

South Carolina Public Service Authority

Revenue Obligations

consisting of

\$363,115,000* 2020 Tax-Exempt Refunding &

Improvement Series A

\$300,450,000* 2020 Taxable Refunding Series B



Slide 1 – Cover, Ken Lott

Thank you for joining us today.

My name is Ken Lott, I'm the Chief Financial & Administration Officer here at Santee Cooper.

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Slide 2 – Disclaimer, Ken Lott

Before we begin, I will pause to allow you to read the disclaimer located on slide 2

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These materials do not constitute an offer to sell, or the solicitation of an offer to buy any security.

Presentation Participants



Mark Bonsall

*President
& CEO*



Pamela Williams

*Chief Public Affairs
Officer & General
Counsel*



Ken Lott

*Chief Financial &
Admin. Officer*



Rahul Dembla

*Senior Director
Financial &
Resource Planning*

Slide 3 – Participation, Ken Lott

Joining me today are Mark Bonsall Santee Cooper's President & CEO, Pamela Williams our Chief Public Affairs Officer & General Counsel, and Rahul Dembla our Senior Director of Financial & Resource Planning.

I will now turn the presentation over to Mark Bonsall to begin.

Introduction



- Our goal today is to update the financial community on recent developments and financial results
 - Executive staff has been reorganized
 - Under Act 95 bids to purchase or manage Santee Cooper as well as Santee Cooper's Reform Plan were rejected by the Senate and the House of Representatives
 - Santee Cooper is currently working under the provisions of Act 135
 - Major litigation related to V.C. Summer Units 2&3 has been settled
 - Actions have been taken to mitigate the impacts of COVID-19
 - Management is committed to the principles established in the Reform Plan as we move forward
 - Santee Cooper remains committed to maintaining strong financial metrics



Slide 4 – Introduction, Mark Bonsall

Thank you, Ken.

This has been a busy and productive year, and Santee Cooper has made progress on many operational, legal and financial plans.

Santee Cooper's executive staff has been reorganized to enable better execution of those plans.

We have successfully settled major litigation related to V.C. Summer Units 2&3.

In addition, we have taken action to mitigate the impacts of the COVID-19 pandemic.

Santee Cooper is committed to the principles established in the Reform Plan as we move forward.

We also continue to maintain strong financial metrics and project they remain strong and even improve throughout our forecast.

Santee Cooper Overview



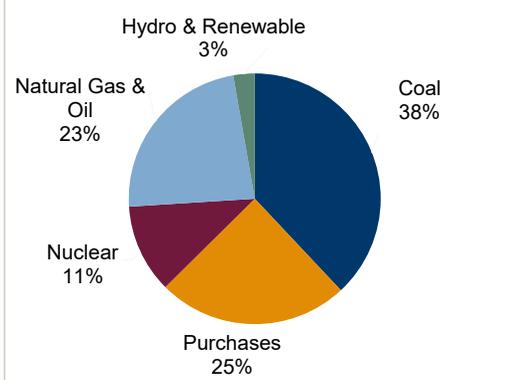
Our Business

- An electric utility headquartered in Moncks Corner, South Carolina
- Owned by the State of South Carolina
- One of the nation's largest public power utilities:
 - \$11.8 billion of assets (2019)
 - \$1.7 billion of revenues (2019)

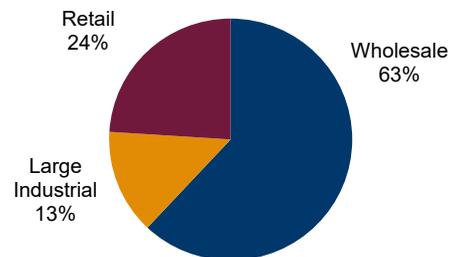
Our Customers

- Retail and wholesale provider serving over 2 million South Carolinians
- Provided over 23,200 GWh in 2019 to its customers
- Largest customer is Central Electric Power Cooperative; providing approximately 58% of Santee Cooper's revenues

2019 Fuel Mix (MWh's)



2019 Customer Composition (% of Revenue)



Slide 5 – Santee Cooper Overview, Mark Bonsall

I'll begin by providing an overview of Santee Cooper, which is a state agency.

Serving over 2 million South Carolinians, we are the state's largest provider of power and one of the largest public power utilities in the United States.

A unique feature of Santee Cooper is that we are a retail and wholesale provider of electricity.

Central Electric Power Cooperative is our largest wholesale customer and provided approximately 58% of Santee Cooper's revenues in 2019.

Central is under contract to purchase power from Santee Cooper through at least the year 2058.

Santee Cooper meets its customer energy needs through a diverse mix with the majority coming from coal, natural gas and purchased power.

Board of Directors



Board membership unchanged since May 2019

- Currently 10 out of 12 of Santee Cooper’s Board positions are filled
- An additional 3 Board seats expired in 2019 and 2 expired in 2020; these members will serve until a successor has been appointed and found qualified
- Appointments have been made for 3 of these 5 vacant or expired seats and are pending approval by the SC Senate
- Director Dan J. Ray is Acting Chairman until Governor McMaster nominates a new chairperson and he or she is found qualified by the Public Utilities Review Committee
- Santee Cooper’s Board is able to take all necessary actions without a permanent chairperson

Current Board Composition			
Director	Role	District	Term Expires May
Vacant	Chairman	At-Large	2025
Dan J. Ray	1 st Vice Chairman	Georgetown County	2022
David F. Singleton	2 nd Vice Chairman	Horry County	2023
Kristofer D. Clark	Director	3 rd Congressional District	2019
William A. Finn	Director	1 st Congressional District	2020
Merrell W. Floyd	Director	7 th Congressional District	2019
J. Calhoun Land, IV	Director	6 th Congressional District	2020
Stephen H. Mudge	Director	At-Large	2019
Peggy H. Pinnell	Director	Berkeley County	2021
Barry D. Wynn	Director	4 th Congressional District	2021
Vacant	Director	2 nd Congressional District	2022
Charles H. Leaird	Director	5 th Congressional District	2023

- | Board Basics | |
|---------------------------------|--|
| ➤ Appointed by Governor | ➤ 12 members |
| ➤ Confirmed by State Senate | ▪ One from each congressional district of state (7) |
| ➤ Minimum term of 7 years | ▪ One from each county: Berkeley, Horry and Georgetown (3) |
| ➤ Can only be removed for cause | ▪ Two at-large seats, one of whom is chairperson (2) |

Slide 6 – Board of Directors, Mark Bonsall

Santee Cooper’s Board membership features deep institutional knowledge and continuity. No new members have been added since 2018.

Director Dan Ray is serving as Acting Chairman.

Currently 10 out of Santee Cooper’s 12 Board positions are filled. The terms of five current Directors are expired, three of those in 2019 and two earlier this year. These members will serve until reappointed or successors has been appointed and found qualified.

Santee Cooper’s Board is fully functional and can take all necessary actions without a permanent chairperson.

Senior Management



Strong and experienced management team



Mark Bonsall
President & CEO
Over 40 years



Charlie Duckworth
Deputy CEO &
Chief of Planning
Over 40 years



Ken Lott
Chief Financial and
Administration Officer
21 years



Pamela Williams
Chief Public Affairs Officer
and General Counsel
18 years



Tommy Curtis
Chief Generation
Officer
18 years



Mike Poston
Chief Customer Officer
34 years



Monique Washington
General Auditor
20 years

- The executive team was realigned in January of this year and was reduced by one position from eight to seven
- Executive staff responsibilities were also realigned to focus on the following new priorities:
 - Planning & Innovation
 - Customer Service; and
 - Transforming the Generation Mix

Slide 7- Senior Management, Mark Bonsall

Santee Cooper’s executive staff has been reorganized and includes people with many years of experience in the utility industry, with a stronger focus on planning and innovation, transforming the generation mix, and customer service.

Santee Cooper is well positioned with the leadership needed to implement the Reform Plan principles going forward.

2020 Notable Developments



February 11, 2020

Under Act 95, the DOA submitted a recommendation for a sale option, management option, as well as Santee Cooper's Reform Plan.

March 2020

Due to the COVID-19 pandemic, employees began working remotely or staggered shifts. On March 14, the Governor of SC requested all utilities to suspend disconnections.

July 21, 2020

The Cook and Glibowski case settlements finalized.

October 12, 2020

The Court issued its finding that Santee Cooper has the exclusive right to provide electrical power to Century Aluminium.

March 2, 2020

Committees in the S.C. Senate and House of Representatives rejected all three Act 95 proposals.

May 14-15, 2020

On May 14, the legislature passed a temporary law (Act 135 of 2020) that placed operational parameters, up to a year, on Santee Cooper.

On May 15, the Governor rescinded his request regarding utility disconnections.

August 28, 2020

Santee Cooper and Westinghouse Electric Co. finalized terms of a settlement over ownership of equipment associated with the V.C. Summer project.

Slide 8 – 2020 Notable Developments, Mark Bonsall

There have been several developments that brought impact to Santee Cooper this year.

In February, the South Carolina Department of Administration submitted to the state legislature a recommendation for either selling Santee Cooper, hiring another utility to manage Santee Cooper, and Santee Cooper's own Reform Plan, as required by the legislature under Act 95.

In March, the legislature rejected all 3 proposals. The legislative session was then paused as the state began to see impacts from COVID-19.

Santee Cooper also began seeing impacts of COVID-19. We adjusted employee schedules and work locations to reduce the risk of workplace exposure. Also on March 14, the Governor of South Carolina requested all utilities to suspend customer disconnections, a practice that remained in effect through mid-May.

In May, the legislature returned briefly to session and passed a temporary law, Act 135, which placed operational parameters on Santee Cooper for up to a year.

In July, Justice Toal finalized the settlement of the Cook and Glibowski cases.

In August, Santee Cooper and Westinghouse finalized terms of a settlement over ownership of equipment associated with the V.C. Summer project.

In October, the State Court issued its finding that Santee Cooper has the exclusive right to provide electrical power to Century Aluminium.

I will now turn the presentation over to Pamela Williams to provide additional detail on legal and legislative developments.

Pamela.



Legislative Overview – Act 95

Background on Act 95 of 2019

- Act 95 of 2019 of the SC General Assembly approved a process directing the state's Department of Administration (DOA) to solicit bids from entities interested in either purchasing or managing Santee Cooper and directing Santee Cooper to submit a plan to restructure and reform its own operations. The Act also directed DOA to submit a report to the SC General Assembly that included Santee Cooper's plan, one purchase bid, and one management bid

Proposals

- All proposals were required to be based on 20-year projections for rates/revenue requirements, future generation infrastructure plans and future transmission infrastructure plans

DOA Submission and Review

- Act 95 established a January 15, 2020 deadline for the DOA's submission of its report. DOA exercised a one-time 60-day extension allowed by Act 95
- On February 11, 2020, the DOA submitted its report providing one recommendation for a sale option, one recommendation for a management option, as well as Santee Cooper's Reform Plan to the Governor, Senate Finance Committee and the House Ways and Means Committee

Legislative Response

- The week of March 2, 2020, committees in the S.C. Senate and House of Representatives rejected all three Act 95 proposals. Any further consideration of Santee Cooper was suspended due to the COVID-19 disruption of the legislative session.
- The General Assembly passed Act 135 on May 14 and adjourned until September 15, 2020. The legislature concluded its regular two-year session on September 24.
- The General Assembly will reconvene in January 2021, and new legislation may be introduced. However, with the passage of Act 135, which imposes certain operational guidelines on the Authority through May of 2021, the Authority does not expect that the General Assembly will consider legislation that addresses Santee Cooper's future for the remainder of 2020 due to the remaining session's limited scope.

Slide 9 – Legislative Overview -Act 95, Pamela Williams

Thank you, Mark. I will begin on slide 9.

In 2019, the South Carolina General Assembly approved a process directing the state's Department of Administration to solicit bids from entities interested in either purchasing or managing Santee Cooper. It also directed Santee Cooper to submit its own plan to restructure and reform its operations.

On February 11, 2020, the Department of Administration submitted its report to the SC General Assembly providing recommendations for the three proposals as required under Act 95.

After holding hearings on the report, state legislative committees rejected all three proposals during the week of March 2. Further consideration of Santee Cooper was suspended due to the COVID-19 disruption of the legislative session.

The legislature then passed Act 135 on May 14 and adjourned until September 15, 2020. The legislature concluded its regular two-year session on September 24. Among other provisions regarding state budget and operations, Act 135 placed temporary operational parameters on Santee Cooper until the legislature could resume legislative action.

Current Status



- Although the Reform Plan was rejected, Santee Cooper is well prepared to move forward:
 - The Cook Settlement was derived from the principles established in the Reform Plan
 - Act 135 guidelines provide ample authority to adhere to the provisions of the Cook Settlement
 - We have developed and are enacting a new pandemic adjusted plan that incorporated the COVID-19 impacts
 - We currently expect that projected revenues using the Cook Settlement Rates will be sufficient to meet the obligations of Santee Cooper under the Revenue Obligations Resolution

Slide 10 – Current Status, Pamela Williams

Although our Reform Plan was rejected, we are well prepared to move forward with its key provisions.

The Cook class action lawsuit settlement was derived from the principles established in the Reform Plan.

Act 135 guidelines provide ample authority to adhere to the provisions of the Cook Settlement.

We have also developed and are enacting a new pandemic adjusted plan that incorporated the COVID-19 impacts.

We currently expect that projected revenues using the Cook Settlement rates will be sufficient to meet the obligations of Santee Cooper under the Revenue Obligations Resolution.

Act 135 - Authorities



➤ Act 135 permits Santee Cooper to:

- Proceed forward with actions necessary to close and decommission the Winyah Generating Station
- Execute up to 500 MWs of new solar generation
- Enter into operational efficiency and joint dispatch agreements with neighboring utilities for up to one year
- Renegotiate existing and enter into new coal and rail contracts for terms not to exceed five years
- Enter into natural gas hedging agreements not to exceed five years
- Conduct planning, permitting, engineering and feasibility studies on natural gas transportation and power transmission
- Enter into purchase power agreements for anticipated load for a term that does not exceed the rate freeze period
- Enter into contracts necessary in the normal course of business, contracts outside of normal course of business are limited to one year
- Enter into new employment contracts with executive management for a duration for up to 6 months or extend existing executive management contracts for up to 6 months
- Perform normal financing operations necessary for day to day operations
 - Defeasement of debt
 - Issue new debt or refund existing debt under existing bond resolutions and agreements if it achieves a present value savings or mitigates risk and does not extend average life of debt
 - Enter into financing arrangements consistent with existing bank facilities
- Resolve outstanding lawsuits and claims
- Take whatever steps are prudent to address the impact of COVID-19 pandemic
- Freeze rates as provided in the Cook settlement

➤ Provisions in Act 135 will remain in effect through the earlier of May 31, 2021, or until an act of the General Assembly expressly supersedes Act 135

Slide 11 – Act 135 Authorities, Pamela Williams

The provisions of Act 135 not only continue the oversight and operational parameters that limited certain Santee Cooper actions during the Act 95 process, but also permit Santee Cooper to advance some of the key principles set forth in our Reform Plan.

The provisions of Act 135 will remain in effect through the earlier of May 31, 2021 or until an act of the General Assembly expressly supersedes Act 135.

If Act 135 expires and no action has been taken by the General Assembly, Santee Cooper will return to normal operations under its existing statutory authority.



Act 135 - Administration

➤ Santee Cooper Oversight Committee established

- The committee will consist of the Governor, the President of the Senate, the Speaker of the House, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee
- The committee will meet only for the following reasons:
 - Consideration and authorization of any contract longer than a year not in the ordinary course or longer than a duration otherwise authorized
 - Clarification of allowed operational functions
 - Consideration and clarification of any matters identified by the Office of Regulatory Staff

➤ Office of Regulatory Staff (ORS) will conduct monthly reviews of Santee Cooper

- ORS conducts a monthly review to determine if Santee Cooper is operating within the parameters of Act 135
- ORS reports on the results of their review to the Oversight Committee and publishes them publicly at <https://ors.sc.gov/regulated-utilities/electric-natural-gas/electric/sc-public-service-authority-santee-cooper>
- Three reports have been published to date for May, June and July
- Reports thus far have concluded that Santee Cooper did not take action that violated the terms contained in Act 135

Slide 12 – Act 135 Administration, Pamela Williams

Act 135 established an Oversight Committee. This committee consists of the Governor, the President of the Senate, the Speaker of the House, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

Committee action is required, to authorize any contract longer than a year not in the ordinary course or longer than a duration otherwise authorized, to clarify allowed operational functions, and for consideration and clarification of all matters identified by the Office of Regulatory Staff.

ORS has been directed to conduct monthly reviews of Santee Cooper's operational activity to determine if Santee Cooper is operating within the parameters of Act 135. Their report is sent to the Oversight Committee and is also made publicly available on their website.

ORS has published three reports to date for May, June and July. All of the reports thus far have concluded that Santee Cooper did not take action that violated the terms contained in Act 135.

The Cook Settlement



- **Monetary Settlement:** Santee Cooper to contribute \$200 million in three annual installments (\$65m, \$65m, \$70m) payable in third quarter of years 2020, 2021, and 2022. Dominion agreed to contribute \$320 million to the Common Benefit Fund.
 - Santee Cooper reported the \$200 million liability and expensed the full amount in 2019
 - This contribution will not be included in its revenue requirements or passed to customers by way of increased rates or charges
 - Santee Cooper paid the first \$65 million installment on September 25, 2020
- **Non-Cash Settlement:** Santee Cooper will lock rates for the benefit of Class Members consistent with the rates projected in the Reform Plan through 2024
 - Santee Cooper will not defer costs or expenses incurred or attributable to any rate freeze year, subject to exceptions detailed in the agreement which include:
 - Deviation in Central's actual load if deviation exceeds +/- 4% (exercise of opt-out shall not be deemed to result in a change in load)
 - Increase in costs from those in Reform Plan because Santee Cooper is not permitted to engage in forward hedging of fuel prices due to Act 95 restrictions
 - Costs incurred due to changes in law and regulation, outcomes of the Act 95 Process, or events outside of Santee Cooper's control (acts of God, catastrophic equipment failure, named storms, etc.)
- This settlement included dismissal of *Glibowski*

Slide 13 – The Cook Settlement, Pamela Williams

As Mark mentioned previously, in July the *Cook* case was settled, which included the dismissal of the *Glibowski* lawsuit against Santee Cooper.

The settlement provides that Santee Cooper will contribute \$200 million over three installments in the third quarter of each year. These payments will consist of \$65 million in 2020, \$65 million in 2021 and \$70 million in 2022 and will be deposited into a Common Benefit Fund for distribution to the Class Members. The settlement also provides that Dominion will contribute \$320 million to the Common Benefit Fund. On September 25, Santee Cooper paid its first \$65 million installment.

Please note, Santee Cooper's contribution will not be included in its revenue requirements or passed on to customers by way of increased rates or charges.

In addition to the cash settlement, Santee Cooper will also provide a rate lock for the benefit of Class Members consistent with rates projected in the Reform Plan through 2024.

Santee Cooper will not defer costs or expenses incurred or attributable to any rate freeze year except for those exceptions listed on this slide.

Other Key Legal Matters



Westinghouse

- On April 5, 2019, WEC filed an adversary proceeding against Santee Cooper in the United States Bankruptcy Court for the Southern District of New York claiming ownership of certain items of equipment located at the V.C. Summer Site
- Santee Cooper filed an Answer and Counterclaims asserting causes of action to Determine or Quiet Title to the Equipment and for a Declaratory Judgment. WEC responded with a subsequent Counterclaim for a Declaratory Judgment.
- The parties executed a settlement agreement on August 29, 2020. Santee Cooper owns 100% of the non-nuclear equipment and proceeds from sales of all other equipment will be split between the parties in accordance with the settlement terms.

City of Goose Creek v. Santee Cooper

- On March 31, 2020, the City of Goose Creek filed an action seeking a declaration it may provide utility service to Century Aluminium's Mt. Holly Smelter
- Both parties filed dispositive motions and a hearing was held on September 17.
- On October 12, 2020, the Court issued an order finding (1) Santee Cooper has the exclusive right to provide electric service to the premises occupied by Mt. Holly unless or until the City follows the requirements set forth by S.C. Code Ann. § 58-27-1360, which is the only way a municipal utility can oust an incumbent utility provider and (2) the Master Annexation Agreement between the City and Century Aluminium is void as against South Carolina public policy because it illegally binds future Goose Creek City Councils and unlawfully delegates to Century powers that can only be exercised by City Council. An appeal by Goose Creek is expected.
- The City of Goose Creek also filed several actions with the Federal Energy Regulatory Commission; in one of those matters, the FERC circulated a proposed order directing Santee Cooper provide interconnection and transmission services. Santee Cooper filed a motion to reopen, reconsider, or stay the proposed order. The FERC has not scheduled a hearing or issued a ruling.

Century Aluminium of South Carolina, Inc. v. Santee Cooper et al.

- On April 27, 2020, Century filed a lawsuit against Santee Cooper and its Directors related to serving Century Aluminium's Mt. Holly Smelter and asserting claims for unconstitutional taking, declaratory judgment, violation of due process, breach of Directors' statutory duties, tortious interference with prospective contract, violation of the Unfair Trade Practices Act, and injunctive relief.
- Santee Cooper and the Directors filed a motion to dismiss on June 29, 2020. A hearing has not been scheduled.

Slide 14 – Other Key Legal Matters, Pamela Williams

I'm going to discuss three other key legal matters involving Westinghouse, the City of Goose Creek and Century Aluminium. The Goose Creek and Century Aluminium matters are related and both relate to providing electric service to Century Aluminium.

Regarding Westinghouse, on August 29, Santee Cooper and Westinghouse executed a settlement agreement regarding the ownership of the nuclear equipment and how the proceeds from the sale of the equipment will be distributed.

Regarding the City of Goose Creek matter, on March 31, 2020, the City of Goose Creek filed an action against Santee Cooper seeking a declaration that Goose Creek may provide utility service to Century Aluminium's Mt. Holly Smelter.

On October 12, 2020, the Court issued an order finding Santee Cooper has the exclusive right to provide electrical power to Century Aluminium.

And now moving on to the Century Aluminium matter, on April 27, 2020, Century filed a lawsuit against Santee Cooper and its Directors related to serving Century Aluminium's Mt. Holly Smelter and asserting several claims including for unconstitutional taking, declaratory judgment, violation of due process, breach of Directors' statutory duties, tortious interference with prospective contract, violation of the Unfair Trade Practices Act, and injunctive relief.

Santee Cooper and the Directors filed a motion to dismiss on June 29, 2020 and a hearing on this matter has not yet been scheduled.

I will now turn the presentation over to Ken Lott.

COVID-19 Update



Santee Cooper has taken action to mitigate the impact of COVID-19

Steps taken to mitigate impacts on operations and the spread of COVID-19:

- We continue to provide all services in the face of COVID-19, with our generation and control center staffs and line crews working staggered shifts to reduce the risk of exposure to the extent possible
- Traditional office personnel are successfully working remotely and are prepared to continue to do so
- Santee Cooper's Corporate Incident Management Team has implemented a wellness check procedure for facilities with significant number of employees (including all critical areas such as plants, control rooms, etc.)
- To date, less than 3% of employees have tested positive for the virus
- Our Board continues to meet and meetings are being held virtually with limited staff and directors on site and social distancing with those who are physically in attendance

Customer Collections:

- Residential & Commercial customers
 - Delinquent accounts have returned to pre-COVID levels with a balance of \$81,185 as of September 14, 2020
- Industrial, Central and Other Wholesale customers
 - No delinquent accounts

Slide 15 – COVID-19 Update, Ken Lott

Thank you, Pamela, picking up on slide 15.

The COVID-19 outbreak is having a significant global impact on communities, both large and small. Santee Cooper has taken proactive steps to mitigate the possible risks to our customers, operations, employees, and the communities that rely on the reliable and safe supply of water and power.

First, we have directed traditional office employees to work remotely when possible.

Generation and control center staffs and line crews are working staggered shifts to reduce the risk of exposure to the extent possible.

Santee Cooper's Corporate Incident Management Team has implemented a wellness check procedure for all Santee Cooper facilities with a significant number of employees. To date, less than 3% of employees have tested positive for the virus.

Our Board is continuing to meet virtually with limited staff and meeting social distancing requirements.

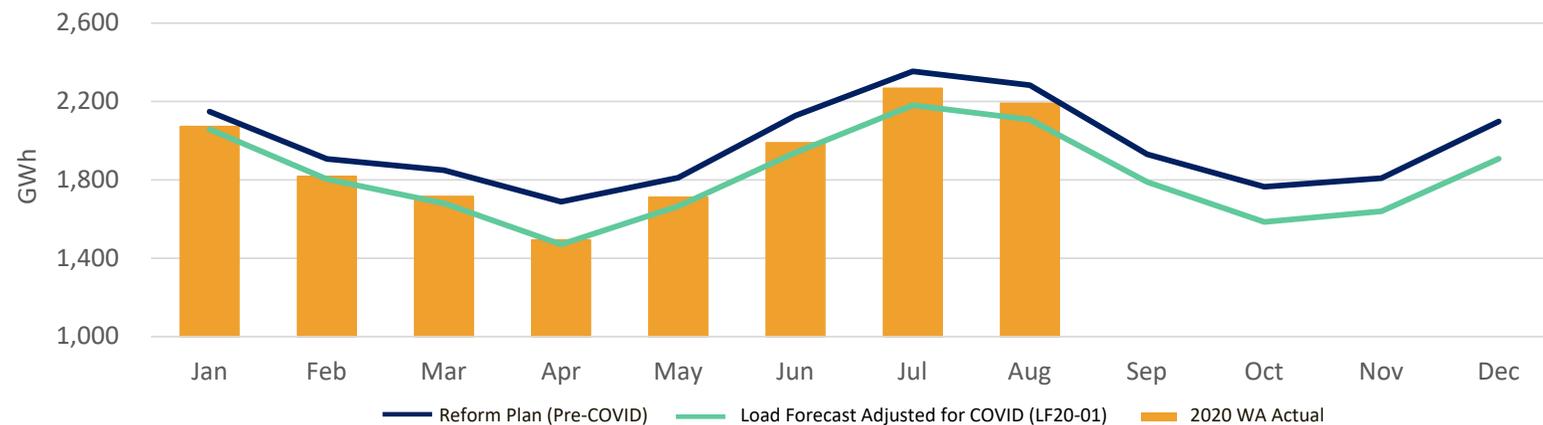
Santee Cooper is tracking funds spent on COVID-19 related expenses and expects to recover over 50% of those expenses from FEMA.

After an initial increase, Residential and Commercial delinquent accounts have dropped back to pre-COVID levels. None of our industrial or wholesale accounts are delinquent.

Weather Adjusted Load Impact



2020 Load Impact



- The latest load forecast adjusted for COVID is 8% lower for 2020 compared to the pre-COVID load forecast in the Reform Plan
- Over the past five months, actual load has outperformed the latest load forecast by approximately 3%

Slide 16 – Weather Adjusted Load Impact, Ken Lott

This graph illustrates how our weather adjusted load projections have recently changed.

The dark blue line reflects our Reform Plan load forecast, which was developed prior to COVID-19.

The green line represents our updated load forecast which was adjusted for pandemic impacts, and as you can see it is 8% lower in 2020 than our original Reform Plan forecast.

The orange bars represent actual load. Over the past five months our load has outperformed this updated load forecast by approximately 3%.

I will now turn it over to Rahul Dembla to discuss our plans moving forward.

Key Reform Plan Principles



Santee Cooper continues to pursue certain key principles included in the Act 95 Reform Plan

- Increase the flexibility and diversity of the system
- Maintain stable cost of power through expense management
- Continue efforts to reduce Santee Cooper's indebtedness
- Optimize operations

Slide 17 – Key Reform Plan Principles, Rahul Dembla

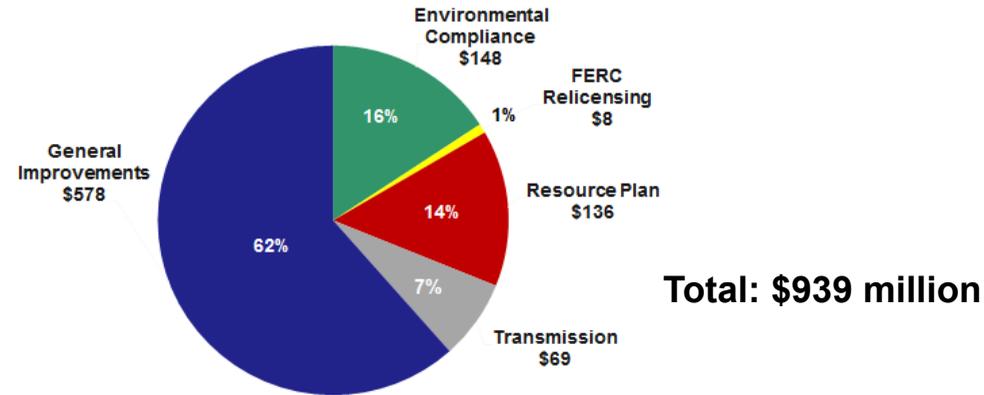
Santee Cooper continues to pursue certain key principles included in the Reform Plan that are permitted by the Act 135.

We are taking steps to increase the flexibility and fuel diversity of the system, strategically manage expenses, and continue efforts to reduce debt and optimize operations.

Capital Improvement Program



Capital Expenditures 2021-2023 (\$ millions)



Resource Plan Objectives

- Improve resource diversity
- Reduce carbon emissions and reliance on coal
- Increase use of renewable resources
- Maximize purchases of lower-cost energy from resources connected to surrounding transmission systems
- Develop plans for new generation resources that more closely align resource commitments and projected future loads, and factor in the need for new transmission lines

Resource Plan Update

- Current Resource Plan assumes 500 MWs of natural gas supplied from the Atlantic Coast Pipeline
- Santee Cooper is currently updating its Resource Plan in conjunction with Central to reflect the following:
 - New load forecast
 - New fuel projections
 - Cancellation of the Atlantic Coast Pipeline
 - Alternate site for the natural gas capacity and related transmission investments
 - Bids related to solar generation

Slide 18-Capital Improvement Program, Rahul Dembla

We project our capital improvement program for years 2021 through 2023 to be approximately \$939 million, which includes approximately \$148 million for environmental compliance, \$8 million for FERC relicensing, \$136 million related to the resource plan, \$69 million for certain transmission projects, and \$578 million for general improvements to the system.

The cost of the capital improvement program will be funded through internal funds generated from revenues as well as debt.

Please note that Santee Cooper is currently updating its resource plan. The updated plan will factor in a new load forecast, fuel projections, the cancellation of the Atlantic Coast Pipeline, alternate sites for natural gas capacity and related transmission investment. The new resource plan’s key objectives are:

- lower cost while improving resource diversity
- reduce carbon footprint by retiring certain coal units and increasing the share of renewable solar energy
- reduce financial and planning risk by aligning resource commitments to projected loads and creating a plan which is modular and adaptable to change in assumptions
- Ensure continued reliability, and
- Embrace advanced technologies, such as the use of battery storage in our resource roadmap



Cost Savings Measures

Santee Cooper continues to pursue a number of expense management and other initiatives intended to achieve cost savings and optimize efficient operations

- Maintain reductions in budgeted staffing levels
- Pay down indebtedness related to the nuclear projects
- Identify hedging transactions to manage the costs of natural gas and power purchases
- Pursue strategic alliances with other utilities to increase efficiencies through coordinated operations and joint planning

Slide 19- Cost Savings Measures, Rahul Dembla

Santee Cooper continues to pursue a number of expense management and other initiatives to lower costs and optimize operations.

These initiatives include maintaining reduced staff levels, paying down and refinancing debt and lowering fuel expense and risk by opportunistically hedging natural gas and renegotiating coal and transportation contracts.

We have also entered memoranda of understanding with our neighboring utilities with the goal of exploring cost reduction opportunities through joint operations and planning.

What We Have Accomplished



Base Case -->Reform Plan --> New Plan: Leaner & Greener	<ul style="list-style-type: none"> • Board approved resource planning and pricing principles • Evaluating options for new gas facility given the recent cancellation of the Atlantic Coast Pipeline
Debt Management	<ul style="list-style-type: none"> • Reduced Debt Service: Paid down and refinanced debt • Re-established credit lines
Litigation	<ul style="list-style-type: none"> • Settled the <i>Cook & Glibowski</i> cases • Settled the <i>Westinghouse</i> case • Obtained favorable judgement in <i>Goose Creek</i> (subject to appeal, which is expected)
Human Resource Management	<ul style="list-style-type: none"> • Downsized company through attrition • Downsized executive leadership team • Re-organized leadership team for roles and responsibilities and increased diversity • Advised Winyah employees of future retirement, have commenced redeployment and idling of units • Commenced succession planning process
Fuel Management	<ul style="list-style-type: none"> • Hedged natural gas • Renegotiated coal and transportation contracts
New Initiatives	<ul style="list-style-type: none"> • Participating in "SEEM" • Entered MOU's with Southern and Dominion
Central	<ul style="list-style-type: none"> • Bidding solar in coordination with Central (up to 500MWs)
Governmental Relations	<ul style="list-style-type: none"> • Are meeting the Administrative Requirements of Act 135 • Initiated regular meetings with Senate & House of Representatives staff

Slide 20, What We Have Accomplished, Rahul Dembla

Santee Cooper has made a lot of progress in a short period of time in a number of areas.

We developed a new resource plan that is leaner & greener. We are now updating this resource plan jointly with Central and this work is nearing completion.

We are paying down and refinancing debt.

Major litigation related to the VC Summer Nuclear 2&3 project has been settled. We have also received a favorable judgement related to the Goose Creek litigation.

From an HR perspective, we have downsized the company through attrition, downsized and refocused the executive leadership team and increased its diversity, and commenced a succession planning process.

From a fuel management perspective, we have hedged natural gas, as well as renegotiated coal and transportation contracts.

We are working with other utilities on new initiatives such as exploring a 15-minute energy market – called the Southeast Energy Exchange Market or "SEEM" - and considering joint operating efficiencies through MOU's with both Southern Company and Dominion.

We are soliciting up to 500MW's of solar energy, through Power Purchase Agreements, in coordination with Central.

We are working under the provisions of Act 135 and adding transparency measures, such as holding regular meetings with Senate & House of Representatives staff.

At this point, Ken Lott will take back the presentation and discuss our recent financial performance.



Financial Statement Summary

Santee Cooper's recent operating results are in line with expectations and historical trends

Historical Financials						
(\$ millions)	Fiscal Year Ended 12/31					
	2014	2015	2016	2017	2018 ¹	2019
INCOME STATEMENT						
Operating Revenues	\$1,997	\$1,880	\$1,746	\$1,757	\$1,807	\$1,723
Operating Expenses	<u>1,619</u>	<u>1,502</u>	<u>1,375</u>	<u>1,357</u>	<u>1,400</u>	<u>1,320</u>
Operating Income	378	377	371	400	407	403
BALANCE SHEET						
Net Utility Plant	\$4,199	\$4,165	\$3,916	\$4,037	\$4,010	\$4,590
CWIP	2,713	3,337	4,293	763	1,017	503
Nuclear Regulatory Asset ²	-	-	-	4,248	4,128	3,749
Debt	6,959	7,732	8,195	7,878	7,292	6,865
Net Position ³	2,168	1,942	2,030	2,121	2,297	2,065
CASH FLOW STATEMENT						
Capital Expenditures	\$725	\$587	\$1,126	\$824	\$521	\$287

1. Based on restated 2018 financials.

2. In the 2017 audited year-end financials, new Nuclear Construction was moved from Construction Work in Progress to Regulatory Asset.

3. In 2015, Santee Cooper recorded a liability of approximately \$270 million as a result of GASB 68. In 2019, Santee Cooper recorded a \$200 million liability in corresponding non-operating special item charge for the cash settlement portion of the Cook settlement

Slide 21 – Financial Statement Summary, Ken Lott

Thank you, Rahul, picking up at slide 21.

Santee Cooper's recent operating financial results are consistent with expectations and historical trends.

I would like to point out that Santee Cooper recorded in 2019 the \$200 million liability for the settlement of the Cook case. As already mentioned, Santee Cooper will make payments in the third quarter of 2020, 2021 and 2022 of \$65 million, \$65 million, and \$70 million respectively. Again, Santee Cooper will not recover the cost of the Cook Settlement in rates.

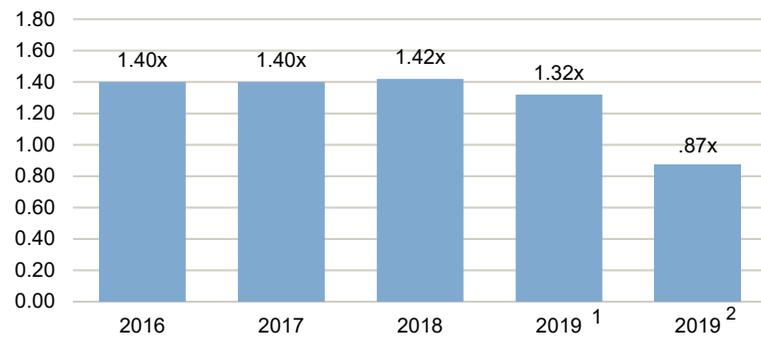
The Cook Settlement amount has been recorded as a Special Item on Santee Cooper's 2019 Statement of Revenues, Expenses and Changes in Net Position-Business Type Activities.



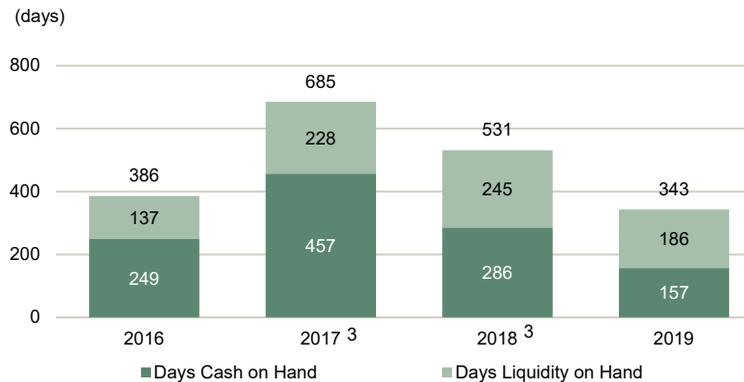
Financial Metrics

Santee Cooper's financial metrics remain solid

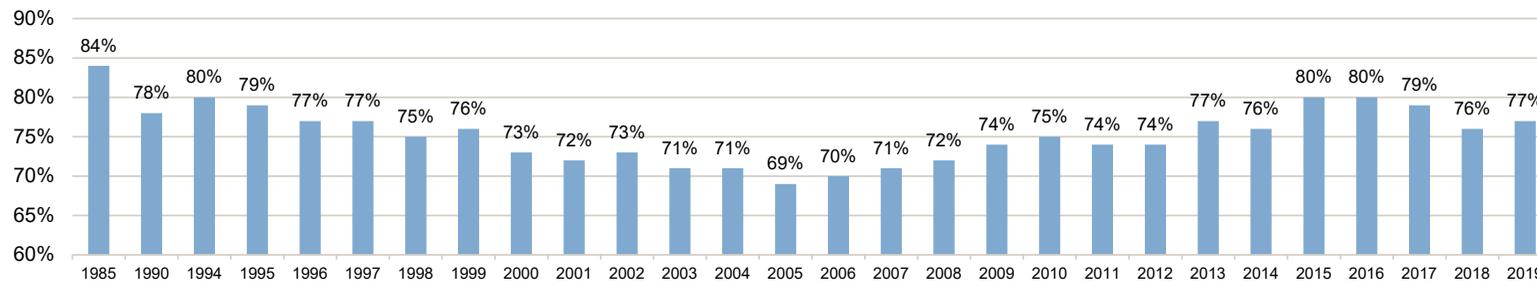
Debt Service Coverage



Cash Reserves and Days of Liquidity



Debt to Capitalization



1. Includes CP, Revolving Credit Agreements and Payments to the State but excludes the special item related to Cook case settlement.
 2. Includes CP, Revolving Credit Agreements, Payments to the State and Special Item related to Cook case settlement.
 3. Toshiba funds included in liquidity calculations.

Slide 22 – Financial Metrics, Ken Lott

As this slide demonstrates, Santee Cooper maintains strong financial metrics.

The Debt Service Coverage includes debt service on subordinate Commercial Paper and Revolving Credit Agreements and incorporates our annual payment to the State that is also subordinate to debt service. Historically, Santee Cooper has maintained coverage on average around 1.40x. In 2019, if you exclude the Cook settlement special item, Santee Cooper's debt service coverage was 1.32x. However, Santee Cooper realized the full \$200 million Cook settlement on our books and in our coverage calculation in 2019 and therefore the coverage declined to .87x.

The top right chart shows our cash position. Santee Cooper has maintained sufficient liquidity with 157 days cash on hand and 343 days liquidity for 2019.

Santee Cooper maintains \$850 million in bank facility capacity and recently renewed 3 of the 4 agreements with the fourth up for renewal next year.

The bottom chart shows our historical and current debt-to-capitalization. Due to planned debt amortization and accelerated retirement, our debt-to-capitalization has decreased to 77% and is within the historical range.

I will now turn the presentation back over to Mark Bonsall to conclude.

Summary



- ✓ Santee Cooper’s safety, reliability, service and pricing results always have been, and remain, excellent
- ✓ Santee Cooper remains committed to diversity and inclusion for all employees and the communities we serve
- ✓ Issues related to resource principles and economics, environmental direction, customer pricing principles, outstanding litigation, stakeholder relationships and transparency, organizational structure and strategic focus have been, and will continue to be, addressed
- ✓ The COVID -19 impact on Santee Cooper has been minimal both operationally and financially
- ✓ We currently expect that projected revenues using the Cook Settlement Rates will be sufficient to meet the obligations of Santee Cooper under the Revenue Obligations Resolution
- ✓ Santee Cooper has been substantially de-risked, has a solid and viable plan for the future, and the people to make it happen



Slide 23 – Summary, Mark Bonsall

Thank you, Ken.

In summary, in addition to moving forward on these new initiatives we have just outlined, Santee Cooper continues to remain focused on excellent results in safety, reliability, service and pricing.

We remain committed to diversity and inclusion for all employees and the communities that we serve.

Issues related to resource planning principles and economics, environmental direction, customer pricing principles, outstanding litigation, stakeholder relationships and transparency, organizational structure and strategic focus have been, and will continue to be, addressed.

The COVID -19 impact on Santee Cooper has been minimal both operationally and financially.

We currently expect that projected revenues using the Cook Settlement Rates will be sufficient to meet the obligations of Santee Cooper under the Revenue Obligations Resolution.

Santee Cooper has been substantially de-risked, has a solid and viable plan for the future, and the people to make it happen.

This concludes our organizational overview. Ken will now discuss the upcoming transaction.

Transaction Overview



	2020 Series A	2020 Series B
Estimated Par	\$363,115,000*	\$300,450,000*
Tax Status	Tax-Exempt	Taxable
Estimated Structure* (12/1 due dates)	Serial Bonds: 2021-2032, 2038-2043	Serial Bonds: 2025-2032
Interest Payment Dates	June 1 and December 1	
Ratings	To Come	
Optional Redemption*	TBD	TBD
Purpose	Fund Capital Costs and Refund Bonds	Refund Bonds
Senior Manager	Barclays	BofA Securities
Co-Senior Manager	BofA Securities	Barclays
Co-Managers	American Veterans Group, J.P. Morgan, Citigroup, Morgan Stanley, Goldman Sachs, TD Securities	
Pricing*	Tuesday, October 27	
Closing*	Thursday, November 5	

Slide 24 – Transaction Overview, Ken Lott

Thank you, Mark, picking up on slide 24.

This is a summary of our upcoming transaction. The 2020 Series A bonds are tax-exempt bonds that are anticipated to amortize 2021-2043, with a total par amount of approximately \$363 million. These bonds are being used to refund existing debt and provide funds for new money purposes. The 2020 Series B Bonds are federally taxable and are expected to mature 2025-2032 with a total par amount of approximately \$300 million. These bonds are being used to refund existing debt. We currently anticipate pricing these bonds on Tuesday, October 27 and closing on Thursday, November 5. The 2020 Series A Bonds will be senior managed by Barclays, and the 2020 Series B Bonds will be senior managed by Bank of America Securities.

* Preliminary, subject to change.

Key Contacts



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Slide 25 – Key Contacts, Ken Lott

In closing, thank you for your time and interest in Santee Cooper.

We expect to continue to provide information as developments occur.

If you have any questions, we encourage you to reach out to the contacts listed on this slide.