-JMC), the parties participated in additional settlement negotiations. On March 10, 2021, the parties executed a settlement agreement, amended purchase power agreement, and amended contribution in aid of construction agreement.

During the Review Period, in *South Carolina Public Service Authority v. National Union Fire Insurance Company of Pittsburgh, PA; AIG Claims, Inc.; and U.S. Specialty Insurance Company* (Case No: 2:19-cv-03279-RMG), the parties engaged in additional settlement negotiations. On March 22, 2021, the Board authorized the execution of a settlement agreement, and on March 24, 2021, the settlement agreement was fully executed.

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (9) of Act 135 during the Review Period.

Address the Impacts of COVID-19

- (E) *Nothing in this section prohibits Santee Cooper from:*
(10) *taking whatever steps are prudent and consistent with good utility practice to address the impact of the COVID-19 pandemic*

Summary of Santee Cooper Activities during Review Period

ORS's review of the information provided by Santee Cooper indicates Santee Cooper continued efforts to manage the COVID-19 pandemic and implement its pandemic response plan through the Corporate Incident Management Team ("CIMT"). Through weekly meetings, the CIMT took the following actions:

- Conducted weekly calls to identify issues related to COVID-19 throughout the company and to provide updates on company guidelines
- Updated published guidelines and coordinated mass communication to employees

Santee Cooper stated that all guidelines are developed under advisement of Safety and Occupational Health and review of information provided by SC Emergency Management Division, SCDHEC, National Center for Disease Control, other utilities, local and state ordinances and other information.

In addition to the actions of the CIMT, Santee Cooper reported that it took the following actions:

- Expanded proactive COVID saliva testing locations to include critical areas at Cross and Winyah Generating Stations
- Coordinated with third party provider on vaccination options and vaccine administration for employees

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (10) of Act 135 during the Review Period.

Rate Freeze as Required by Settlement

- (E) *Nothing in this section prohibits Santee Cooper from:*
(11) *freezing rates as provided in the settlement of Cook v. Santee Cooper, et al.*

Summary of Santee Cooper Activities during Review Period

ORS's review of the information provided by Santee Cooper indicates Santee Cooper implemented the Rate Freeze for Residential, Commercial and Lighting Customers

approved by the Board during the July 31, 2020, Board Meeting. Santee Cooper held internal discussions to finalize the internal process for identifying and evaluating potential settlement exceptions as defined in the Cook Settlement Agreement.

As discussed previously in the section regarding Winyah Closing & Decommissioning, during the Board Meeting on March 22, 2021, the Board approved an electric service agreement to serve Century's Mt. Holly facility for an initial one-year term from April 1, 2021, to March 31, 2022, for the purpose of complying with the one-year contract limit set by Act 135. Thereafter, the agreement reportedly would continue in effect through December 31, 2023, unless further prohibited by Act 135. The Board also approved the withdrawal of a retail rate, CSP-16. Santee Cooper reported that CSP-16 only applies to Century and is not one of the rates frozen under the *Cook Settlement*.

ORS Review Results

ORS determined Santee Cooper did not take action that violated the terms contained in Section 11 subsection E (11) of Act 135 during the Review Period. The review by ORS does not evaluate overall compliance with the *Cook Settlement* in accordance with Act 135 Section 11(A).

However, ORS does not have sufficient information to determine if or how the proposed agreement that was approved by the Board on March 22, 2021 would affect the Rate Freeze. Therefore, ORS is unable to determine whether the agreement would potentially violate Section 11 subsection E (11).

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