NEW ISSUE – Book-Entry

RATINGS: Moody's: "A3"
S&P: "A-"
Fitch: "A-"
INSURED BONDS RATINGS: Moody's: "A1"
S&P: "AA"

In the opinion of Burr Forman McNair, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority described herein, interest on the 2025A Bonds and the 2025B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Burr Forman McNair, Bond Counsel, is also of the opinion that interest on the 2025C Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Burr Forman McNair, Bond Counsel, is further of the opinion that the interest on the 2025 Bonds will be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer, and certain franchise taxes. See "TAX MATTERS" herein regarding certain other tax considerations.

santee cooper®

$1,021,035,000
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
Revenue Obligations
consisting of:
$542,000,000 2025 Tax-Exempt Improvement Series A
$421,035,000 2025 Tax-Exempt Refunding Series B
$58,000,000 2025 Taxable Improvement Series C

Dated: Date of Delivery **Due: As shown on the inside cover**

The South Carolina Public Service Authority (the "Authority") is issuing its Revenue Obligations, 2025 Tax-Exempt Improvement Series A (the "2025A Bonds") and Revenue Obligations, 2025 Taxable Improvement Series C (the "2025C Bonds") for the purpose of (i) financing a portion of the costs of the capital improvement program of the System (as defined in Appendix B hereto), which includes repaying certain notes outstanding under the Authority's direct placement facilities and/or commercial paper facility and (ii) paying certain costs of issuance. The Authority is issuing its Revenue Obligations, 2025 Tax-Exempt Refunding Series B (the "2025B Bonds") for the purpose of (i) refinancing a portion of the outstanding debt of the Authority, and (ii) paying certain costs of issuance. The 2025A Bonds, the 2025B Bonds and the 2025C Bonds, collectively, are referred to herein as the "2025 Bonds." See "PLAN OF FINANCE AND REFUNDING PLAN." Interest on the 2025 Bonds will accrue from their date of delivery and will be payable semiannually on each June 1 and December 1, commencing on June 1, 2025. The 2025 Bonds will be issued only as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as securities depository for the 2025 Bonds under a book-entry only system as described herein, pursuant to which principal and interest payments on the 2025 Bonds will be made. Individual purchases of beneficial interests may be made in book-entry only form, in the principal amount of $5,000 or any integral multiple thereof for the 2025 Bonds. Beneficial owners of the 2025 Bonds will not receive physical delivery of bond certificates. See APPENDIX C – "PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM" attached hereto.

The 2025 Bonds are being issued pursuant to the Act (as defined herein) and pursuant to the authority of and in full compliance with the resolution adopted by the Authority's Board of Directors on April 26, 1999 (the "Master Resolution"), as amended and supplemented from time to time. The Master Resolution, as so amended and supplemented, is hereinafter referred to as the "Revenue Obligation Resolution." See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE REVENUE OBLIGATION RESOLUTION" attached hereto.

The 2025 Bonds are subject to redemption prior to maturity as set forth herein. See "DESCRIPTION OF THE 2025 BONDS – Redemption Provisions *– 2025A Bonds*," "*– 2025B Bonds*" and "*– 2025C Bonds*."

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of this issue. Investors must read the Official Statement in its entirety prior to purchasing the 2025 Bonds to obtain information essential to making an informed investment decision.

The 2025 Bonds are not indebtedness of the State of South Carolina (the "State"), nor of any political subdivision thereof, and neither the State nor any of its political subdivisions is liable thereon, nor are they payable from any funds other than the Revenues (as defined herein) of the Authority pledged to the payment thereof.

The scheduled payment of principal of and interest on the 2025A Bonds maturing on December 1 of the years 2050 (CUSIP No. 8371515S4) and 2055 (CUSIP No. 8371515U9) (the "Insured Bonds") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY INC. See "DESCRIPTION OF THE 2025 BONDS – Bond Insurance."

ASSURED GUARANTY®

The 2025 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the approval of legality by Burr Forman McNair, Charleston, South Carolina, Bond Counsel. Certain legal matters will be passed upon for the Authority by Nixon Peabody LLP, New York, New York, Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Authority by Carmen Thomas, the Authority's Chief Legal Officer and General Counsel. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, New York, New York, Counsel to the Underwriters. It is expected that delivery of the 2025 Bonds will be made on or about March 11, 2025.

BofA Securities **J.P. Morgan** **Barclays**

American Veterans Group, PBC **Goldman Sachs & Co. LLC** **Morgan Stanley**

TD Securities **Wells Fargo Securities**

February 26, 2025

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS, AND CUSIP‡ NUMBERS

$542,000,000
Revenue Obligations, 2025 Tax-Exempt Improvement Series A

$249,990,000 Serial Bonds

Maturity (December 1)	Amount	Interest Rate	Yield	CUSIP‡ Number	Maturity (December 1)	Amount	Interest Rate	Yield	CUSIP‡ Number
2033	$5,405,000	5.000%	3.250%	8371515C9	2040	$18,505,000	5.000%	3.700%*	8371515K1
2034	13,810,000	5.000	3.320	8371515D7	2041	19,430,000	5.000	3.810*	8371515L9
2035	14,500,000	5.000	3.370*	8371515E5	2042	20,400,000	5.000	3.920*	8371515M7
2036	15,225,000	5.000	3.450*	8371515F2	2043	21,420,000	5.000	4.020*	8371515N5
2037	15,985,000	5.000	3.520*	8371515G0	2044	22,490,000	5.000	4.110*	8371515P0
2038	16,785,000	5.000	3.560*	8371515H8	2045	23,615,000	5.000	4.190*	8371515Q8
2039	17,625,000	5.000	3.630*	8371515J4	2046	24,795,000	5.000	4.250*	8371515R6

$30,000,000 5.000% Term Bonds due December 1, 2050†, Yield 4.280%*, CUSIP‡ NO. 8371515S4
$82,525,000 5.250% Term Bonds due December 1, 2050, Yield 4.330%*, CUSIP‡ NO. 8371515T2
$37,500,000 5.000% Term Bonds due December 1, 2055†, Yield 4.340%*, CUSIP‡ NO. 8371515U9
$141,985,000 5.000% Term Bonds due December 1, 2055, Yield 4.440%*, CUSIP‡ NO. 8371515V7

$421,035,000
Revenue Obligations, 2025 Tax-Exempt Refunding Series B

Maturity (December 1)	Amount	Interest Rate	Yield	CUSIP‡ Number	Maturity (December 1)	Amount	Interest Rate	Yield	CUSIP‡ Number
2025	$43,445,000	5.000%	2.820%	8371515W5	2036	$10,085,000	5.000%	3.450%*	8371516G9
2026	48,935,000	5.000	2.850	8371515X3	2037	2,875,000	5.000	3.520*	8371516H7
2027	15,850,000	5.000	2.870	8371515Y1	2038	4,500,000	5.000	3.560*	8371516J3
2028	52,925,000	5.000	2.920	8371515Z8	2039	4,930,000	5.000	3.630*	8371516K0
2029	6,965,000	5.000	2.980	8371516A2	2044	46,670,000	5.000	4.110*	8371516L8
2030	9,430,000	5.000	3.000	8371516B0	2045	18,955,000	5.000	4.190*	8371516M6
2031	13,870,000	5.000	3.050	8371516C8	2046	57,340,000	5.000	4.250*	8371516N4
2032	8,325,000	5.000	3.180	8371516D6	2047	36,315,000	5.000	4.290*	8371516P9
2034	1,510,000	5.000	3.320	8371516E4	2048	38,055,000	5.000	4.310*	8371516Q7
2035	55,000	5.000	3.370*	8371516F1					

* Yield to the first optional call date of June 1, 2035 at a redemption price of 100%.

† Insured by Assured Guaranty Inc.

‡ Copyright 2025, American Bankers Association. The CUSIP (Committee on Uniform Securities Identification Procedures) numbers in this Official Statement have been assigned by an organization not affiliated with the Authority or the Underwriters, and such parties are not responsible for the selection or use of the CUSIP numbers. CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are included solely for the convenience of the Holders of the 2025 Bonds and no representation is made as to the correctness of the CUSIP numbers on the applicable 2025 Bonds or as included herein. The CUSIP number assigned to a specific maturity may be changed after the execution and delivery of the 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding or defeasance in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2025 Bonds. Neither the Authority nor the Underwriters has agreed to, nor is there any duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers herein.

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIP† NUMBERS

$58,000,000
Revenue Obligations, 2025 Taxable Improvement Series C

Maturity (December 1)	Amount	Interest Rate	Yield	CUSIP* Number
2026	$5,990,000	4.570%	4.570%	8371516R5
2027	6,260,000	4.610	4.610	8371516S3
2028	21,550,000	4.710	4.710	8371516T1
2029	7,560,000	4.730	4.730	8371516U8
2031	925,000	4.900	4.900	8371516V6
2032	7,970,000	5.010	5.010	8371516W4
2033	7,745,000	5.030	5.030	8371516X2

* Copyright 2025, American Bankers Association. The CUSIP (Committee on Uniform Securities Identification Procedures) numbers in this Official Statement have been assigned by an organization not affiliated with the Authority or the Underwriters, and such parties are not responsible for the selection or use of the CUSIP numbers. CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are included solely for the convenience of the Holders of the 2025 Bonds and no representation is made as to the correctness of the CUSIP numbers on the applicable 2025 Bonds or as included herein. The CUSIP number assigned to a specific maturity may be changed after the execution and delivery of the 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding or defeasance in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2025 Bonds. Neither the Authority nor the Underwriters has agreed to, nor is there any duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers herein.

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

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Charleston, South Carolina

DISCLOSURE COUNSEL
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New York, New York

FINANCIAL ADVISOR
PFM Financial Advisors LLC
Charlotte, North Carolina

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations with respect to the 2025 Bonds other than the information and representations contained in this Official Statement, and, if given or made, such other information or representations may not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been provided by the Authority and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

All summaries herein of documents are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the 2025 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

THIS OFFICIAL STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS. IN THIS RESPECT, THE WORDS "MAY," "WILL," "FORECAST," "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE BASED ON THE CURRENT EXPECTATIONS OF THE PARTY MAKING SUCH STATEMENTS AS WELL AS ASSUMPTIONS MADE BASED ON THE INFORMATION CURRENTLY AVAILABLE TO SUCH PARTY. A NUMBER OF IMPORTANT FACTORS AFFECTING THE AUTHORITY'S BUSINESS AND FINANCIAL RESULTS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD-LOOKING STATEMENTS ARE DISCLOSED IN THIS OFFICIAL STATEMENT. ACTUAL EVENTS OR RESULTS MAY BE MATERIALLY DIFFERENT FROM THOSE EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT, OR MAY NOT OCCUR. ALL ESTIMATES, PROJECTIONS, FORECASTS, ASSUMPTIONS AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE THEY WERE PREPARED. THE AUTHORITY SPECIFICALLY DISCLAIMS ANY OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS TO REFLECT NEW INFORMATION OR FUTURE OCCURRENCES OR UNANTICIPATED EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS OFFICIAL STATEMENT.

The Authority may place a copy of this Official Statement on the Authority's website at https://www.santeecooper.com. No statement on the Authority's website or any other website is included by specific cross-reference herein. Although the Authority has prepared the information on its website for the convenience of those seeking that information, no investment decision in reliance upon that information should be made. Typographical or other errors may have occurred in converting the original source documents to their digital format, and the Authority assumes no liability or responsibility for errors or omissions contained on any website. Further, the Authority disclaims any duty or obligation to update or maintain the availability of the information contained on any website or any responsibility or liability for any damages caused by viruses contained within the electronic files on any website. The Authority also assumes no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such website and the information or links contained therein are not incorporated into, and are

not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC").

THE 2025 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE 2025 BONDS WILL NOT HAVE BEEN RECOMMENDED BY THE SEC OR ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND NO SUCH COMMISSIONS AND REGULATORY AUTHORITIES WILL HAVE REVIEWED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. THE REGISTRATION OR QUALIFICATION OF THE 2025 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE 2025 BONDS MAY HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION THEREFROM IN OTHER JURISDICTIONS CANNOT BE REGARDED AS A RECOMMENDATION THEREOF BY ANY SUCH JURISDICTION. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The offering of the 2025 Bonds is made only by means of this entire Official Statement.

The Authority maintains a website and certain social media accounts. However, the information presented thereon is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the 2025 Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the SEC, this document, as the same may be supplemented or corrected by the Authority from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the 2025 Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the Authority.

Assured Guaranty Inc. ("AG") makes no representation regarding the 2025 Bonds or the advisability of investing in the 2025 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "DESCRIPTION OF THE 2025 BONDS – Bond Insurance" and in "APPENDIX G - Specimen Municipal Bond Insurance Policy."

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Official Statement
relating to

$1,021,035,000
South Carolina Public Service Authority
Revenue Obligations

consisting of:

$542,000,000 2025 Tax-Exempt Improvement Series A
$421,035,000 2025 Tax-Exempt Refunding Series B
$58,000,000 2025 Taxable Improvement Series C

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page and the Appendices attached hereto, is to set forth information concerning the Revenue Obligations, 2025 Tax-Exempt Improvement Series A (the "2025A Bonds"), Revenue Obligations, 2025 Tax-Exempt Refunding Series B (the "2025B Bonds") and Revenue Obligations, 2025 Taxable Improvement Series C (the "2025C Bonds") of the South Carolina Public Service Authority (the "Authority") offered hereby. The 2025A Bonds, the 2025B Bonds and the 2025C Bonds are referred to herein as the "2025 Bonds."

This Introduction contains certain information for quick reference only. Prospective investors must read the Official Statement in its entirety prior to purchasing the 2025 Bonds to obtain information essential to making an informed investment decision.

The 2025 Bonds are to be issued pursuant to Act No. 887 of the Acts of the State of South Carolina for 1934 and acts supplemental thereto and amendatory thereof (Code of Laws of South Carolina 1976, as amended - Sections 58-31-10 through 58-31-740) (the "Act"), and pursuant to the authority of and in full compliance with the resolution adopted by the Authority's Board of Directors (the "Board") on April 26, 1999 (the "Master Resolution"), as amended and supplemented from time to time, including as supplemented by the Sixty-First Series and Supplemental Resolution (the "Sixty-First Supplemental Resolution") authorizing the 2025A Bonds, the Sixty-Second Series and Supplemental Resolution (the "Sixty-Second Supplemental Resolution") authorizing the 2025B Bonds and the Sixty-Third Series and Supplemental Resolution (the "Sixty-Third Supplemental Resolution") authorizing the 2025C Bonds. The Master Resolution, as so amended and supplemented, is hereinafter referred to as the "Revenue Obligation Resolution." The 2025 Bonds constitute "Obligations" issued under the Revenue Obligation Resolution. The 2025 Bonds and all Obligations heretofore and hereafter issued pursuant to the Revenue Obligation Resolution (collectively, the "Revenue Obligations") are payable on a parity with each other. See "SECURITY FOR THE 2025 BONDS."

The summary of the Revenue Obligation Resolution herein contained is made subject to all of the provisions of such document, and such summary does not purport to be a complete statement of such provisions. Reference is hereby made to such document for further information in connection therewith. Copies of the Revenue Obligation Resolution may be examined at the main office of the Authority in Moncks Corner, South Carolina and on the Authority's website at www.santeecooper.com/about/investors. The Authority's financial statements for the year ended December 31, 2023 are included as APPENDIX A – "REPORT OF THE AUTHORITY'S FINANCIAL STATEMENTS" to this Official Statement.

Capitalized terms used herein and not defined have the meanings given to such terms in APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE REVENUE OBLIGATION RESOLUTION."

The South Carolina Public Service Authority

The Authority is a body corporate and politic created by the Act in 1934. The Authority's primary business operation is the production, transmission, and distribution of electrical energy, both at wholesale and retail, to citizens of the State of South Carolina (the "State"). The Authority is one of the nation's largest municipal wholesale utilities, whose electric system serves directly or indirectly approximately two million South Carolinians in all 46 counties of the State. The Authority began electric power operations in 1942.

Under the Act, the Authority is also authorized to construct, own and operate facilities to treat, transmit, distribute, and sell water at wholesale within the counties of Berkeley, Calhoun, Dorchester, and Orangeburg, and the Town of Santee, South Carolina. The Authority owns and operates the Lake Moultrie Regional Water System and the Lake Marion Regional Water System, two modern drinking water treatment systems serving over 230,000 people. The Lake Moultrie Regional Water System began commercial operation in October 1994, and the Lake Marion Regional Water System began commercial operation in May 2008. Under current State law and by contract, each of the regional water systems is required to be self-supporting.

Purpose of the 2025 Bonds

The 2025A Bonds and the 2025C Bonds are being issued for the purpose of (i) financing a portion of the costs of the capital improvement program of the System, which includes repaying certain notes outstanding under the Authority's direct placement facilities and/or commercial paper facility and (ii) paying certain costs of issuance. The 2025B Bonds are being issued for the purpose of (i) refinancing a portion of the outstanding debt of the Authority, and (ii) paying certain costs of issuance. See "PLAN OF FINANCE AND REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein for additional information.

The issuance of the 2025A Bonds and the 2025C Bonds by the Authority for the purposes described above required the approval of the State's Joint Bond Review Committee (the "JBRC"). The JBRC approved the issuance of the 2025A Bonds and the 2025C Bonds on January 29, 2025. See "THE AUTHORITY – Joint Bond Review Committee Approval."

The issuance of the 2025B Bonds by the Authority for the purposes described above will result in savings in total debt service of the Authority and, therefore, such issuance does not require approval of the JBRC. See "THE AUTHORITY – Joint Bond Review Committee Approval."

Outstanding Parity and Subordinated Indebtedness

Parity Indebtedness

As of January 2, 2025, the Authority had approximately $7.107 billion in aggregate principal amount of Revenue Obligations outstanding under the Revenue Obligation Resolution. Payment of the principal of and interest on the Authority's Variable Rate Revenue Obligations, 2019 Tax-Exempt Refunding Series A (the "2019A Bonds") is secured by an irrevocable direct-pay letter of credit issued by Bank of America, N.A. ("Bank of America") pursuant to a reimbursement agreement between the Authority and Bank of America (the "2019A Reimbursement Agreement"). The Authority's payment obligations to Bank of America under the 2019A Reimbursement Agreement are secured by a lien upon and pledge of Revenues on parity with the pledge securing the Revenue Obligations.

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Subordinated Indebtedness

As of January 2, 2025, the Authority had $172,461,000 in aggregate principal amount of Commercial Paper Notes (as defined herein) outstanding, which Commercial Paper Notes are secured by a lien upon and pledge of Revenues junior to the lien and pledge securing the Authority's Revenue Obligations. Payment of the principal of and interest on the outstanding Commercial Paper Notes is currently supported by direct-pay letters of credit issued by Barclays Bank PLC ("Barclays Bank") pursuant to two reimbursement agreements (the "CP Reimbursement Agreements"). Under the CP Reimbursement Agreements, the Authority may issue up to $400,000,000 aggregate principal amount of Commercial Paper Notes the proceeds of which may be used for any lawful corporate purposes, including to pay the principal of and interest on maturing Commercial Paper Notes. The Authority's payment obligations to Barclays Bank under the CP Reimbursement Agreements are secured by a lien upon and pledge of Revenues junior to the lien and pledge securing the Authority's Revenue Obligations and on parity with the lien and pledge securing the Commercial Paper Notes.

The Authority maintains four revolving credit facilities to fund, among other things, working capital expenses and capital expenditures. The loans made under the Revolving Credit Agreements (as defined herein) are secured by a lien on and pledge of Revenues that is junior to the lien and pledge securing the Authority's Revenue Obligations and is on parity with the Commercial Paper Notes. The Revolving Credit Agreements provide the Authority with borrowing capacity in an aggregate amount of $800,000,000. As of January 2, 2025, there were $438,466,000 of loans drawn and outstanding under the Revolving Credit Agreements.

See "THE AUTHORITY – Outstanding Indebtedness" herein for a more detailed description of the Authority's outstanding debt, including the CP Reimbursement Agreements and the Revolving Credit Agreements.

Additional Indebtedness

Additional series of Revenue Obligations may be issued on a parity with the 2025 Bonds under the Revenue Obligation Resolution without limitation and without compliance with any additional bonds test, provided there is no default under the Revenue Obligation Resolution. The Revenue Obligation Resolution does not prohibit the issuance of obligations secured by a pledge of the Revenues junior and subordinate to the pledge securing the Revenue Obligations. In addition, the Authority may issue obligations secured by a pledge of revenues derived from separate utility systems not included in the System. See "SECURITY FOR THE 2025 BONDS" and APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE REVENUE OBLIGATION RESOLUTION – Separate Systems."

The Authority is required by law to obtain the approval of the JBRC prior to the issuance of certain bonds, notes, or other indebtedness, including any refinancing that does not achieve a savings in total debt service. See "THE AUTHORITY – Joint Bond Review Committee Approval."

End of Rate Freeze Period under Cook Settlement Agreement

A class action lawsuit relating to the Authority's decision in 2017 to suspend construction of two new nuclear generating units ("Summer Nuclear Units 2 and 3") at the Virgil C. Summer Nuclear Generating Station in Jenkinsville, South Carolina (the "Summer Nuclear Station") was settled in 2020. Pursuant to the terms of the Cook Settlement Agreement (as defined herein), the Authority paid $200 million to a fund for the benefit of the class members (the "Common Benefit Fund") and implemented a Rate Freeze (as defined herein) effective in August 2020. In accordance with the terms of the Cook Settlement Agreement, the Rate Freeze ended (i) for the customers other than Central Electric Power Cooperative, Inc. ("Central") whose rates were subject to the Rate Freeze, on January 15, 2025, and (ii) for Central, on December 31, 2024. As of January 15, 2025, the Rate Freeze no longer applies to any Authority customer, allowing adjust-to-actual cost rates for Central and certain automatic adjustments for other customers, including fuel and demand sales adjustments, to restart. Approximately 75% of the Authority's costs are recovered from these automatic rate adjustments.

In anticipation of the end of the Rate Freeze Period, the Board directed management to undertake a comprehensive rate study. The Board received the results of the comprehensive rate study on June 10, 2024 (the "2024 Rate Study"), which included proposed base rate adjustments that would result in a System average 4.9% increase to retail customer bills beginning in 2025. While the Board has autonomous rate setting authority, the Act details a transparent and robust retail rates process that allows public feedback for any new proposed rates. In accordance with the process outlined in Section 58-31-730 of the South Carolina Code of Laws, the Authority obtained comments regarding the proposed rates and rate study process from the public, the South Carolina Office of Regulatory Staff (the "ORS") and the consumer advocate. On December 9, 2024, the Board voted to approve the proposed rates, which were modified based on comments received, and the new rates are scheduled to be implemented for customer billing beginning April 1, 2025. See "RATES AND RATE COMPARISON – Retail Rate Process" and "– 2024 Rate Study and 2025 Rate Adjustments."

Cook Rate Freeze Exceptions and Challenges

Consistent with the agreement to freeze rates, the Authority agreed in the Cook Settlement Agreement not to defer any costs and expenses incurred during the Rate Freeze Period (as defined herein) to any other year or years during or after the Rate Freeze Period except for certain just and reasonable costs and expenses incurred during the Rate Freeze Period that could be deferred and included in the Authority's rates charged in years after the Rate Freeze Period ends (as further described herein, the "Cook Rate Freeze Exceptions"). The Authority is required to identify, among other things, the Cook Rate Freeze Exceptions in compliance reports filed annually (the "Annual Cook Compliance Reports") with the Court of Common Pleas for the Thirteenth Judicial Circuit (the "Court"). Annual Cook Compliance Reports were filed in 2021, 2022, 2023 and 2024 for reporting years 2020 through 2023. In these reports, the Authority has identified and reported Cook Rate Freeze Exceptions totaling $716.9 million. The Annual Cook Compliance Report for reporting year 2024 is due on April 30, 2025. See "COOK SETTLEMENT – Cook Settlement Agreement – *Cook Rate Freeze Exceptions and Reporting*."

Following the filings of the Annual Cook Compliance Reports in 2021 and 2022, Central and Class Counsel sent letters to the Authority and to the Court challenging certain exceptions included in the Authority's reports and Central requested the appointment of an independent auditor to review the Authority's compliance with respect to certain transactions. In September 2022, the Court entered an order denying the motion to rule on the applicability of the Cook Rate Freeze Exceptions in 2021 and the request to appoint an independent auditor until after the end of the Rate Freeze Period. Following the Court's order in 2022, the Authority, Central and Class Counsel were in discussions to resolve these and other disputes and came to an agreement in early 2025. This agreement is still subject to Court approval. See " – Summary of Proposed Settlement of Cook Rate Freeze Disputes" below and "COOK SETTLEMENT – Dispute Regarding Cook Rate Freeze Exceptions and Proposed Resolution."

The Authority used regulatory accounting treatment for certain Cook Rate Freeze Exceptions and created the Cook Exceptions Regulatory Asset (as defined herein), allowing the Authority to recognize Cook Deferred Expenses (as defined herein) over the period the Authority expects to recover them in future rates after the end of the Rate Freeze Period. Through December 31, 2024, the Authority recorded a total of $703.8 million of Cook Deferred Expenses that qualify for regulatory accounting treatment in the Cook Exceptions Regulatory Asset account. Such deferred expenses include adjustments for previously identified Cook Rate Freeze Exceptions through the end of 2024. See "COOK SETTLEMENT – Cook Settlement Agreement – *Cook Rate Freeze Exceptions and Reporting*."

Summary of Proposed Settlement of Cook Rate Freeze Disputes

The Authority, Central and Class Counsel reached an agreement to resolve certain disputes arising from the Cook Rate Freeze Exceptions and the Authority's compliance with specific portions of the Cook Settlement Agreement (as more particularly described herein, the "Exceptions Agreement"). The terms of the Exceptions Agreement were approved by Class Counsel and the boards of the Authority and Central. The Exceptions Agreement also requires approval of the Court pursuant to the terms of the Cook Settlement Agreement and the Final Approval Order. See "COOK SETTLEMENT – Dispute Regarding Cook Rate Freeze Exceptions and Proposed Resolution."

The Exceptions Agreement provides that the amount recoverable in rates by the Authority for certain Cook Rate Freeze Exceptions identified in previous Annual Cook Compliance Reports will be $550 million ("Resolution Amount").

The Authority can collect the Resolution Amount, interest incurred on debt issued to finance the Resolution Amount from January 1, 2025 to June 30, 2025, and the cost of issuance of debt issued to finance such interest and the Resolution Amount (collectively, the "Recovery Amount") over a 14.5 year period beginning July 1, 2025 and ending December 31, 2039.

The Authority will recover the Recovery Amount through the "Cook Charge," which shall consist of the debt service on the debt issued to finance the Recovery Amount plus amounts to reflect the Minimum Capital Improvement Requirement at 8%, payment to the State, and sums in lieu of taxes on such debt service. The Authority will begin collecting the Cook Charge from Central and non-Central customers in July 2025. The estimated impact on customer bills is an increase of approximately 3% beginning in 2025 and continuing over the 14.5 year period.

The Exceptions Agreement affirms the right of the Authority to collect debt service after the Rate Freeze Period on the Change of Law Effluent Limit Guidelines Exception (the "ELG Exception") consistent with the Authority's cost of service calculations used for retail ratemaking and Central's cost of service, as provided in the Central Agreement (as defined herein).

Aside from the Resolution Amount and debt service on the ELG Exception after the Rate Freeze Period, the Authority will not recover costs attributable to or expenses incurred for any Cook Rate Freeze Exceptions event or condition which occurred during the Rate Freeze Period and was previously identified in Annual Cook Compliance Reports (the "Excluded Amounts"). In addition, the Excluded Amounts include Cook Rate Freeze Exceptions which occurred in 2024 and had not been previously identified in Annual Cook Compliance Reports. The Authority also agreed to transfer $11.5 million of the Resolution Amount into the Capital Improvement Fund (as defined herein), representing the capital portion of the Excluded Amounts, net of third-party contributions, to reimburse the fund for these capital expenditures.

The Resolution Amount ($550 million) will result in the Authority collecting 78% of the Cook Exceptions Regulatory Asset recorded as of December 31, 2024 ($703.8 million), which excludes the capital amounts of the Cook Rate Freeze Exceptions, reimbursements already received from third parties, and new Cook Rate Freeze Exceptions identified in 2024 but not reported as of December 31, 2024. See "COOK SETTLEMENT – Cook Settlement Agreement – *Cook Rate Freeze Exceptions and Reporting*" and "COOK SETTLEMENT – Cook Settlement Agreement – *Cook Exceptions Regulatory Asset and Cook Deferred Expenses*."

The Authority will write-down the Cook Exceptions Regulatory Asset to $550 million in the fiscal year ending December 31, 2024, which will increase expenses by $154 million and reduce reinvested earnings by the same amount.

As of January 31, 2025 the Authority has issued $481 million of Cook-related short-term debt to fund the Cook Rate Freeze Exceptions. The Resolution Amount provides additional liquidity over the $481 million for ongoing operations.

PLAN OF FINANCE AND REFUNDING PLAN

2025A Bonds and 2025C Bonds. A portion of the proceeds of the 2025A Bonds and the 2025C Bonds, together with other available moneys of the Authority, will be used to (i) finance a portion of the costs of the Authority's capital improvement program for the System, which includes repaying certain notes outstanding under the Authority's direct placement facilities and/or commercial paper facility and (ii) pay certain costs of issuance of the 2025A Bonds and 2025C Bonds, respectively. See "THE AUTHORITY – Capital Improvement Program and Future Financings."

2025B Bonds. A portion of the proceeds of the 2025B Bonds, together with other available moneys of the Authority, will be applied to (i) refinance the Revenue Obligations, 2014 Tax-Exempt Refunding Series C set forth in the following table (the "2014 Series C Bonds"), and the Revenue Obligations, 2015 Tax-Exempt Refunding and Improvement Series A set forth in the following table (the "2015 Series A Bonds" and collectively with the 2014 Series C Bonds, the "Refunded Bonds"); and (ii) pay certain costs of issuance of the 2025B Bonds. The refinancing of the Refunded Bonds will result in debt service savings. The refinancing of the Refunded Bonds is contingent upon the delivery of the 2025B Bonds.

Refunded Bonds

Series	Maturity Date (December 1)	Principal Amount	Interest Rate	CUSIP* (837151)	Redemption Date
2014 Series C	2025	$37,940,000	5.000%	KD0	March 11, 2025
2014 Series C	2026	26,940,000	5.000	KE8	March 11, 2025
2014 Series C	2027	16,545,000	5.000	KF5	March 11, 2025
2014 Series C	2028	30,880,000	5.000	KG3	March 11, 2025
2014 Series C	2029	3,075,000	5.000	J83	March 11, 2025
2014 Series C	2030	10,235,000	5.000	J26	March 11, 2025
2014 Series C	2031	3,910,000	5.000	J59	March 11, 2025
2014 Series C	2032	9,300,000	5.000	J67	March 11, 2025
2014 Series C	2034	2,535,000	5.000	J75	March 11, 2025
2014 Series C	2036	11,070,000	5.000	J91	March 11, 2025
2014 Series C	2039†	15,675,000	5.000	J34	March 11, 2025
2014 Series C	2046‡§	92,300,000	5.000	J42	April 10, 2025
2015 Series A	2025	19,650,000	5.000	ME6	June 2, 2025
2015 Series A	2026	23,305,000	5.000	MF3	June 2, 2025
2015 Series A	2028	23,390,000	5.000	NC9	June 2, 2025
2015 Series A	2029	5,370,000	5.000	MG1	June 2, 2025
2015 Series A	2031	11,550,000	5.000	MH9	June 2, 2025
2015 Series A	2035	845,000	5.000	MM8	June 2, 2025
2015 Series A	2045**	2,860,000	5.000	MP1	June 2, 2025
2015 Series A	2050††	111,895,000	5.000	K24	June 2, 2025

Moneys sufficient to pay the principal of and interest on the Refunded Bonds on the payment dates therefor will be derived from a portion of the proceeds of the 2025B Bonds and other available funds of the Authority (the "Refunding Proceeds").

Simultaneously with the issuance of the 2025B Bonds, (i) the Authority will enter into an escrow deposit agreement for the 2015 Series A Bonds (the "2015A Escrow Deposit Agreement") with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") and (ii) the Authority will enter into an escrow deposit agreement for the $92,300,000 principal amount 2014 Series C Bonds maturing December 1, 2046 (the "2014C Escrow Deposit Agreement") with the Escrow Agent. The Authority will deposit the portion of the Refunding Proceeds allocable to the 2015 Series A Bonds with the Escrow Agent pursuant to the 2015A Escrow Deposit Agreement and will deposit the portion of the Refunding Proceeds allocable to the applicable 2014 Series C Bonds with the Escrow Agent pursuant to the 2014C Escrow Deposit Agreement. The 2015A Escrow Deposit Agreement will provide for the portion of the Refunding Proceeds allocable to the 2015 Series A Bonds to be applied to the purchase of Permitted Investments that will mature and bear interest at times and in amounts sufficient, together with other moneys on deposit, to pay the principal of, redemption premium, if any, and interest on the 2015 Series A Bonds on June 2, 2025. The 2014C Escrow Deposit Agreement will provide for the portion

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* CUSIP numbers are provided for convenience of reference only. None of the Underwriters or the Authority, or their agents or counsel, assumes responsibility for the accuracy or completeness of such numbers.

† Includes the following sinking fund payments: 12/1/2037 ($3,915,000), 12/1/2038 ($5,580,000) and 12/1/2039 ($6,180,000).

‡ Includes the following sinking fund payments: 12/1/2044 ($47,875,000), 12/1/2045 ($20,210,000) and 12/1/2046 ($24,215,000).

§ The Authority will enter into the 2014C Escrow Deposit Agreement to redeem 2014 Series C Bonds maturing December 1, 2046.

** Includes the following sinking fund payments: 12/1/2041 ($520,000), 12/1/2042 ($540,000), 12/1/2043 ($560,000), 12/1/2044 ($580,000) and 12/1/2045 ($660,000).

†† Includes the following sinking fund payments: 12/1/2046 ($35,485,000), 12/1/2047 ($37,260,000) and 12/1/2048 ($39,150,000).

of the Refunding Proceeds allocable to the 2014 Series C Bonds to be redeemed thereby to be applied to the purchase of Permitted Investments that will mature and bear interest at times and in amounts sufficient, together with other moneys on deposit, to pay the principal of, redemption premium, if any, and interest on such 2014 Series C Bonds on April 10, 2025.

The accuracy of the mathematical computations of the adequacy of the principal of and interest on the securities and the moneys to be on deposit with the Escrow Agent to provide for the payment on the redemption dates of the principal of, redemption premium, if any, and interest on the 2015 Series A Bonds and the 2014 Series C Bonds to be redeemed by the 2014C Escrow Deposit Agreement will be verified at the time of delivery of the 2025B Bonds by Integrity Public Finance Consulting LLC. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

Upon deposit of the portion of the Refunding Proceeds allocable to the 2015 Series A Bonds and the 2014 Series C Bonds to be redeemed by the 2014C Escrow Deposit Agreement with the Escrow Agent pursuant to the 2015A Escrow Deposit Agreement and the 2014C Escrow Deposit Agreement, and in compliance with certain other provisions of the Revenue Obligation Resolution, the 2015 Series A Bonds and such 2014 Series C Bonds shall no longer be deemed "Outstanding" within the meaning of the Revenue Obligation Resolution.

The portion of the Refunding Proceeds allocable to the 2014 Series C Bonds not being redeemed by the 2014C Escrow Deposit Agreement will be deposited on the date of delivery of the 2025B Bonds into the Revenue Obligation Fund and will be used to redeem such maturities of the 2014 Series C Bonds on the date of delivery of the 2025B Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The table below sets forth the estimated sources and uses of funds in connection with the issuance of the 2025 Bonds.

Sources of Funds	
Principal Amount of the 2025 Bonds	$ 1,021,035,000.00
Original Issue Premium	68,524,760.65
Other Available Funds of the Authority	20,138,375.00
Total	$ 1,109,698,135.65
Application of Funds	
Deposit to the Bond Proceeds Fund[(1)]	$ 637,575,482.62
Deposit to the Revenue Obligation Fund to refund certain 2014 Series C Bonds	170,439,791.67
Deposit to the Escrow Account to refund certain 2014 Series C Bonds	93,618,988.39
Deposit to the Escrow Account to refund 2015 Series A Bonds	201,863,453.97
Financing Costs[(2)]	6,200,419.00
Total	$ 1,109,698,135.65

(1) $1,593,000 to be applied to repay certain notes outstanding under the Authority's commercial paper facility.

(2) Includes 2025 Bonds costs of issuance, underwriters' discount, bond insurance premium, and additional proceeds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth on an accrual basis the estimated annual debt service due on the Authority's outstanding Revenue Obligations, principal of and interest on the 2025 Bonds and total debt service on all Revenue Obligations to be outstanding after the issuance of the 2025 Bonds in each calendar year indicated. **Amounts are shown in thousands of dollars and are rounded up or down to the nearest one thousand dollars**.

Year Ending Dec. 31[1]	Total Debt Service on Outstanding Revenue Obligations[2][3][4]	Principal on 2025 Bonds	Interest on 2025 Bonds	Total Debt Service on the 2025 Bonds and Outstanding Revenue Obligations
2025	$398,473	$48,022	$41,005	$487,499
2026	417,096	52,190	48,728	518,014
2027	453,285	26,474	46,144	525,904
2028	425,579	69,479	44,848	539,907
2029	469,150	14,100	41,433	524,684
2030	477,113	9,877	40,747	527,738
2031	470,053	14,920	40,253	525,226
2032	469,776	16,033	39,508	525,317
2033	475,858	13,331	38,705	527,894
2034	473,390	15,256	38,037	526,683
2035	463,936	15,451	37,274	516,661
2036	465,849	24,773	36,501	527,123
2037	445,163	19,062	35,263	499,488
2038	418,782	21,391	34,310	474,482
2039	401,643	22,218	33,240	457,101
2040	407,487	18,582	32,129	458,198
2041	406,943	19,511	31,200	457,654
2042	405,088	20,485	30,225	455,797
2043	381,206	25,398	29,200	435,805
2044	370,232	66,944	27,930	465,106
2045	400,319	45,867	24,583	470,769
2046	342,357	80,486	22,290	445,133
2047	306,700	62,608	18,262	387,569
2048	308,252	62,387	15,083	385,722
2049	338,244	28,930	11,913	379,087
2050	314,893	30,431	10,414	355,738
2051	317,128	32,003	8,841	357,972
2052	311,521	33,602	7,241	352,364
2053	277,885	35,281	5,561	318,727
2054	218,149	37,045	3,797	258,991
2055	106,971	38,899	1,945	147,815
2056	39,767	-	-	39,767
Total	$11,978,289	$1,021,035	$876,613	$13,875,936

(1) Debt service payments due January 1 of the next succeeding year are included in the prior year's debt service payments.

(2) Excludes debt service on outstanding Commercial Paper Notes and loans under the Revolving Credit Agreements, which are secured on a subordinate basis to the Revenue Obligations.

(3) Net of Subsidy Payments (hereinafter defined). At time of issuance of the Authority's Revenue Obligations, 2010 Series C Bonds (the "2010C Bonds"), subject to the Authority's compliance with certain requirements under the American Recovery and Reinvestment Act of 2009 and Code, the Authority expected to receive cash subsidy payments from the United States Treasury which were expected to equal to 35% of the interest payable on the 2010C Bonds (any such payment, a "Subsidy Payment"). Pursuant to the requirements of the Federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain automatic reductions took place effective March 1, 2013, including a reduction in refundable credits under Section 6431 of the Code applicable to certain qualified bonds, including the Subsidy Payment with respect to the 2010C Bonds. As a result, a projected sequestration reduction rate has been applied to all Subsidy Payments. The debt service on the Revenue Obligations has been adjusted to reflect such reductions.

(4) Excludes debt service on the Refunded Bonds. See "PLAN OF FINANCE AND REFUNDING PLAN." Interest on the 2019A Bonds is projected at an interest rate of 4.00% for 2025 and 3.75% thereafter until maturity. Actual outstanding principal amounts and interest rates are updated through January 1, 2025.

DESCRIPTION OF THE 2025 BONDS

General

The 2025 Bonds will be issued in the aggregate principal amounts, mature on the dates and bear interest from their date of delivery at the respective rates per annum set forth on pages (i) and (ii) hereof.

Interest on the 2025 Bonds will be payable semiannually on June 1 and December 1 of each year commencing on June 1, 2025 (each, an "Interest Payment Date"). The 2025 Bonds are issuable only in fully registered form in denominations of $5,000 or any integral multiple thereof. The record date for the payment of principal of and interest on the 2025 Bonds will be the May 15 or November 15 immediately preceding an Interest Payment Date (the "Record Date"). The 2025 Bonds are being issued in book-entry only form and are registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See APPENDIX C – "PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM" attached hereto.

Redemption Provisions – 2025A Bonds

Optional Redemption of 2025A Bonds

The 2025A Bonds maturing on and after December 1, 2035 are subject to redemption prior to maturity at the election of the Authority on any Business Day on or after June 1, 2035, in whole or in part, at a Redemption Price of 100% of the principal amount thereof together with accrued interest, if any, to the redemption date.

Mandatory Redemption of 2025A Bonds

The $30,000,000 principal amount 2025A Bonds maturing on December 1, 2050 are subject to mandatory redemption from sinking fund installments required by the Sixty-First Supplemental Resolution, without premium, plus accrued interest to the redemption date, on December 1 of each of the following years and in the amounts as follows:

Year (December 1)	Principal Amount
2047	$6,940,000
2048	7,300,000
2049	7,680,000
2050†	8,080,000

† Final Maturity Date.

The $82,525,000 principal amount 2025A Bonds maturing on December 1, 2050 are subject to mandatory redemption from sinking fund installments required by the Sixty-First Supplemental Resolution, without premium, plus accrued interest to the redemption date, on December 1 of each of the following years and in the amounts as follows:

Year (December 1)	Principal Amount
2047	$19,095,000
2048	20,085,000
2049	21,125,000
2050†	22,220,000

† Final Maturity Date.

The $37,500,000 principal amount 2025A Bonds maturing on December 1, 2055 are subject to mandatory redemption from sinking fund installments required by the Sixty-First Supplemental Resolution, without premium, plus accrued interest to the redemption date, on December 1 of each of the following years and in the amounts as follows:

Year (December 1)	Principal Amount
2051	$6,660,000
2052	6,990,000
2053	7,345,000
2054	7,635,000
2055†	8,870,000

† Final Maturity Date.

The $141,985,000 principal amount 2025A Bonds maturing on December 1, 2055 are subject to mandatory redemption from sinking fund installments required by the Sixty-First Supplemental Resolution, without premium, plus accrued interest to the redemption date, on December 1 of each of the following years and in the amounts as follows:

Year (December 1)	Principal Amount
2051	$25,210,000
2052	26,470,000
2053	27,820,000
2054	28,920,000
2055†	33,565,000

† Final Maturity Date.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any mandatory redemption date, the Authority may (i) deliver to the Paying Agent for cancellation 2025A Bonds subject to mandatory redemption in part on such redemption date, in any aggregate principal amount desired, or (ii) receive a credit in respect of its mandatory redemption obligation for any 2025A Bonds of a maturity subject to mandatory redemption in part on such redemption date, which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the Authority and cancelled by the Paying Agent and not theretofore applied as a credit against any mandatory redemption obligation. Each such 2025A Bond so delivered or previously purchased or redeemed shall be credited by the Paying Agent at 100% of the principal amount thereof on the obligation of the Authority on such respective mandatory redemption obligations in chronological order (except as may be otherwise authorized by the Authority in writing), and the principal amount of such 2025A Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

Selection of 2025A Bonds to be Redeemed

Whenever less than all of the outstanding 2025A Bonds of a maturity are to be redeemed on any one date, the Trustee will select the 2025A Bonds to be redeemed from the outstanding 2025A Bonds of such maturity by lot (provided that so long as the 2025A Bonds shall remain immobilized at DTC, such 2025A Bonds shall be selected in such manner as DTC shall determine); provided, however, that for any 2025A Bond of a denomination of more than the minimum denomination, the portion of such 2025A Bond to be redeemed must be in a principal amount equal to such minimum denomination or an integral multiple thereof.

Redemption Provisions – 2025B Bonds

Optional Redemption of 2025B Bonds

The 2025B Bonds maturing on and after December 1, 2035 are subject to redemption prior to maturity at the election of the Authority on any Business Day on or after June 1, 2035, in whole or in part, at a Redemption Price of 100% of the principal amount thereof together with accrued interest, if any, to the redemption date.

Selection of 2025B Bonds to be Redeemed

Whenever less than all of the outstanding 2025B Bonds of a maturity are to be redeemed on any one date, the Trustee will select the 2025B Bonds to be redeemed from the outstanding 2025B Bonds of such maturity by lot (provided that so long as the 2025B Bonds shall remain immobilized at DTC, such 2025B Bonds shall be selected in such manner as DTC shall determine); provided, however, that for any 2025B Bond of a denomination of more than the minimum denomination, the portion of such 2025B Bond to be redeemed must be in a principal amount equal to such minimum denomination or an integral multiple thereof.

Redemption Provisions – 2025C Bonds

Optional Redemption of 2025C Bonds

The 2025C Bonds are subject to redemption prior to their respective maturities at the option of the Authority, in whole or in part, on any Business Day, at the Make-Whole Redemption Price (as defined below) determined by the Authority. If the 2025C Bonds are redeemable in part, such redemptions shall occur by lot within a maturity in accordance with the procedures established by DTC as then in effect. Notwithstanding the foregoing, if at any time the Make-Whole Redemption Price is a price greater than the price the Authority can legally agree to pay to optionally redeem the 2025C Bonds under the provisions of the Act (currently 105%), the Authority shall not have an option to redeem the 2025C Bonds at that time.

"*Make-Whole Redemption Price*" means the greater of (i) the issue price of the 2025C Bonds (but not less than 100% of the principal amount) to be redeemed, as applicable, or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the 2025C Bonds to be redeemed to the applicable maturity date, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2025C Bonds are to be redeemed, discounted to the date on which such 2025C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the "Treasury Rate" (described below) plus 15 basis points, and unpaid interest on such 2025C Bonds to be redeemed to but not including the respective redemption date.

"*Business Day*" means (i) a day other than a day on which commercial banks located in New York, New York or the city or cities in which the designated office of the Trustee or the Paying Agent are required or authorized by law to close and (ii) a day other than a day on which the New York Stock Exchange is closed.

"*Treasury Rate*" means, with respect to any redemption date for any applicable maturity of a 2025C Bond, the yield to maturity of U.S. Treasury securities with a constant maturity most nearly equal to the period from the redemption date to the maturity date of such 2025C Bond to be redeemed (taking into account any sinking fund installments for such 2025C Bonds); provided, however, that if the period from the applicable redemption date to such maturity date (taking into account any sinking fund installments for such 2025C Bonds) is less than one year, the yield to maturity of the U.S. Treasury securities with a constant maturity of one year shall be used, in each case as compiled and published in the most recent Federal Reserve Release H.15 which has become publicly available at least two Business Days, but not more than 45 calendar days, prior to the redemption date (excluding inflation or indexed securities) or, if such Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee.

Selection of 2025C Bonds to be Redeemed

If the 2025C Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the 2025C Bonds, if less than all of the 2025C Bonds of a maturity are to be redeemed, the particular 2025C Bonds or portions thereof to be redeemed will be selected by lot by DTC for redemption in accordance with the DTC procedures then in effect. Any failure of DTC to make such determination will not affect the sufficiency or the validity of the redemption of 2025C Bonds to be redeemed. If the 2025C Bonds are not registered in book-entry form and in the event that less than all of the 2025C Bonds of any applicable maturity are to be redeemed, the particular 2025C Bonds or portions thereof to be redeemed will be selected by the Trustee pro rata in such manner as the Trustee shall deem appropriate and fair, provided, however, that for any 2025C Bond of a denomination of more than the minimum denomination, the portion of such 2025C Bond to be redeemed must be in a principal amount equal to such minimum denomination or an integral multiple thereof.

Notice of Redemption

Notice of redemption will be given by first-class mail by the Trustee to the owners of any 2025 Bonds designated for redemption in whole or in part not less than twenty (20) days before the redemption date. Each notice of redemption will state the redemption date, the redemption place and the redemption price (or method of determining the Redemption Price in the case of redemption at the Make-Whole Redemption Price), and will designate the principal amount (or portion thereof in the case of partial redemption) which is to be redeemed, and state that the interest thereon or portions thereof designated for redemption will cease to accrue from and after such redemption date and that on such redemption date there will become due and payable on each of the 2025 Bonds or portions thereof designated for redemption the redemption price thereof. The failure to mail such notice with respect to any 2025 Bonds will not affect the validity of the proceedings for the redemption of any other 2025 Bonds with respect to which notice was so mailed.

Any notice of optional redemption of 2025 Bonds may state that it is conditioned upon receipt by the Trustee of moneys sufficient to pay the redemption price of such 2025 Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected owners of 2025 Bonds as promptly as practical upon the failure of such condition or the occurrence of such event.

Registration and Transfer; Payment

The 2025 Bonds may be transferred only on the books of the Authority held at the designated corporate trust office of the Trustee, as Registrar. Neither the Authority nor the Registrar will be required to transfer or exchange 2025 Bonds (a) for the period next preceding any Interest Payment Date for the 2025 Bonds beginning with the regular Record Date for such Interest Payment Date and ending on such Interest Payment Date, (b) for a period beginning 15 days before the first mailing of any notice of redemption and ending on the day of such mailing, or (c) to transfer, exchange or register any 2025 Bonds called for redemption. Interest on any 2025 Bonds will be paid to the person in whose name such 2025 Bond is registered on the applicable Record Date. At such time, if any, as the 2025 Bonds are no longer subject to the book-entry only system of registration and transfer described in APPENDIX C – "PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM" attached hereto, interest on the 2025 Bonds will be payable by check or draft of the Trustee, as Paying Agent, mailed to the registered owners by first-class mail (or, to the extent permitted by the Revenue Obligation Resolution, by wire transfer). At such time, if any, as the 2025 Bonds are no longer subject to such book-entry only system of registration and transfer, the principal of all 2025 Bonds will be payable on the date of maturity or redemption thereof upon presentation and surrender at the designated corporate trust office of the Paying Agent.

For so long as a book-entry system is used for determining beneficial ownership of the 2025 Bonds, such principal and interest will be payable to DTC or its nominee. Disbursement of such payments to the Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the 2025

Bonds is the responsibility of the Direct Participants or the Indirect Participants. See APPENDIX C – "PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM" attached hereto.

Book-Entry-Only System

DTC will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's nominee name) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each Series and maturity of the 2025 Bonds, each in the aggregate principal amount of such Series and maturity, and will be deposited with DTC. Beneficial interests in the 2025 Bonds may be held through DTC, directly as a participant or indirectly through organizations that are participants in such System. See APPENDIX C – "PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM" for a description of DTC, certain of its responsibilities, and the provisions for registration and registration of transfer of the 2025 Bonds if the book-entry-only system of registration is discontinued.

Bond Insurance

The following information has been provided by AG for inclusion in this Official Statement. Reference is made to APPENDIX G hereto for a specimen of the Policy (as defined below). Neither the Authority nor the Underwriters take any responsibility for, or make any representation as to, its accuracy or completeness.

Bond Insurance Policy

Concurrently with the issuance of the 2025 Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the 2025A Bonds maturing on December 1 of the years 2050 (CUSIP No. 8371515S4) and 2055 (CUSIP No. 8371515U9) (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix G to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance

with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AG

At September 30, 2024:

- The policyholders' surplus of AG was approximately $3,644 million.
- The contingency reserve of AG was approximately $1,374 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,438 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 (filed by AGL with the SEC on November 12, 2024).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8 K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "DESCRIPTION OF THE 2025 BONDS – Bond Insurance – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the 2025 Bonds or the advisability of investing in the 2025 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "DESCRIPTION OF THE 2025 BONDS – Bond Insurance."

SECURITY FOR THE 2025 BONDS

General

The 2025 Bonds are payable solely from, and secured by a lien upon and pledge of, the Revenues on a parity basis with the lien and pledge securing Revenue Obligations issued pursuant to the Revenue Obligation Resolution, senior to (a) payments required to be made from or retained in the Revenue Fund to pay Operation and Maintenance Expenses, and (b) the payments into the Capital Improvement Fund heretofore established and continued under the Revenue Obligation Resolution (the "Capital Improvement Fund"). In the Revenue Obligation Resolution, the Authority has covenanted not to incur any indebtedness senior to the lien of the Revenue Obligations.

The Revenue Obligations, including the 2025 Bonds, are not indebtedness of the State, nor of any political subdivision thereof, and neither the State nor any of its political subdivisions are liable thereon, nor are they payable from any funds other than the Revenues of the Authority pledged to the payment thereof.

Additional series of Revenue Obligations may be issued without limitation and without compliance with any additional bonds test, provided there is no default under the Revenue Obligation Resolution. In addition, no

debt service reserve fund is established under the Revenue Obligation Resolution. See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE REVENUE OBLIGATION RESOLUTION."

Rate Covenant

The Revenue Obligation Resolution provides that the Authority establish, maintain and collect rents, tolls, rates and other charges for power and energy and all other services, facilities and commodities sold, furnished or supplied through the facilities of the System which will be adequate to provide the Authority with Revenues sufficient: (a) to pay the principal of, premium, if any, and interest on the Revenue Obligations as and when the same become due and payable; (b) to make when due all payments which the Authority is obligated to make (i) into the Revenue Obligation Fund created under the Revenue Obligation Resolution, and (ii) into the Capital Improvement Fund pursuant to the Revenue Obligation Resolution; (c) to make all other payments which the Authority is obligated to make pursuant to the Revenue Obligation Resolution; (d) to pay all proper operation and maintenance expenses and all necessary repairs, replacements and renewals thereof; (e) to pay all taxes, assessments or other governmental charges lawfully imposed on the Authority or the Revenues thereof or payments in lieu thereof; and (f) to pay any and all amounts which the Authority may become obligated to pay from the Revenues of the System by law or by contract.

Certain Remedies

The Revenue Obligation Resolution provides that if the Authority violates or fails to perform any of its covenants or agreements contained in the Revenue Obligation Resolution for ninety (90) days after written notice of default is given to it by the Trustee or by a holder of any Obligation, then either the Trustee or the holders of not less than 25% in principal amount of the Obligations then Outstanding may, among other things, declare the principal of all the Obligations then Outstanding, and the interest accrued thereon, to be due and payable immediately. See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE REVENUE OBLIGATION RESOLUTION – Events of Defaults and Remedies under the Revenue Obligation Resolution."

Additional Indebtedness

Additional series of Revenue Obligations may be issued on a parity with Authority's Outstanding Revenue Obligations, including the 2025 Bonds, without limitation and without compliance with any additional bonds test, provided there is no default under the Revenue Obligation Resolution. The Revenue Obligation Resolution does not prohibit the issuance of obligations secured by a pledge of the Revenues junior and subordinate to the pledge securing the Revenue Obligations. In addition, the Authority may issue obligations secured by a pledge of revenues derived from separate utility systems not included in the System. See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE REVENUE OBLIGATION RESOLUTION – Separate Systems."

The approval of the JBRC may be required prior to the issuance of certain indebtedness of the Authority. See "THE AUTHORITY – Joint Bond Review Committee Approval."

Flow of Funds

The Authority covenants and agrees in the Revenue Obligation Resolution to pay into the Revenue Fund all Revenues received by the Authority, as promptly as practical after receipt thereof. The Revenue Fund is held in trust and administered by the Authority.

Moneys are disbursed by the Authority from the Revenue Fund in the following order:

1. Revenue Obligation Fund: To pay, when due, to the Trustee for deposit in the Revenue Obligation Fund an amount equal to principal, premium, if any, and interest on all the Obligations, including certain payments on Qualified Swaps, from time to time Outstanding as the same respectively become due and payable. Such amounts are required to be transferred by the Authority to the Trustee for deposit into the Revenue Obligation Fund no later than the business day immediately preceding the next date upon

which an installment of principal (whether upon maturity or mandatory redemption), premium, if any, or interest falls due on the Obligations (or in immediately available funds on such due date), in an amount equal to such installment of principal, premium, if any, or interest then falling due on all Obligations then Outstanding.

2. Operating and Maintenance: To pay expenses of operation and maintenance.

3. Subordinated Debt: To pay, when due, amounts due and owing with respect to the payment of principal and interest on amounts issued under the Note Resolution, including Commercial Paper Notes and the Authority's payment obligations under the CP Reimbursement Agreements and the Revolving Credit Agreements.

4. Capital Improvement Fund: To pay during each Fiscal Year into the Capital Improvement Fund an amount at least equal to the amount which, together with the amounts deposited in the Capital Improvement Fund in the two immediately preceding Fiscal Years, will be at least equal to eight percent (8%) of the Revenues paid into the Revenue Fund in the three immediately preceding Fiscal Years. Permitted use of moneys in the Capital Improvement Fund is limited to payment of Capital Costs, as defined in the Revenue Obligation Resolution.

Any moneys remaining in the Revenue Fund each month after making the payments described above may be used by the Authority for any corporate purpose of the Authority. See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE REVENUE OBLIGATION RESOLUTION" and "THE AUTHORITY – Outstanding Indebtedness – Subordinated Debt" herein.

Distributions to the State

As required by the Act, the Authority makes distributions to the State and payments in lieu of taxes ("PILOTs") to local governments and collects franchise fees on behalf of the municipalities.

Distributions to the State. The South Carolina Code provides that the Authority is to be operated for the benefit of the people of the State and requires that all net earnings of the Authority not needed for the prudent conduct and operation of its business or to pay the principal of and interest on its bonds, notes, or other obligations, or to fulfill the terms and provisions of any agreements made with the purchasers or holders thereof or others, be paid to the State Treasurer on a semiannual basis to be used to reduce the tax burdens on the people of the State. The Code further provides that the Authority is not prohibited from paying to the State each year up to one percent of its projected operating revenues, determined on an accrual basis, from the combined electric and water systems. The Authority's Act was amended in 2005 to include a one percent cap on the Authority's payments to the State Treasurer. A resolution was adopted by the Board on November 14, 2005, authorizing the one percent calculation and, since that time, the Authority has paid one percent of its projected annual operating revenues to the State Treasurer. Such payments totaled $17,675,000 for 2022, $18,961,000 for 2023, and $19,420,000 for 2024.

The ORS is authorized, subject to approval by the Public Utilities Review Committee (the "PURC") of the ORS staff annual budget, to bill the Authority for the costs associated with its oversight of the Authority performed pursuant to Act 90 of 2021 and any other relevant legislation, statute, or provision, provided that such costs do not exceed the amount of the costs authorized in the State's 2024-25 Appropriations Act. The ORS is authorized to expend up to $2,000,000 for oversight of the Authority in 2024-2025. The State's 2024-25 Appropriations Act allows the Authority to reduce its remittance of revenues to the State by the amount the Authority pays to the ORS for the costs incurred in the performance of its oversight of the Authority. Through December 31, 2024, the ORS has not billed the Authority and the Authority has not reduced its remittance to the State for such oversight costs.

The South Carolina Public Service Commission (the "SCPSC") is authorized, subject to the PURC's approval of the SCPSC's annual budget, to bill the Authority for the costs associated with its oversight of the Authority performed pursuant to Act 90 of 2021 and any other relevant legislation, statute, or provision, provided that such costs do not exceed the amount of the costs authorized in the State's 2024-2025 Appropriations Act. The

State's 2024-2025 Appropriations Act allows the Authority to reduce its remittance of revenues to the State by the amount the Authority pays to the SCPSC for the costs incurred in the performance of its oversight of the Authority. Through December 31, 2024, the SCPSC has not billed the Authority and the Authority has not reduced its remittance to the State for such oversight costs.

PILOTs. Under the Act, the PILOTs are subject to the Authority's payment of necessary operating expenses and annual debt requirements on bonds, notes, or other obligations at any time outstanding, and the discharge of all annual obligations arising under finance agreements with the United States or any agency or corporation of the United States and indentures under which bonds have been issued. The Authority made PILOTs of $4,673,651 for 2022, $5,023,263 for 2023, and $5,273,825 for 2024.

Franchise Fee. A franchise fee is a contractual fee the Authority remits to municipalities where it conducts business within their boundaries. This fee is billed each month to customers whose accounts are physically located within the city or town limits. The Authority then pays the money back to municipalities twice a year. The Authority paid $6,327,821 for 2022, $6,008,610 for 2023, and $6,515,546 for 2024.

The Authority's distributions to the State, PILOTs, and Franchise Fees totaled approximately $28,676,472 for 2022, $29,992,873 for 2023 and $31,209,371 for 2024.

THE AUTHORITY

General

The Authority is a body corporate and politic created by the Act in 1934. The Authority's primary business operation is the production, transmission, and distribution of electrical energy, both wholesale and retail, to citizens of the State. The Authority is one of the nation's largest municipal wholesale utilities, whose electric system serves directly or indirectly approximately two million South Carolinians in all 46 counties of the State. The Authority began electric power operations in 1942.

Under the Act, the Authority is also authorized to construct, own and operate facilities to treat, transmit, distribute, and sell water at wholesale within the counties of Berkeley, Calhoun, Dorchester, and Orangeburg, and the Town of Santee, South Carolina. The Authority owns and operates the Lake Moultrie Regional Water System and the Lake Marion Regional Water System, two modern drinking water treatment systems serving over 230,000 people. The Lake Moultrie Regional Water System began commercial operation in October 1994, and the Lake Marion Regional Water System began commercial operation in May 2008. Each of the regional water systems is contractually required to be self-supporting.

Governance

The Act contains provisions governing the composition, qualifications, appointments, and duties of the Board. The Governor appoints the voting directors of the Board, and the State Regulation of the PURC screens appointees to determine whether they have the qualifications required by the Act. After successful screening, appointees must be confirmed by the State Senate. In making appointments to the Board, the Governor and the Senate, in its advice and consent capacity, must give due consideration to race, gender, and other demographic factors to assure nondiscrimination, inclusion, and representation to the greatest extent possible of all segments of the population of the State. *Ex-officio* directors are appointed by Central's board and the PURC must confirm they have the qualifications required by the Act within six months of appointment. The Act describes the duties of directors and sets forth conditions by which a director may be held accountable for their actions or inactions as a director.

The Board consists of fourteen directors (twelve voting directors and two non-voting *ex-officio* directors). The voting directors, who reside in the State and who have the qualifications required by the Act, are as follows: one from each congressional district of the State; one from each of the counties of Berkeley, Horry and Georgetown who reside in the territory of the Authority and are customers of the Authority and two from the State at large, one

of whom must be chairman. Two of the voting directors must have substantial work experience within the operations of electric cooperatives or substantial experience on an electric cooperative board but must not serve as an employee or board member of an electric cooperative during their term as director of the Authority. One of these two voting directors must have substantial experience within the operations or board of a transmission or generation cooperative. The two *ex-officio* non-voting directors are to be from Central, one of whom is the chairman of Central, or their designee, and one of whom is a member of the Central board other than its chairman and is chosen by the Central board.

Voting directors serve for a term of four years, and *ex-officio* members serve for a term of two years. Directors may continue to serve until a successor has been appointed and found qualified as provided for by the Act. Directors appointed to fill a vacancy on the Board serve for the unexpired portion of the term and until a successor is appointed and found qualified. A voting individual appointed and found qualified by the PURC while the State Senate is not in session may serve as a director in an interim capacity. Voting directors may be removed from office only for cause and *ex-officio* directors may be removed for cause or by the Central board. Directors may not be appointed for more than three consecutive full terms.

Each director is required to discharge their duties, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner they reasonably believe to be in the best interests of the Authority, which involves a balancing of, among other things, preservation of the financial integrity of the Authority and its operations, the interest of the Authority's residential, commercial and industrial retail customers in reliable, adequate, efficient, and safe service, at just and reasonable rates, regardless of customer class and the exercise of the powers of the Authority set forth in the Act in accordance with good business practices and the requirements of applicable licenses, laws, and regulations.

The Act also contains provisions that establish an advisory board (the "Advisory Board") to assist the Board which is composed of the following officials of the State: the Governor, the Attorney General, the State Treasurer, the Comptroller General and the Secretary of State. The Board is required to make annual reports to the Advisory Board, which reports must be submitted to the General Assembly by the Governor, in which full information as to all of the acts of said Board are given, together with financial statement and full information as to the work of the Authority.

The Advisory Board approves the hiring of the external auditors and sets the salary of the voting members of the Board. Any compensation package, severance package, payment or other benefit conferred upon a director is required to be approved by the Agency Head Salary Commission of the State Fiscal Accountability Authority (the "Salary Commission").

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Peter M. McCoy Jr. serves as the Chairman of the Board and the current Directors are listed below:

Name	Business	Residence	Term Expires	District
Peter M. McCoy Jr., *Chairman*	Attorney	Charleston	January 1, 2026	At Large
Stephen H. Mudge, *First Vice Chairman*	Business Executive	Clemson	January 1, 2024[(1)]	At Large
David F. Singleton, *Second Vice Chairman*	Business Executive	Myrtle Beach	January 1, 2025[(1)]	Horry County
Charles S. Bennett II	Business Executive	Hilton Head	January 1, 2027	1st District
Kristofer D. Clark	Business Executive	Easley	January 1, 2024[(1)]	3rd District
Charles E. Dalton	Retired Business Executive	Greenville	January 1, 2026	4th District
Merrell W. Floyd	Retired Business Executive	Conway	January 1, 2024[(1)]	7th District
Charles H. Leaird	Retired Business Executive	Sumter	January 1, 2025[(1)]	5th District
Dan J. Ray	Business Executive	Pawleys Island	January 1, 2025[(1)]	Georgetown County
Alyssa L. Richardson	Attorney	North Charleston	January 1, 2028	6th District
Stacy K. Taylor	Attorney	Chapin	January 1, 2026	2nd District
John S. West	Attorney	Moncks Corner	January 1, 2027	Berkeley County
A. Berl Davis Jr.	Business Executive	Bluffton	July 13, 2025	*Ex-Officio*
Chad T. Lowder	Business Executive	St. Matthews	July 13, 2025	*Ex-Officio*

(1) The Governor is expected to make appointments for expired Board seats during the regular session of the General Assembly beginning January 15, 2025.

Executive Staff

The President and Chief Executive Officer of the Authority is appointed by the Board. Any compensation package, severance package, payment or other benefit conferred upon the President and Chief Executive Officer of the Authority must first be reviewed and approved by the Salary Commission. Additionally, any employment contracts or retention contracts that last longer than five years, and all contract extensions, must be reviewed by the Salary Commission.

The Authority's executive staff, listed in the following table, is appointed by the President and Chief Executive Officer with the approval of the Board.

Name	Position	Utility Experience
Jimmy D. Staton	President and Chief Executive Officer	41 years
Victoria N. Budreau	Chief Customer Officer	37 years
Rahul Dembla	Chief Planning Officer	8 years
Michael J. Finissi	Chief Operations Officer	40 years
B. Shawan Gillians	Chief Strategy and Communications Officer	13 years
Kenneth W. Lott III	Chief Financial and Administration Officer	25 years
Carmen H. Thomas	Chief Legal Officer and General Counsel	20 years
Monique L. Washington	Chief Audit and Risk Officer	24 years
J. Martine Watson	Chief Commercial Officer	12 years

Jimmy D. Staton joined the Authority as President and Chief Executive Officer on March 1, 2022. Prior to joining the Authority, Mr. Staton served as President and Chief Executive Officer of Southern Star Corp., a leading transporter of natural gas in the Midwest. He also served as Executive Vice President for NiSource, one of the largest fully regulated utility companies in the United States with approximately 3.5 million natural gas customers and 500,000 electric customers across seven states, as Senior Vice President for Dominion Resources Inc., and as President of Asset Operations for Consolidated Natural Gas Corp. prior to its acquisition in 2000 by Dominion Resources. He received a Bachelor of Science degree in Petroleum Engineering from Louisiana State University in 1983.

Victoria N. Budreau joined the Authority in 1987 as an engineer. Since that time, she has served in a variety of positions, including Senior Director of Customer Service, Vice President of Fuel Strategy & Supply, Manager of Transmission Operations, Supervisor of System Control, Supervisor of Power Supply Planning,

Supervisor of Transmission Studies, and Supervisor of Distribution Planning. In 2023, she became Chief Customer Officer, overseeing wholesale, industrial, commercial, and residential customer services, along with distribution and system operations. She is a licensed professional engineer, with a Bachelor of Science degree in Electrical Engineering, and a Master of Business Administration from the University of South Carolina.

Rahul Dembla joined the Authority in 2016 as Vice President of Planning and Pricing. In 2020, he became the Senior Director of Financial and Resource Planning. He became Chief Planning Officer, on July 1, 2022. Prior to joining the Authority, he was Director of Public Finance for Public Power/Utilities with Barclays Capital. He has held numerous other positions in the public finance arena and worked with many public power utilities in those capacities. He has a Master of Business Administration, Finance and Economics from New York University, and a Bachelor of Engineering (Electrical) from the Indian Institute of Technology.

Michael J. Finissi joined the Authority as Chief Operations Officer on April 3, 2023. He has extensive experience managing generation and transmission operations and construction for electric and gas utilities in the U.S. and Canada, and he has accumulated a strong safety record across the areas he has managed. He has served as an executive for several utilities in the nuclear, electric, and natural gas segments, including Bruce Power in Ontario, NiSource Inc. in Ohio, NIPSCO in Indiana, and American Electric Power. He received a Bachelor of Science in Electrical and Electronics Engineering from The Ohio State University and a Master of Business Administration from Capital University. He completed the University of Virginia Darden School of Business Executive Program, and he is a licensed professional engineer and senior reactor operator.

B. Shawan Gillians joined the Authority in 2011 as a staff attorney. Since that time, she has served in a variety of positions, including Treasurer, Director of Legal Services, Corporate Secretary, Director of Sustainability and Associate General Counsel. In 2025, she became the Chief Strategy and Communications Officer. She received a Bachelor of Arts in Economics from Wofford College, a Juris Doctor from the College of William and Mary School of Law, and a Master of Business Administration from the University of South Carolina. She is also a graduate of The Riley Institute at Furman University, Diversity Leadership Initiative and is a member of the Liberty Fellowship Class of 2018. She currently serves on the Nominating Committee for the South Carolina Bar and is a member of the state bars of South Carolina and Texas.

Kenneth W. Lott III joined the Authority in 1998 as an internal auditor. Since that time, he has held several leadership positions, including Manager of Training and Development, Manager of Employee Relations, General Auditor, Vice President and Treasurer, Vice President, Human Resource Management, and Chief Administration Officer and Corporate Secretary. On May 7, 2020, he became Chief Financial and Administration Officer. He is a Certified Public Accountant and Certified Internal Auditor. He received a Bachelor of Science degree in Business from The Citadel and a Master of Business Administration degree from Charleston Southern University.

Carmen H. Thomas joined the Authority as Chief Legal Officer and General Counsel on January 6, 2025. She had previously represented the Authority in a variety of legal matters over the past 17 years, most of that as a partner with external counsel, Nelson Mullins Riley & Scarborough, LLP. At Nelson Mullins, Thomas was responsible for resolving disputes and regulatory issues in the energy, manufacturing, financial services, and technology sectors. She received a Bachelor of Arts from the University of South Carolina Honors College in journalism and mass communications with a cognate in political science, a Master of Public Administration from the University of South Carolina focused on environmental resource management and local government, and a law degree from the University of South Carolina. She has been a member of the South Carolina Bar Association since 2007.

Monique L. Washington joined the Authority in 2000 as a financial analyst. Since that time, she has held various positions, including Group Leader of Corporate Budget, Group Leader of Bulk Power, Director of Financial Planning, Assistant to the General Auditor, and General Auditor. On June 26, 2020, she became Chief Audit Executive, and in 2021, she became Chief Audit and Risk Officer, overseeing Internal Audit, Enterprise Risk Management, and Operational Excellence. She is a Certified Internal Auditor. She received a Bachelor of Arts degree in Mathematics from Winthrop University and a Master of Business Administration from The Citadel.

J. Martine Watson joined the Authority in 2011 as a General Engineer. Since that time, he has held various positions, including Sr. Advisor to the President and CEO, Manager Generation Services, Director Supply and Trading, and Chief Power Supply Officer. On March 20, 2023, he became Chief Commercial Officer. He is a licensed professional engineer. He received a Bachelor of Science degree in Physics and Mathematics from Francis Marion University, as well as a Master of Science degree in Civil Engineering and a Master of Business Administration from the University of South Carolina. Prior to joining the Authority, he served as consultant with Davis & Floyd, Inc. and AECOM.

Staff

The Authority had 1,612 employees as of September 30, 2024. Authority employees are members of a contributory State retirement plan administered by the South Carolina Public Employee Benefit Authority ("PEBA"). As of December 31, 2023, the Authority's net pension liability under the plan was $290.2 million. For a further description of the retirement plan, including funding status, see APPENDIX A – "REPORT OF THE AUTHORITY'S FINANCIAL STATEMENTS – Note 11 – Retirement Plans."

The Authority also participates in an agent multiple-employer defined benefit healthcare plan whereby PEBA provides other postemployment benefits ("OPEB") consisting of certain health and life insurance for eligible retired employees of the Authority. As of December 31, 2023, the Authority's net liability under the OPEB plan was $150.0 million. For a further description of the OPEB plan, including funding status, see APPENDIX A – "REPORT OF THE AUTHORITY'S FINANCIAL STATEMENTS – Note 12 – Other Postemployment Benefits (OPEB)."

The Authority's employees do not participate in any unions, and the Authority believes that its labor relations are good.

Joint Bond Review Committee Approval

The Act requires that prior to the issuance by the Authority of its (i) bonds, (ii) notes, or (iii) other indebtedness, including any refinancing that does not achieve a savings in total debt service, the Authority is required to request the approval of the JBRC. Upon receipt of such request, the JBRC may approve, reject, or modify the debt issuance proposed by the Authority. If the JBRC does not approve, reject, or modify the Authority's request for approval of a proposed debt issuance within sixty days, the issuance is deemed approved. A proposed debt issuance that receives JBRC approval may be issued across multiple series and over a three-year period of time.

JBRC approval is not required for the issuance of refunding bonds that achieve savings in total debt service, or the issuance of short-term or revolving-credit debt for the management of day-to-day operations and financing needs of the Authority.

In addition, with the exception of encroachment agreements, rights of way, or lease agreements made by the Authority for property within the FERC project boundary, a transfer of any interest in real property by the Authority, regardless of the value of the transaction, requires approval, rejection, or modification by the JBRC and the Authority is required, by September first of each year, to provide an annual report to the JBRC regarding every transaction involving an interest in real property executed during the preceding twelve months.

Outstanding Indebtedness

Senior Debt

Pursuant to the Act, the Board adopted the Revenue Obligation Resolution providing for the issuance of the Authority's Revenue Obligations. As of January 2, 2025, the Authority had approximately $7.107 billion in aggregate principal amount of Revenue Obligations outstanding under the Revenue Obligation Resolution, of which $3.499 billion was issued by the Authority to finance the costs of Summer Nuclear Units 2 and 3.

Subordinated Debt

The Revenue Obligation Resolution provides that the Authority may issue obligations that are secured by a lien upon and pledge of Revenues junior to the lien and pledge securing Revenue Obligations. Pursuant to this authority, the Board has by resolution (the "Note Resolution") authorized the issuance of (A) subordinate commercial paper notes (the "Commercial Paper Notes") so long as the aggregate principal amount of the Commercial Paper Notes outstanding at any one time does not exceed the lesser of (i) twenty percent (20%) of the aggregate Authority debt and alternative variable rate financing obligations outstanding as of the last day of the most recent Fiscal Year for which audited financial statements of the Authority are available, or (ii) the aggregate unused commitment under any revolving credit agreements and alternative variable rate financing agreements; and (B) alternative variable rate financing obligations so long as the aggregate principal amount of the alternative variable rate financing obligations and Commercial Paper Notes outstanding at any one time does not exceed twenty percent (20%) of the aggregate Authority debt (including Commercial Paper Notes, revolving credit notes and alternative variable rate financing obligations) outstanding as of the last day of the most recent Fiscal Year for which audited financial statements of the Authority are available.

Pursuant to the Note Resolution, the maximum amount of alternative variable rate financing obligations and Commercial Paper Notes that may be outstanding at any time is currently $1.474 billion.

Commercial Paper Notes. In accordance with the terms of the Note Resolution, the Board has authorized the issuance of Commercial Paper Notes currently consisting of the Subordinate Revenue Notes, Tax-Exempt CP Sub-Series A and Taxable CP Sub-Series AA and the Subordinate Revenue Notes, Tax-Exempt CP Sub-Series B and Taxable CP Sub-Series BB. The payment of the principal and interest on the Commercial Paper Notes when due is supported by two irrevocable direct pay letters of credit issued by Barclays Bank pursuant to the CP Reimbursement Agreements on the related sub-series of Commercial Paper Notes. The Authority may issue up to $400,000,000 aggregate principal amount of Commercial Paper Notes supported by the letters of credit under the CP Reimbursement Agreements, the proceeds of which may be used for any lawful corporate purposes, including to pay principal of and interest on maturing Commercial Paper Notes. On September 17, 2024, the Authority extended the letters of credit with Barclays Bank which included an increase of $100,000,000 in the principal amount of Commercial Paper Notes that can be issued and supported by the letters of credit. The Barclays Bank letters of credit are scheduled to expire on the dates listed in the following table.

Irrevocable Direct Pay Letters of Credit
and CP Reimbursement Agreements
(Dollars in Thousands)
(as of January 2, 2025) (unaudited)

Facility	Capacity	Unused Capacity	Expiration Date
Barclays Bank Series A/AA	$200,000	$37,785	September 15, 2028
Barclays Bank Series B/BB	200,000	189,754	September 17, 2027
Total	$400,000	$227,539	

Revolving Credit Agreements. The Authority is party to four revolving credit agreements (collectively, the "Revolving Credit Agreements") with each of the following banks: Bank of America, JP Morgan Chase Bank, National Association ("JP Morgan"), TD Bank, National Association ("TD Bank") and Wells Fargo Bank, National Association ("Wells Fargo"). The Revolving Credit Agreements, as of January 2, 2025, provided the Authority with borrowing capacity in an aggregate principal amount of up to $800,000,000, as described in the following table. Amounts borrowed by the Authority under the Revolving Credit Agreements may be used for any lawful corporate purposes.

Revolving Credit Agreements
(Dollars in Thousands)
(as of January 2, 2025) (unaudited)

Bank	Capacity	Unused Capacity	Expiration Date
Bank of America	$250,000	$58,400	March 20, 2026
JP Morgan	250,000	91,234	March 31, 2026
TD Bank	200,000	200,000	June 30, 2026
Wells Fargo	100,000	11,900	March 25, 2027
Total	$800,000	$361,534	

The Authority's obligations to repay loans advanced under the CP Reimbursement Agreements and the Revolving Credit Agreements are each secured on a *pari passu* basis by a lien upon and pledge of Revenues which lien and pledge is junior to the lien and pledge securing the Revenue Obligations, including the 2025 Bonds.

Capital Improvement Program and Future Financings

The Authority regularly reviews and updates its capital improvement program to reflect currently anticipated capital projects and expenditures. With regard to planning and development of its power system, including major utility facilities, the Authority is required to submit an integrated resource plan every three years to the SCPSC for its review and approval, with updates to the plan submitted annually in the intervening years. See "POWER SUPPLY, POWER MARKETING, PLANNING AND OTHER FACILITIES – Integrated Resource Planning – *Integrated Resource Plans*."

The SCPSC approved the 2023 Integrated Resource Plan issuing Order No. 2024-171 on March 8, 2024. The Authority's current capital improvement program includes a future power supply plan with an initial set of changes to the Authority's generation and transmission systems based on certain assumptions set forth in the Authority's 2024 Integrated Resource Plan's Annual Update, filed with the SCPSC on September 16, 2024. See "POWER SUPPLY, POWER MARKETING, PLANNING AND OTHER FACILITIES – Integrated Resource Planning" for additional information on the Authority's IRPs.

The capital improvement program also reflects requirements related to Federal Energy Regulatory Commission ("FERC") relicensing expenditures, expenditures necessary to maintain compliance with environmental regulations, and general improvements to the Authority's system, including improvements to existing power supply facilities, extensions of and improvements to the transmission and distribution systems, and other general improvements.

Current projections estimate the total cost of the capital improvement program for 2025 through 2027 at approximately $3.5 billion, which includes approximately $1.1 billion related to new generating resources, approximately $1.1 billion for transmission projects to support system growth and reliability, approximately $850 million for general improvements to the System, approximately $300 million for environmental compliance expenditures for the electric system, approximately $10 million related to FERC relicensing and approximately $120 million for the estimated total cost of the capital improvement program for the Regional Water System, which includes $80 million for compliance with regulations of per- and poly-fluoroalkyl substances ("PFAS"). See "REGULATORY MATTERS" for more information on compliance with regulations for the Regional Water Systems and for a discussion of recent litigation brought by the Authority against multiple defendants regarding the contamination of water sources with PFAS.

The Authority funds its capital improvement program through a combination of internally generated funds, contributions in aid of construction and other grants, the issuance of Commercial Paper Notes, loans under the Revolving Credit Agreements and the incurrence of other short-term debt and long-term debt, as determined by the Authority. The Authority's current projections reflect the issuance of long-term debt of approximately $2.6 billion to fund certain capital improvement projects through 2027 which amount does not include debt which may be issued for the potential network upgrades described in the following paragraph. On January 29, 2025 the JBRC approved issuance of up to $750 million par of debt to fund capital expenditures. Subsequent to the issuance of the 2025A Bonds and the 2025C Bonds, the Authority may request JBRC approval to issue additional debt in 2025 to finance certain capital improvement projects in excess of the $750 million already approved.

As a utility not regulated by FERC under the Federal Power Act, the Authority meets the reciprocal service requirements of FERC's pro forma Open Access Transmission Tariff ("OATT") and the comparable service requirements of the Federal Power Act by adopting and maintaining its own OATT that is substantially based on the FERC pro forma OATT. Similar to FERC's pro-forma OATT, the Authority's OATT, as adopted by its Board, provides that the Authority will refund network upgrades to interconnection and transmission customers when such upgrades are required to integrate interconnection and transmission projects onto the Authority's transmission system. Under the provisions of the Authority's OATT, transmission and interconnection customers are required to fully front the costs of such network upgrades. However, once the transmission or interconnection project associated with the network upgrades has been placed into commercial service, the Authority shall undertake to reimburse the costs of the network upgrades. Such reimbursement may be made by the Authority as (i) a lump-sum from bond proceeds, (ii) over a term of up to twenty years with interest or (iii) in certain cases, through transmission service credits. The Authority is aware of multiple developer-led interconnection projects that may seek interconnection to the Authority's transmission system in the coming years that have network upgrades identified as part of the interconnection study process. Due to the preliminary nature of these studies, and the customer's ability to withdraw from the study process, at this time, the Authority is unable to predict the Authority's total cost of these network upgrades. However, if a significant number of these projects move forward, the costs could be material.

Regional Water Systems

The Authority owns and operates two drinking water treatment systems serving over 230,000 people: (i) the Lake Moultrie Regional Water System, with rights to its production capacity of 20.7 million gallons per day ("MGD") owned by the Lake Moultrie Water Agency (the "Moultrie Agency"), and (ii) the Lake Marion Regional Water System, with rights to its production capacity of 8 MGD owned by the Lake Marion Regional Water Agency (the "Marion Agency").

The Authority supplies both agencies with potable water and both agencies purchase and pay for the entire output of the respective Regional Water Systems. The Authority may issue debt to pay for the cost to construct and upgrade the Regional Water Systems. Each agency reimburses the Authority for raw water taken from Lakes Moultrie and Marion at an established rate that compensates the electric system for the loss of potential energy at the Jefferies Hydroelectric Station. Rates and charges are maintained at levels sufficient for the Authority to pay all of the costs for capital expenditures, debt service, and current expenses charged to the Regional Water Systems.

The current terms of the Authority's contracts with the Moultrie Agency and the Marion Agency expire on October 2, 2027 and November 1, 2027, respectively. Upon termination or expiration of contracts, each agency has the right to purchase their respective Regional Water System for a price equal to the amount required to redeem the outstanding debt allocable to such agency (currently $0) and the right to withdraw the same volume of water from the lakes as their respective Regional Water System.

Insurance

The Revenue Obligation Resolution requires that the Authority shall keep, or cause to be kept, its properties and the operations thereof insured to the extent available at reasonable cost with responsible insurers against risks of direct physical loss, damage to or destruction, at least to the extent that similar insurance is usually carried by utilities operating like properties against accidents, casualties or negligence, including liability insurance and employer's liability; provided, however, that any time while any contractor engaged in constructing any facilities is fully responsible therefore, the Authority shall not be required to procure or keep such insurance.

Cybersecurity

The Authority, like many other large public and private entities, relies upon a complex technology environment to conduct its operations, and faces multiple cybersecurity threats on its digital networks and systems (collectively, "Systems Technology"). As the Authority's electricity and water businesses fall within the critical infrastructure sectors identified in Presidential Policy Directive 21: Critical Infrastructure Security and Resilience

("PPD-21") and virtually all the Authority's operations are dependent in some manner upon the Systems Technology, the loss or impairment of the Systems Technology could have a serious adverse effect on the Authority's customers and communities. Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities and individuals attempting to gain access to the Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. A successful physical or cyber-attack could lead to outages, failure of operations of all or portions of the Authority's businesses, damage to key components and equipment, and exposure of confidential customer, employee, or corporate information.

To mitigate the risk to the Authority's business operations of damage from cybersecurity incidents or cyber-attacks, the Authority invests in multiple forms of cybersecurity and physical safeguards. While the Authority's cybersecurity and physical safeguards are periodically tested, no assurance can be given by the Authority that such measures will protect against cybersecurity threats and attacks, and any breach could damage the Systems Technology and cause material disruption to the Authority's finances or operations. In addition, the failure to secure the Authority's operations from such physical and cyber events may cause reputational damage to the Authority. The costs of remedying any such damage or protecting against future attacks could be substantial. Furthermore, cybersecurity breaches could expose the Authority to material litigation and other legal risks, which could cause the Authority to incur material costs, and the cyber and property insurance currently carried by the Authority may not be adequate to respond to these events. As a result, the Authority's financial condition, results of operations, and cash flows may be adversely affected.

The Authority maintains awareness of emerging cybersecurity threats through open-source, commercial, and industry threat intelligence sources; based upon this information and observations of cybersecurity activity, the Authority proactively updates its cybersecurity strategy to address increases in scope, complexity, and frequency of identified threat vectors. The Authority evaluates its cybersecurity program against industry and federal standards on a periodic basis and engages third party firms to perform independent testing of the Authority's cybersecurity program's effectiveness.

The Authority has and will continue to implement industry practices and maintain vigilance in ensuring that the security posture of the organization evolves commensurately to identified risks. To date, the Authority has not detected any cybersecurity or physical incidents that would have had a significant effect on the Authority's operations, financial condition, customers, or employees.

Sustainability Initiatives

The Authority's sustainability department is tasked with developing and implementing an enterprise-wide strategic plan for sustainability in business practices and corporate responsibility, as well as leading the Authority's transition efforts related to its planned retirement of the Winyah Generating Station in 2030 and stakeholders impacted thereby. The Authority's sustainability efforts go hand in hand with its corporate mission to improve the quality of life for all South Carolinians, and are guided by four key areas and objectives:

1. People – shaping and cultivating a corporate culture in which employees feel safe, included, and engaged;

2. Perception – exceeding the expectations of customers and stakeholders through innovation, transparency, and service;

3. Performance – modernizing the Authority through several initiatives, including among other things fuel diversification and investment in emerging technology; and

4. Profitability – delivering and executing on a financial plan that addresses dynamic internal and external market forces.

The Authority continues its commitment to sustainable practices that prioritize long-term economic performance, environmental stewardship, reliable, affordable energy and water, effective corporate governance, corporate responsibility, and transparency. Additional information about its efforts is included in its 2023 Sustainability Report which is available on the Authority's website at https://www.santeecooper.com/about/sustainability-report/. *No statement or information on the Authority's website is incorporated by reference into this Official Statement.*

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FINANCIAL INFORMATION

The following selected financial information is provided below: (i) a narrative summary of the Authority's outstanding debt and liquidity as of January 2, 2025; (ii) selected unaudited financial information for the nine months ending September 30, 2024 and September 30, 2023, accompanied by management's comments on such financial information; (iii) a comparison of actual results versus budget for selected unaudited financial information for the nine months ending September 30, 2024, accompanied by management's comments on such financial information; (iv) a summary of operating results for the five years ending December 31, 2019 through December 31, 2023; (v) selected audited financial information for calendar years 2023 and 2022 accompanied by management's comments on such financial information; and (vi) a table showing combined statements of net position for the periods ending September 30, 2024 and December 31, 2023.

Recent Financial Information

Debt. As of January 2, 2025, the Authority had approximately $7.7 billion of outstanding indebtedness consisting of: (i) $7.107 billion in aggregate principal amount of Revenue Obligations under the Revenue Obligation Resolution, of which $3.499 billion was issued to finance costs of Summer Nuclear Units 2 and 3; (ii) $172,461,000 aggregate principal amount of Commercial Paper Notes issued under the Note Resolution; and (iii) $438,466,000 of loans issued under the Note Resolution and the Revolving Credit Agreements. For additional details on the Authority's outstanding indebtedness and its bank facilities and plans to issue additional indebtedness, see "INTRODUCTION – Outstanding Parity and Subordinated Indebtedness" and "THE AUTHORITY – Outstanding Indebtedness" and "– Capital Improvement Program and Future Financings."

As of January 2, 2025, the aggregate principal amount of the Authority's variable rate debt totaled $723 million (consisting of the Commercial Paper Notes, the loans under the Revolving Credit Agreements and the 2019A Bonds), representing 9% of the Authority's aggregate outstanding indebtedness.

Interest Rate Swaps. The Authority has no interest rate swaps.

Liquidity. The Authority's liquidity consists of its funds on hand and funds in various unrestricted reserves. As of September 30, 2024, the Authority had $471.6 million of available cash and unrestricted reserves that can be used to meet unexpected costs. This amount includes approximately $5.8 million of hedging collateral on-hand as of September 30, 2024, that was transferred to the Authority from counterparties required to post collateral pursuant to certain fuel hedges. This hedging collateral is not included in the Authority's days' cash or days' liquidity calculations. In addition, as of January 2, 2025, the Authority had $227.5 million of unused Commercial Paper Note capacity supported by the letters of credit under the CP Reimbursement Agreements described herein and $361.5 million of unused loan capacity under the Revolving Credit Agreements. See "INTRODUCTION – Outstanding Parity and Subordinated Indebtedness" and "THE AUTHORITY – Outstanding Indebtedness" and "– Capital Improvement Program and Future Financings."

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Selected Recent Financial Information

Nine Months Ended September 30, 2024 and 2023

	Nine Months Ended September 30, (Unaudited) (Dollars in Thousands)			
	2024	**2023**	**Variance**	**%**
Operating revenues	$1,472,482	$1,427,526	$ 44,956	3
Less: Operating expenses[(1)]	1,258,625	1,069,992	188,633	18
Operating income	$ 213,857	$ 357,534	$ (143,677)	(40)
Non-operating revenues (expenses):				
Interest charges[(2)]	(221,959)	(236,415)	14,456	6
Costs to be recovered from future revenue (expense)	(197)	(4,331)	4,134	95
Other non-operating income (expenses)	27,507	43,744	(16,237)	(37)
Income before transfers	19,208	160,532	(141,324)	(88)
Capital contributions and transfers	(19,420)	(18,961)	(459)	(2)
Change in net position	(212)	141,571	(141,783)	(100)
Total net position – beginning	$2,250,352	$2,133,919	$ 116,433	5
Total net position – ending	$2,250,140	$2,275,490	$ (25,350)	(1)

(1) Operating expenses for the nine months ended September 30, 2024, are net of $25.8 million of Cook Deferred Expenses and $204.4 million for the nine months ended September 30, 2023, that have been deferred and recorded as a regulatory asset. See "COOK SETTLEMENT."

(2) Interest charges for the nine months ended September 30, 2024, are net of $32.6 million and $16.9 million for the nine months ended September 30, 2023, related to the Cook Deferred Expenses that have been deferred and recorded as a regulatory asset. See "COOK SETTLEMENT."

Operating revenues for the nine months ended September 30, 2024, totaled approximately $1,472.5 million, a $45.0 million, or 3%, increase. The increase was driven primarily from higher demand usage (2%) and energy sales (4%) which increased revenue by $25.7 million and $10.6 million, respectively. The impacts were largely due to more cooling days as a result of warmer weather than the prior year in the spring and summer months. Other increases were provided by higher off system sales of $5.8 million, impacts associated with Central accruals of $5.7 million between the periods and higher fuel rate revenues of $4.4 million for customers who were not subject to the Rate Freeze. Offsets to this were from lower energy-related fixed cost rates and O&M rate revenues of $3.7 million and $2.4 million, respectively.

Operating expenses increased $188.6 million or 18%. The increase was primarily attributable to lower credits to fuel and purchased power ($179.0 million) from the Cook Exceptions Regulatory Asset in the current year as compared to prior year mainly from Board approval of additional 2022 Cook Rate Freeze Exceptions in 2023 and from impacts of lower fuel between the periods. Further contributions were from higher non-fuel generation expenses ($21.0 million) due to Cross, Winyah, Rainey and Cherokee outages along with higher Cross and Winyah repetitive maintenance expenses, technical services, and operations expenses. These increases in non-fuel generation expenses were offset by (i) lower contract services related to underruns in gypsum processing ($8.4 million); (ii) higher transmission ($8.2 million) primarily from increased external transmission expense; and (iii) higher administrative & general ($8.2 million) primarily due to higher labor, contract services, telecommunications leases, materials and lower Cook Exceptions Regulatory Asset credits. Offsets to this were provided by lower fuel ($60.4 million) from outages and a less expensive energy mix (gas and coal) versus prior year, offset by higher purchased power ($34.2 million) due to replacement energy for outages and lower market prices as compared to prior year.

Interest charges decreased by $14.5 million primarily attributable to higher Cook Settlement interest expense credits ($15.7 million) and customer deposit interest expense ($3.8 million), partially offset by higher long-term debt interest expense ($5.8 million).

Costs to be Recovered from Future Revenues ("CTBR") is a non-operating and non-cash income (expense) account. Higher depreciation on debt funded assets over principal payments on debt results in income, while higher principal payments on debt over depreciation results in expense. For the nine months ended September 30, 2024, CTBR expense decreased $4.1 million, or 95%, due to higher CTBR depreciation in the current year.

Other non-operating income decreased approximately $16.2 million primarily due to an increase in amortization of the nuclear regulatory asset ($13.9 million) from the refinancing of debt related to Summer Nuclear Units 2 and 3, lower Camp Hall sales ($2.7 million) and a decrease in the fair value of investments ($1.9 million). This was offset by gains ($3.0 million) associated with the Authority's investment in The Energy Authority ("TEA").

The $459,000 variance in capital contributions and transfers represents an increase in dollars paid to the State. This payment is based on a percentage of total projected revenues which were higher in the 2024 budget as compared to 2023.

As a result of the above variances, the change in net position was a $212,000 decrease for the nine months ended September 30, 2024, a $141.8 million decrease from the change in net position that occurred for the nine months ended September 30, 2023.

As a result of the above variances, net position totaled approximately $2.3 billion, a $25.4 million decrease.

Nine Months Ended September 30, 2024 Compared to Budget

	Nine Months Ended September 30, 2024 (Unaudited) (Dollars in Thousands)			
	Actual	**Budget**	**Variance**	**%**
Operating:				
Operating revenues	$1,472,482	$1,488,834	$ (16,352)	(1)
Less: Operating expenses[1]	1,258,625	1,276,216	(17,591)	(1)
Operating income	$ 213,857	$ 212,618	$ 1,239	1
Non-operating revenues (expenses):				
Interest charges[2]	(221,959)	(242,313)	20,354	8
Costs to be recovered from future revenue (expense)	(197)	12,681	(12,878)	(102)
Other non-operating income (expenses)	27,507	23,956	3,551	15
Income before transfers	19,208	6,942	12,266	177
Capital contributions and transfers	(19,420)	(19,420)	0	0
Change in net position	$ (212)	$ (12,478)	$ 12,266	98

(1) Operating expenses for the nine months ended September 30, 2024, are net of $25.8 million in actual and $0 in budgeted amounts of Cook Deferred Expenses that have been deferred and recorded as a regulatory asset. See "COOK SETTLEMENT."

(2) Interest charges for the nine months ended September 30, 2024, are net of $32.6 million in actual and $20.2 million in budgeted amounts of Cook Deferred Expenses that have been deferred and recorded as a regulatory asset. See "COOK SETTLEMENT."

Operating revenues for the nine months ended September 30, 2024, were lower than budgeted by $16.4 million due to lower demand usage (3%) and energy sales (1%), which decreased revenue by $18.7 million and $4.2 million, respectively. The impacts were largely due to less heating days as a result of warmer weather than projected during the winter months. Further contributions were from lower demand rate revenues ($2.1 million) and lower off system sales ($1.3 million) than budget. Somewhat offsetting this decrease was higher fuel rate revenues for customers who were not subject to the Rate Freeze of $11.4 million.

Operating expenses were lower than projected by $17.6 million due to lower: (i) fuel ($38.8 million) primarily from plant outages and lower market prices for natural gas generation as well as higher fuel and purchased power credits ($19.8 million) from the Cook exception regulatory asset credits associated with the 2023 Foresight mine impact true-up with no corresponding budgeted amount (see "COOK SETTLEMENT – Cook Settlement Agreement – *Cook Rate Freeze Exceptions and Reporting*"). This was offset by higher purchased power ($62.0

million) primarily due to replacement energy associated with plant outages; (ii) depreciation ($12.1 million) from timing associated with assets placed into service in the current year versus projected and large asset retirements in current year associated with new additions from our 2024 capital program; (iii) administration & general ($8.4 million) primarily from (a) lower contract services ($5.1 million) due to external communications expenses ($2.0 million), development of financial plans/studies expenses ($1.4 million) and bulk communication support expenses ($1.2 million); (b) Cook settlement exceptions ($3.9 million) with no corresponding budget; and (c) lower utilities ($1.1 million). These were offset by higher labor ($2.2 million) due primarily to higher than anticipated retiree health and dental expenses.

Interest charges were lower than budgeted by $20.4 million due primarily to higher Cook settlement interest expense credits ($12.3 million), an adjustment to customer deposit interest expense ($4.0 million) and lower overall interest on long-term debt ($3.9 million) mainly from a higher budgeted interest rate on taxable Commercial Paper Notes than actual.

For the nine months ended September 30, 2024, CTBR expense was lower than budgeted due primarily to timing differences associated with lower than projected CTBR depreciation.

Other non-operating income was $3.6 million higher than projected due to higher increases in the fair market value of investments, higher TEA gains and lower nuclear amortization. These were offset by lower than projected nuclear sales and Camp Hall sales.

As a result of the variances noted above, the change in net position was $12.3 million higher than budgeted.

Historical Annual Operating Results

A summary of the Authority's revenues available for debt service, lease payments and other purposes and debt service coverage ratios for years ending December 31, 2019, through 2023 is set forth below:

	Fiscal Year Ending December 31, (Dollars in Thousands)				
	2023	**2022**	**2021**	**2020**	**2019**
Operating Revenues	$1,850,603	$1,949,050	$1,765,785	$1,627,427	$1,722,676
Other Income	16,939	6,751	2,075	3,216	7,922
Total	1,867,542	1,955,801	1,767,860	1,630,643	1,730,598
Less: Operating Expenses (less depreciation)[(1)]	1,157,367	1,400,937	1,237,211	1,018,691	1,122,259
Revenues Available for Debt Service and Other Purposes	710,175	554,864	530,649	611,952	608,339
Debt Service on Revenue Obligations[(2)]	363,465	428,426	414,961	419,089	423,624
Balance Available for Other Purposes	$346,710	$126,438	$115,688	$192,863	$184,715
Debt Service Coverage, including Cook Deferred Expenses[(3)]	1.95x	1.29x	1.27x	1.46x	1.43x
Debt Service Coverage, excluding Cook Deferred Expenses[(3)]	1.22x	0.46x	N/A	N/A	N/A

(1) Operating expenses were reduced by $243.2 million in 2023 and $350.3 million in 2022 due to the deferral of the Cook Deferred Expenses to the Cook Exceptions Regulatory Asset (as defined herein).

(2) Debt Service was reduced by $17.3 million in 2023 and $8.4 million in 2022 due to the deferral of the Cook Deferred Expenses to the Cook Exceptions Regulatory Asset. The Revenue Obligation Resolution provides for debt service on Revenue Obligations to be paid from Revenues prior to payments for operating and maintenance expenses. See "SECURITY FOR THE 2025 BONDS – Flow of Funds."

(3) Calculation of coverage excludes debt service on Commercial Paper Notes and loans under the Revolving Credit Agreements and is prior to distributions to the State and, for 2019 only, the special item of $200 million payable under the Cook Settlement Agreement (the "Special Item"). See APPENDIX A – "REPORT OF THE AUTHORITY'S FINANCIAL STATEMENTS" under the heading "Note 15 – 2019 Special Item."

Debt Service Coverage. The Authority's 2023 debt service coverage, including Cook Deferred Expenses, was 1.95x. The increase in debt service coverage from 2022 to 2023 was largely attributable to lower fuel and purchased power expenses. For further information, see APPENDIX A – "REPORT OF THE AUTHORITY'S FINANCIAL STATEMENTS."

Management's Discussion of Selected Historical Annual Financial Information

Calendar Year 2023 and 2022

The following table sets forth selected financial information of the Authority for calendar years 2023 and 2022.

	Calendar Year (Dollars in Thousands)			
	2023	**2022**	**Variance**	**%**
Operating:				
Operating revenues	$1,850,603	$1,949,050	$(98,447)	(5)
Operating expenses	1,429,528	1,670,010	(240,482)	(14)
Operating income	$421,075	$279,040	$142,035	51
Non-operating revenues (expenses):				
Interest charges	(315,045)	(290,888)	(24,157)	(8)
Costs to be recovered from future revenue (expense)	(8,433)	(1,026)	(7,407)	(722)
Other non-operating income (expenses)	37,797	25,688	12,109	47
Income before transfers and Special Item	135,394	12,814	122,580	957
Capital contributions, transfers, and Special Item	(18,961)	(17,675)	(1,286)	(7)
Change in net position	$116,433	$(4,861)	$121,294	2,495
Total net position – beginning	2,133,919	2,138,780	(4,861)	0
Total net position – ending	$2,250,352	$2,133,919	$116,433	5

Comparing 2023 to 2022, operating revenues decreased $98.4 million (5%), primarily driven from lower fuel rate revenues of $52.5 million, due to an overall decrease in commodity prices year over year. Contributing to the decrease were lower energy revenues of $30.8 million due to the impact of lower fuel costs in 2023 on Economy Power fuel rates which were not subject to the Rate Freeze. Other factors causing the decrease included lower: (i) off system sales of $10.6 million; (ii) demand rate revenues of $2.6 million; and (iii) other smaller revenue adjustment decreases of $1.9 million between the two periods. Milder weather caused most of the impact lowering heating degree days 12% in 2023. For comparison, energy sales for 2023 and 2022 were virtually the same totaling approximately 26.2 million megawatt hours ("MWh").

Operating expenses for 2023 decreased $240.5 million (14%) as compared to 2022. The major causes were lower fuel and purchased power expenses which decreased $428.1 million due to lower prices in the current year purchased power and natural gas markets. This was offset somewhat by lower Cook settlement exception regulatory asset credits of $89.7 million as compared to the prior year due to the lower current year purchased power and natural gas prices experienced in 2023. Additional offsets to the decrease were: (i) higher non-fuel generation expense which showed an increase of $72.9 million from higher contract services and materials from larger scopes on Winyah, Cross, and Rainey outages, increased Winyah and Cross maintenance costs, increased gypsum purchases, and higher nuclear expenses from higher Dominion (as defined herein) corporate cost allocations and operational expenses; (ii) transmission increased $12.8 million from higher outside transmission costs, labor, materials, and contract services; and (iii) administrative and general expense were higher $9.7 million mainly caused by labor associated with higher pension expense in 2023 compared to 2022. Other smaller changes netted to the remaining variance.

Interest charges increased $24.2 million, resulting primarily from the impact of the 2022 E & F bond issue in November 2022. This increase was net of higher credits to interest expense from borrowings related to the Cook settlement exception regulatory asset in the current year.

For the year ended December 31, 2023, CTBR expense was higher year over year by $7.4 million because of higher principal amortization in the current year.

Other non-operating income increased $12.1 million, resulting primarily from lower amortization of the nuclear regulatory asset of $23.1 million, resulting from lower principal payments on nuclear debt coming due in the current year. Another contributing item to the increase was a change in the fair value of investments of $19.0 million and higher interest income of $9.9 million. Offsetting these increases were lower nuclear equipment and Camp Hall sales of $38.3 million and lower smaller items in this category netting approximately $1.6 million.

The $1.3 million variance in capital contributions and transfers represents an increase in dollars paid to the State. This payment is based on a percentage of total projected revenues which were higher in the 2023 budget as compared to 2022.

The change in net position totaled positive $116.4 million, a $121.3 million or 2,495% increase from the $34.6 million increase in net position that occurred from 2021 to 2022.

As a result of the variances above, total net position was approximately $2.3 billion, a $116.4 million increase.

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Combined Statements of Net Position - Periods Ended September 30, 2024 and December 31, 2023

	September 30, 2024 (Unaudited)	December 31, 2023
	(Dollars in Thousands)	
ASSETS		
Current assets		
Unrestricted cash and cash equivalents[1]	$243,535	$236,702
Unrestricted investments	228,095	178,390
Restricted cash and cash equivalents	135,068	35,904
Restricted investments	468,280	264,587
Receivables, net of allowance for doubtful accounts	185,239	175,251
Other current assets	471,499	413,418
Total current assets	$1,731,716	$1,304,252
Noncurrent assets		
Restricted cash and cash equivalents	$794	$336
Restricted investments	137,438	130,709
Utility plant	10,267,003	9,987,273
Accumulated depreciation	(5,005,618)	(4,891,661)
Investment in associated companies	34,756	28,947
Costs to be recovered from future revenue	213,331	213,527
Regulatory assets – OPEB	149,694	149,694
Regulatory assets – Nuclear[2]	3,547,062	3,638,884
Regulatory assets – Cook Deferred Expenses[3]	683,475	625,110
Other noncurrent and regulatory assets	61,734	130,324
Total noncurrent assets	$10,089,669	$10,013,143
Total assets	$11,821,385	$11,317,395
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	$23,612	$23,612
Deferred outflows - OPEB	56,008	56,008
Deferred outflows – Asset retirement obligation	486,751	557,239
Accumulated decrease in fair value of hedging derivatives	7,131	19,348
Unamortized loss on refunded and defeased debt	169,836	173,079
Total deferred outflows of resources	$743,338	$829,286
Total assets and deferred outflows of resources	$12,564,723	$12,146,681
LIABILITIES		
Long-term debt-net	$8,060,400	$7,605,551
Current liabilities	629,007	595,916
Noncurrent and other liabilities	1,069,915	1,124,911
Total liabilities	$9,759,322	$9,326,378
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	$12,230	$12,230
Deferred inflows - OPEB	52,698	52,698
Accumulated increase in fair value of hedging derivatives	35,510	54,819
Nuclear decommissioning costs	228,401	217,120
Deferred inflows - Toshiba settlement	226,422	233,084
Total deferred inflows of resources	$555,261	$569,951
NET POSITION		
Net invested in capital assets	$1,894,420	$2,001,334
Restricted for debt service	45,191	12,182
Unrestricted	310,529	236,836
Total net position	$2,250,140	$2,250,352
Total liabilities, deferred inflows of resources & net position	$12,564,723	$12,146,681

(1) Includes certain hedging collateral of $6.0 million at December 31, 2023 and $5.8 million at September 30, 2024.
(2) See "SUMMER NUCLEAR UNITS 2 AND 3 – Regulatory Accounting for Summer Nuclear Units 2 and 3."
(3) See "COOK SETTLEMENT."

Economic and Demographic Information

See APPENDIX D – "CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION" for a description of certain financial, demographic, and economic information affecting the Authority's operations.

CUSTOMER BASE

Service Area

The Authority's primary business operation is the production, transmission, and distribution of electrical energy, both wholesale and retail, to citizens of the State. The Authority is one of the nation's largest municipal wholesale utilities, whose system serves directly or indirectly approximately two million South Carolinians in all 46 counties of the State. The Authority serves directly and indirectly suburban areas outside Charleston, Columbia, Greenville, and Spartanburg as well as the coastal areas of Myrtle Beach and the Grand Strand, Hilton Head Island, Kiawah Island and Seabrook Island. In 2023, the Authority's kWh energy sales were comprised of 62.1% to wholesale customers, 22.9% to large industrial customers and 15.0% to residential, commercial, and other customers. See "HISTORICAL SALES – Historical Demand, Sales and Revenues."

Under State law, the Authority has an exclusive right to serve within its assigned retail service territory, and it has the exclusive right to continue to serve the large industrial premises outside its assigned service territory that it is currently serving. If any customers, premises, or electric cooperatives located outside the present service area of the Authority and being served by the Authority, including any subsequent expansions or additions by such customers, premises, or cooperatives, cease or discontinue accepting electrical service from the Authority, the Authority may subsequently sell and furnish electrical service to new customers, premises, or electric cooperatives from its major transmission lines in an amount not exceeding the amount of power the sale of which was lost by reason of such discontinuation of service.

Under State law, the Authority also has the right to enter into agreements with other electric suppliers concerning service areas and corridor rights. The SCPSC must approve said agreements and to reassign said service area or corridor rights if, after giving notice and an opportunity for a hearing to interested parties, the SCPSC finds the agreements to be fair and reasonable. The SCPSC does not have the authority to alter or amend any such agreement unless all affected electric suppliers agree to the alteration or amendment.

See "Wholesale Customers – Central," "Wholesale Customers – Other," "Direct Customers – Large Industrial and Military" and "Retail Customers" below.

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Wholesale Customers - Central

Central is a generation and transmission cooperative that provides wholesale electric service to each of the 19 distribution cooperatives listed below (the "Central Cooperatives") which are members of Central pursuant to long-term all-requirements power supply agreements, including the five electric distribution cooperatives that were formerly members of Saluda River Electric Cooperative, Inc. ("Saluda"). Central serves primarily residential, commercial, and small industrial customers in all 46 counties of the State. The Central Cooperatives serve areas ranging from sparsely populated rural areas to heavily populated suburban areas. The table below lists each of the Central Cooperatives, the location of their headquarters, and the number of customers for calendar years 2021-2023.

Central Cooperatives	Headquarters	2021 Customers	2022 Customers	2023 Customers
Aiken Electric Cooperative, Inc.	Aiken	50,389	51,376	52,365
Berkeley Electric Cooperative, Inc.	Moncks Corner	116,011	121,279	126,488
Black River Electric Cooperative, Inc.	Sumter	33,765	34,279	34,687
Blue Ridge Electric Cooperative, Inc.[1]	Pickens	69,431	70,780	72,208
Broad River Electric Cooperative, Inc.[1]	Gaffney	22,852	23,924	24,410
Coastal Electric Cooperative, Inc.	Walterboro	11,777	11,927	11,967
Edisto Electric Cooperative, Inc.	Bamberg	20,757	20,946	21,138
Fairfield Electric Cooperative, Inc.	Winnsboro	31,755	32,630	33,531
Horry Electric Cooperative, Inc.	Conway	87,422	91,101	94,458
Laurens Electric Cooperative, Inc.[1]	Laurens	61,147	62,138	63,593
Little River Electric Cooperative, Inc.[1]	Abbeville	14,735	14,991	15,262
Lynches River Electric Cooperative, Inc.	Pageland	21,821	22,001	22,246
Marlboro Electric Cooperative, Inc. [2]	Bennettsville	6,607	6,651	6,702
Mid-Carolina Electric Cooperative, Inc.	Lexington	59,074	59,578	64,134
Newberry Electric Cooperative, Inc.	Newberry	13,344	13,528	13,659
Palmetto Electric Cooperative, Inc.	Ridgeland	76,749	77,875	79,231
Pee Dee Electric Cooperative, Inc. [2]	Darlington	30,665	31,179	32,249
Santee Electric Cooperative, Inc.	Kingstree	44,110	44,445	44,729
Tri-County Electric Cooperative, Inc.	St. Matthews	18,335	18,355	18,411
York Electric Cooperative, Inc.[1]	York	66,723	68,017	69,289
Total Customers		857,469	877,000	900,757

[1] Former members of Saluda.

[2] In 2024, Marlboro Electric Cooperative, Inc. and Pee Dee Electric Cooperative, Inc. merged as MPD Electric Cooperative.

The Authority supplies the total power and energy requirements of the Central Cooperatives less amounts which Central purchases directly from Southeastern Power Administration (the "SEPA"), amounts provided by Duke Energy Carolinas, LLC ("Duke Energy Carolinas"), a subsidiary of Duke Energy Corporation, as described below, and small amounts purchased from others.

In 2023, revenues pursuant to the Central Agreement (as defined below) amounted to approximately 58% of the Authority's revenues from sales.

The Authority serves Central under the terms of a coordination agreement between the Authority and Central which became effective in January 1981 (as subsequently amended or revised, the "Central Agreement") and cannot be terminated earlier than December 31, 2058. Under the Central Agreement's 10 year rolling notice provision, for a termination date of December 31, 2058, a party must give notice of termination no later than December 31, 2048. Central has entered into all-requirements agreements with the Central Cooperatives that extend through December 31, 2058, and such agreements obligate those members to pay their share of Central's costs, including costs paid under the Central Agreement. Central's board developed an exit methodology which is available to all members. If a member wishes to exit, they must submit a proposal to Central's board which will be evaluated to determine possible acceptance of contract termination. At this time, the Authority is not aware of any proposals that have been submitted to Central's board.

Rates under the Central Agreement are developed under a cost of service methodology and are adjusted automatically on a monthly basis to reflect actual fuel cost and on an annual basis to reflect actual non-fuel cost, including operation and maintenance, debt service and a Capital Improvement Fund Requirement. The cost of service methodology includes, among other things, allocating debt service and Capital Improvement Fund Requirements to the functional cost categories, such as production, transmission or distribution based on net plant balances. Central's rates were also frozen as part of the Rate Freeze and such rates were unfrozen as of January 1, 2025. See "COOK SETTLEMENT."

The Central Agreement was revised in May of 2013 (the "2013 Amendment") to, among other things, formalize the resource planning process, including outlining how the parties will jointly plan and determine the need for new resources. In accordance with the 2013 Amendment, Central is able to decide whether or not to participate in major new resources which were not completed or under construction as of January 1, 2013. If Central decides to participate in a resource, the costs for the new resource are included and shared under the Central Agreement. If Central decides not to participate in a proposed resource, the parties will obtain their own resources based on their *pro rata* share of the proposed resource and each party will be responsible for the cost of its own non-shared resources. The 2013 Amendment was intended to provide certainty to the Authority's planning process and, with the earliest termination date deferred to December 2058, allow the Authority to align its existing and future debt service with the useful lives of its assets and its future revenue streams. See "POWER SUPPLY AND PLANNING – Central Option Relating to Proposed Natural Gas Combined Cycle Shared Resource."

In accordance with and as permitted under the terms of the Central Agreement, Central audits the Authority's books and the annual cost of service study used to develop their rates under the Central Agreement.

Wholesale Customers - Other

Sales to wholesale customers, including off-system sales to other utilities and power marketers, represented approximately 3.2% of revenues from sales in 2023.

Wholesale Customers On-System. The Authority provides wholesale electric service to two on-system wholesale customers, the City of Georgetown and the City of Bamberg. Service agreements were executed in 2013 with the City of Georgetown and the City of Bamberg with initial terms of 10 years and 20 years, respectively. In 2023, the Authority and City of Georgetown amended the City's contract which included extending the initial term of the City's contract from 10 years to 17 years.

Wholesale Customers Off-System. The Authority provides wholesale electric service to four off-system customers pursuant to long-term contracts:

City of Seneca. The Authority executed a service agreement to provide wholesale electric service to the City of Seneca beginning July 1, 2015, for an initial term of 10 years. Under the terms of its contract with the Authority, service to the City of Seneca will continue under the service agreement unless and until such agreement is terminated by the City of Seneca with two years advance written notice. No notice has been received to date. Power generated by the Authority is being delivered to the City of Seneca through the Authority and Blue Ridge Electric Cooperative, which has joined the contract as an additional electric provider to the City of Seneca.

Town of Waynesville, North Carolina. The Authority entered into a long-term purchase agreement with the Town of Waynesville to provide wholesale electric service beginning January 1, 2017, for a term of 10 years.

Piedmont Municipal Power Agency ("PMPA"). The Authority has a long-term power agreement with PMPA pursuant to which the Authority provides PMPA its supplemental electric power and energy requirements (ranging from approximately 200 MW to 300 MW) above its current resources. This agreement commenced on January 1, 2014, for a term of no less than 12 years. PMPA has notified the Authority that three member cities provided notice to terminate their supplemental agreements with PMPA

effective December 31, 2028, and these three participants will no longer be included as member cities effective as of such date. PMPA has also notified the Authority that the other seven member cities provided notice to terminate their supplemental agreements with PMPA effective December 31, 2029, and that these seven participants will no longer be included as member cites effective as of such date.

Dominion Energy South Carolina, Inc. ("Dominion"). Dominion gave notice to terminate service to the former Charleston Navy Yard effective May 6, 2020 but remains a customer of the Authority under an unrelated agreement.

All of the Authority's other wholesale customer contracts contain provisions that would allow for early termination of the contract for a variety of reasons. None of such termination provisions have been triggered to date.

Direct Customers - Large Industrial and Military

The Authority's direct customers currently include 27 large industrial and military customers, including Joint Base Charleston. The Authority offers a large power rate schedule for large industrial customers which contract for a minimum of 1,000 kilowatts ("kW") for initial periods of not less than five years (Large Light and Power Rate ("Schedule L")). As of December 2023, the Authority had 542 MW of non-firm power under contract through Schedule L. The provisions of Schedule L contain demand and energy recovery components and include monthly automatic fuel adjustment and demand sales adjustment clauses, minimum demand charges and other provisions generally used in large industrial power rate schedules. Customers served under Schedule L, including customers served under the "Interruptible" and "Economy Power – Optional" riders of Schedule L, were subject to the Rate Freeze, locking the fuel adjustment, demand sales adjustment and economic development sales adjustment values to those of Schedule B of the Cook Settlement Agreement for the entire Rate Freeze Period. See "RATES AND RATE COMPARISON" and "COOK SETTLEMENT." The Authority also serves the Santee Cooper Regional Water System under Schedule L; however, these revenues are classified as an intra-departmental sale and are not included in the industrial sales revenue information provided in the paragraph below. During 2023, revenues from sales to large industrial customers averaged 5.09 cents per kWh.

The average cost per kWh varies depending upon the customer's usage and load factor. Sales to large industrial customers during 2023 were approximately $307 million and represented approximately 16.8% of revenues from sales. This includes 6.9% for Century Aluminum of South Carolina, Inc. ("Century Aluminum" or "Century"), formerly Alumax of South Carolina, Inc., 4.7% for Nucor Corporation ("Nucor"), and 3.5% for the next eight largest industrial customers, of which no one customer represents more than 0.9% of sales. Of the 16.8% of revenues from sales, approximately 59.4% represents fuel cost recovery.

Power Contract with Century Aluminum. The Authority is party to an agreement with Century effective January 1, 2024 with a term ending December 31, 2026. Century has been a customer of the Authority since 1977. Century's plant is currently operating at 75% capacity at the current contract demand of approximately 300 MW. The current agreement has an option that would allow an increase of up to 100 MW of additional load under the L-rate, which would bring the plant to 100% capacity. Approximately 50% of the load is served under Schedule L and the other 50% is served under other currently available non-firm riders. In addition to its standard termination provisions, the contract contains a provision that allows for early termination by Century upon 90 days' prior written notice, effective no earlier than April 30, 2025.

Long-Term Power Contract with Nucor. Nucor has been a customer since 1996 and receives service from the Authority under the Authority's Large Light and Power Schedule L. Nucor entered into a new service agreement effective August 1, 2024; the initial term continues through July 31, 2030. This new agreement will accommodate the addition of Nucor's new air separation unit and galvanized line production. Termination of service requires reduction in contract demands to zero, as determined per the notice requirements and reduction amounts specified under the applicable rate schedules to which they receive service, which would take approximately four years, in any event the agreement cannot be terminated and contract demand reductions cannot be effective prior to July 31, 2030. To date Nucor has not provided notice to terminate. In total, this contract provides for delivery of approximately 350 MW of power, the majority of which is provided under the Authority's non-firm rate schedules.

Nucor through its wholly owned subsidiary UIG, LLC constructed a new air separation unit for the purpose of supplying industrial gases for the mill's steel making operations which came online January 1, 2025.

Retail Customers

The Authority also serves directly approximately 212,000 residential, commercial, and small industrial retail customers in its assigned retail service territory, which includes parts of Berkeley, Georgetown, and Horry counties.

The Authority owns and operates distribution facilities and serves retail customers in two non-contiguous areas covering portions of Berkeley, Georgetown, and Horry Counties. These service areas include 3,069 miles of distribution lines. The following table presents retail customer growth from 2019 through 2023 in these areas.

Retail Customer Counts (2019 to 2023)[(1)]

Year	Residential	Commercial and Small Industrial	Total	Annual Increase %
2019	157,704	31,143	188,847	2.2%
2020	162,971	30,724	193,695	2.6
2021	167,664	30,812	198,476	2.5
2022	172,240	32,359	204,599	3.1
2023	181,903	30,386	212,289	3.8

(1) Customer counts reflect revisions since year of initial data collection.

Sales to residential, commercial, and small industrial customers and certain other customers are made pursuant to rate schedules established from time to time by the Authority. The vast majority of such rate schedules include monthly automatic fuel adjustment and demand sales adjustment clauses. However, the monthly automatic fuel adjustment and the demand sale adjustment, as well as the economic development sales adjustment, were locked for select rates of these customer classes during the Rate Freeze Period under the Cook Settlement Agreement. Additionally, the rate schedules for most of these customers were not able to be changed during the Rate Freeze Period, effectively locking in the current rate schedules and pricing for the duration of the Rate Freeze Period. Sales to this customer group represented approximately 22.5% of revenues from sales in 2023. See "Rate Comparison" and "Rate Structure" under "RATES AND RATE COMPARISON" and see "COOK SETTLEMENT."

COOK SETTLEMENT

Cook Settlement Agreement

Rate Freeze and End of Rate Freeze Period

The class action lawsuit relating to the Authority's decision in 2017 to suspend construction of Summer Nuclear Units 2 and 3 at the Summer Nuclear Station was settled in 2020 pursuant to the terms of an agreement among the Authority, Central and Class Counsel (the "Cook Settlement Agreement"). Under the Cook Settlement Agreement, the Board agreed to hold rates consistent with rates projected in the Authority's 2019 Reform Plan (as defined herein) (the "Rate Freeze") effective beginning in August 2020 and ending (i) for the customers other than Central whose rates were subject to the Rate Freeze, on January 15, 2025, and (ii) for Central, on December 31, 2024 (the "Rate Freeze Period"). A copy of the Cook Settlement Agreement is available from the Authority upon request.

During the Rate Freeze Period, the Board authorized management to effect the terms of the Cook Settlement Agreement relating to the Rate Freeze through the implementation of rates consistent with the rates and rate stabilization period that was set forth in the Authority's plan dated January 3, 2020 submitted to the South Carolina General Assembly pursuant to Act No. 95 of 2019 (the "2019 Reform Plan").

The 2019 Reform Plan included a financial forecast and projected most Central rates as well as three major adjustments to the primary rate components (energy and demand charges) of most customers of the Authority; the Fuel Adjustment, Demand Sales Adjustment and Economic Development Sales Adjustment. The purpose of these adjustments is to true-up values from base rates set during the last rate study to actual. Under normal conditions most Central rates (except for fuel) are projected annually in the corporate budget and trued-up at year end; fuel rates for Central are calculated and applied monthly. Additionally, in normal conditions retail rate adjustment values are calculated monthly using actual data. As part of the Cook Settlement Agreement, however, these values were no longer based on annual budget values adjusted to actual or monthly calculations; they have largely been frozen to the values provided in the 2019 Reform Plan financial forecast (the "Settlement Rates").

The implementation of Settlement Rates also froze the majority of the Authority's rate schedules for non-Central customers. This resulted in rates being frozen for almost all residential and commercial customers participating in the Settlement Rates, as well as industrial customers and the Interruptible and Economy Power Optional riders. Settlement Rates provided in the Cook Settlement Agreement for industrial customers also applied to the fuel adjustment of municipal customers with contractual rates based on the municipal light and power rate.

In accordance with the terms of the Cook Settlement Agreement, the Rate Freeze Period ended for all bills rendered after January 15, 2025, and the Authority has reinstated the fuel adjustment, demand sales adjustment, and economic development sales adjustment for the Authority's retail customers with rate codes designated in the appendices of the Cook Settlement Agreement and rates to Central under the Central Agreement. Approximately 75% of the Authority's costs are recovered from these automatic rate adjustments.

Cook Rate Freeze Exceptions and Reporting

Consistent with the agreement to freeze rates, the Authority also agreed not to defer any costs and expenses incurred or otherwise appropriately attributable to any year during the Rate Freeze Period to any other year or years during or after the Rate Freeze Period, except that the Authority may defer to rates charged in years after the Rate Freeze Period just and reasonable costs and expenses incurred during the Rate Freeze Period directly resulting from any of the following circumstances (collectively, the "Cook Rate Freeze Exceptions"):

(a) a change in law (not initiated or advocated for by the Authority);

(b) named storm events, acts of God or the public enemy, flood, fire, strike, or catastrophic failure of equipment for reasons beyond the Authority's control;

(c) significant cyber security attacks or other security attacks outside of the Authority's control;

(d) changes in regulatory or governance requirements imposed by the Act 95 of 2019 ("Act 95") legislative process;

(e) certain deviations in Central's actual loads (used for allocation of demand costs) as compared to Central's billing determinants used in the Authority's plan for reform, dated January 3, 2020, submitted to the South Carolina General Assembly pursuant to Act 95 (the "Act 95 Reform Plan"); and

(f) if the Authority's costs incurred are increased above those in the Authority's Act 95 Reform Plan because the Authority is not permitted to engage in forward hedging of fuel price solely by reason of restrictions imposed by the Act 95 legislative process and solely for the period of such restrictions imposed by the Act 95 legislative process.

The Authority is required to report on its compliance with the terms of the Cook Settlement Agreement in Annual Cook Compliance Reports provided to the Court and to Central by April 30 of each year through 2030. One of the requirements of the Cook Settlement Agreement is the identification of any Cook Rate Freeze Exceptions that occurred during the Rate Freeze Period. The first Annual Cook Compliance Report, for the period from August 1, 2020 through December 31, 2020, was filed on April 30, 2021, and Annual Cook Compliance Reports were

subsequently filed in 2022, 2023 and 2024 for each of the applicable preceding calendar years. The next Annual Cook Compliance Report is due April 30, 2025. Copies of the Annual Cook Compliance Reports are available on the Authority's website at: https://www.santeecooper.com/about/settlement-reports/. *No statement or information on the Authority's website is incorporated by reference herein.*

The following table sets forth a description of the categories and amount of the Cook Rate Freeze Exceptions described in the reports filed through April 30, 2024 as well as estimated amounts for previous exceptions and a reconciliation to the Cook Exceptions Regulatory Asset as of December 31, 2024.

Cook Rate Freeze Exceptions
($ millions)

Reporting Period	Date Filed	Category of Qualifying Cost	Exceptions Reported in Previously Filed Annual Cook Compliance Reports	2024 Estimated Amounts for Previously Reported Exceptions[1]	Total
8/1/2020 – 12/31/2020 ("2020 Cook Rate Freeze Exceptions")	4/30/2021	Change in Law	$ 5.2		
		Named Storm Event	1.2		
		Central Load Deviations	13.3		
1/1/2021 – 12/31/2021 ("2021 Cook Rate Freeze Exceptions")	4/29/2022	Changes in Law	$ 11.9		
		Named Storm Event	0.2		
		Fires[2]	36.8		
		Central Load Deviations	15.4		
1/1/2022 – 12/31/2022 ("2022 Cook Rate Freeze Exceptions")	4/28/2023	Changes in Law	$ 85.3		
		Fires	297.4		
		Named Storms	20.6		
		Interest[3]	2.7		
1/1/2023 – 12/31/2023 ("2023 Cook Rate Freeze Exceptions")	4/30/2024	Changes in Law	$ 63.6		
		Fires	141.3		
		Named Storm	1.0		
		Act of God and Flood	0.3		
		Interest[3]	20.7		
1/1/2024 – 12/31/2024 (Estimated Amounts for Previously Reported Exceptions)		Change in Law		$187.6	
		Fires		22.2	
		Interest[3]		25.9	
Total			$716.9	$235.7	$952.6
				Less: Capital Exceptions[4]	(241.3)
				Less: Other Adjustments	(7.6)
				Preliminary Regulatory Asset (12/31/2025)	703.7
				Less: Writedown	(153.7)
				Remaining Regulatory Asset (12/31/2025)	550.0

(1) Amounts are preliminary and have not been reported to the Court. Excludes exceptions in 2024 that have not been identified in prior reports.

(2) This cost originally was reported in the 2021 Annual Cook Compliance Report as $43.4 million but was adjusted and disclosed in a subsequent report to account for changes in costs related to the events at Foresight's Sugar Camp Mine and Summer Nuclear Unit 1 (as defined herein).

(3) Costs directly associated with the debt incurred for the Cook Exceptions Regulatory Asset.

(4) Net of deferred interest on ELG Exception.

The 2020 Cook Rate Freeze Exceptions, 2021 Cook Rate Freeze Exceptions, 2022 Cook Rate Freeze Exceptions, and 2023 Cook Rate Freeze Exceptions identified by the Authority in the respective Annual Cook Compliance Reports and described above, including additional expenses directly resulting from the costs of debt incurred relating to the Cook Exceptions Regulatory Asset, total $716.9 million.

Cook Exceptions Regulatory Asset and Cook Deferred Expenses

On June 27, 2022, the Board authorized the use of regulatory accounting for the 2020 Cook Rate Freeze Exceptions and the 2021 Cook Rate Freeze Exceptions, as identified in the Annual Cook Compliance Reports for 2020 and 2021, respectively, allowing the Authority to create a regulatory asset (the "Cook Exceptions Regulatory Asset") and to defer recognition on its Statement of Revenues, Expenses and Changes in Net Position of the expenses associated with those exceptions that qualify for such regulatory accounting treatment, including any future adjustments to the amount of such expenses (the "Cook Deferred Expenses").

In addition, in 2023 and in 2024, the Board authorized the use of regulatory accounting for the 2022 Cook Rate Freeze Exceptions and the 2023 Cook Rate Freeze Exceptions for new exceptions that were not included in the previous Board approvals.

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 62, creating this regulatory asset allows the Authority to recognize the Cook Deferred Expenses over the time period the Authority expects to recover them through future rates after the Rate Freeze Period has ended, thus matching expenses and revenues. While the use of regulatory accounting defers the recognition on the Authority's Statements of Revenues, Expenses and Changes in Net Position of these expenses during the Rate Freeze Period, it does not defer the Authority's obligation to pay these expenses. The Authority has been funding a portion of these expenses on an interim basis from the proceeds of the issuance of its Commercial Paper Notes and draws on the Revolving Credit Agreements. See "– *Funding of Cook Deferred Expenses and Anticipated Debt Issuance*" below.

Through December 31, 2024 the Authority recorded a total of $703.8 million of Cook Deferred Expenses in the Cook Exception Regulatory Asset. This amount is preliminary, unaudited and prior to writing down the Cook Exceptions Regulatory Asset to reflect the Exceptions Agreement. This amount includes (i) $71.3 million of the 2020 Cook Rate Freeze Exceptions and 2021 Cook Rate Freeze Exceptions, (ii) $398.1 million of the 2022 Cook Rate Freeze Exceptions, (iii) $166.5 million of the 2023 Cook Rate Freeze Exceptions and (iv) $67.8 million of the Cook Rate Freeze Exceptions related to the adjustment of previously approved exceptions for the period beginning January 1, 2024 through December 31, 2024, which 2024 amounts have not been reported to the Court. The total amount of $703.8 million does not include approximately $241.3 million of capital costs, net of deferred interest, and is net of amounts reimbursed from insurance and other third parties.

The Authority has continued to evaluate approved and new Cook Rate Freeze Exceptions occurring through the end of the Rate Freeze Period on December 31, 2024. All Cook Rate Freeze Exceptions recorded through December 31, 2024 have received Board approval for the use of regulatory accounting related to the exceptions and any subsequent adjustments pertaining to the exceptions.

The Resolution Amount of $550 million in the Exceptions Agreement will result in the Authority collecting 78% of the $703.8 million Cook Exceptions Regulatory Asset recorded as of December 31, 2024. The Authority will write down the Cook Exceptions Regulatory Asset to $550 million in the fiscal year ending December 31, 2024, which will increase expenses by $154 million and reduce reinvested earnings by this same amount.

Funding of Cook Deferred Expenses and Anticipated Debt Issuance

As described under "COOK SETTLEMENT – Cook Settlement Agreement – *Rate Freeze and End of Rate Freeze Period*" and "– *Cook Rate Freeze Exceptions and Reporting*," the Board approved the use of regulatory accounting to establish the Cook Exceptions Regulatory Asset. While the use of regulatory accounting defers the recognition of the Cook Deferred Expenses, it does not defer the Authority's obligation to pay these expenses. The Authority increased the amounts and diversified the providers of bank credit facilities for its Commercial Paper Notes and Revolving Credit Agreements to provide sufficient capacity for funding a portion of the Cook Deferred Expenses and to provide additional liquidity. As of January 31, 2025, the Authority has borrowed under its Revolving Credit Agreement or issued Commercial Paper Notes in a combined total amount of approximately $481 million to fund a portion of the Cook Deferred Expenses.

Under the terms of the Exceptions Agreement, the Authority may finance the Recovery Amount from amounts borrowed under the Authority's Revolving Credit Agreements and/or the issuance of Commercial Paper Notes. The Authority expects to borrow approximately $69 million, in addition to the $481 million previously borrowed, to fund the remaining portion of the $550 million Resolution Amount. The Authority will also borrow amounts to fund the remaining components of the Recovery Amount which includes interest from January 1, 2025 through June 30, 2025 and costs of issuance. See "– Dispute Regarding Cook Rate Freeze Exceptions and Proposed Resolution" below. See also "INTRODUCTION – Summary of Proposed Settlement of Cook Rate Freeze Disputes." The Authority has agreed in the Exceptions Agreement that it will attempt to refinance the Recovery Amount through the issuance of long-term debt as soon as reasonably practicable. The issuance of debt on a long-term basis to fund the Recovery Amount may require approval of the JBRC, and the parties to the Settlement Agreement agree to cooperate to seek such approval.

See "RATES AND RATE COMPARISON – 2024 Rate Study and 2025 Rate Adjustments" below for a description of how the Authority expects to collect the Recovery Amount.

Dispute Regarding Cook Rate Freeze Exceptions and Proposed Resolution

Exceptions Dispute

On June 9, 2021, as allowed by the Cook Settlement Agreement, Central asked the Court to appoint an independent auditor to review the Authority's compliance with respect to three transactions: (i) using funds specifically allocated for capital projects to retire a scheduled balloon payment in 2023 while borrowing new money to fund existing capital project needs, (ii) restructuring existing debt, and (iii) using funds on hand to pay the first $65 million installment to the Common Benefit Fund (the "Cook-related Items"). On September 10, 2021, the Court deferred any judicial action on Central's request.

On May 12, 2022, counsel to the class members (the "Class Counsel") sent a letter to the Authority regarding the 2021 Cook Rate Freeze Exceptions and requested additional information. The Authority provided the requested information on June 15, 2022. On June 22, 2022, the Authority received a letter from Central, which included comments, questions, objections, and requested additional information. The Authority responded to Central's letter and provided the same information provided to Class Counsel.

On September 9, 2022, Class Counsel filed with the Court a motion challenging the 2021 Cook Rate Freeze Exceptions identified by the Authority in its 2021 Annual Cook Compliance Report. The Authority submitted an initial response on September 19, 2022. On September 26, 2022, the Court entered an order denying Class Counsel's (i) motion to rule on the applicability of the 2021 Cook Rate Freeze Exceptions and (ii) request to appoint an independent auditor.

The objections of Central and Class Counsel to the Authority's implementation of the Cook Rate Freeze Exceptions described above are referred to herein as the "Exceptions Dispute."

Exceptions Agreement

The Authority, Central and Class Counsel engaged in negotiations to resolve the Exceptions Dispute along with the Cook-related Items and certain Central-Authority audit disputes (collectively, the "Disputes"). In January 2025, the parties reached an agreement to resolve the Disputes (the "Exceptions Agreement").

The terms of the Exceptions Agreement include, among other things, the following:

- Resolution Amount – The Authority will recover $550 million for certain Cook Rate Freeze Exceptions costs and expenses attributable to or incurred during the Rate Freeze Period relating to the following Cook Rate Freeze Exceptions identified in previous Annual Cook Compliance Reports (i) mine safety and health administration order and fire resulting in the closure of Foresight's Sugar Camp Mine, (ii) Executive Orders and actions related to the Russian invasion of

Ukraine and public enemy actions by Russia and Vladimir Putin and (iii) interest accumulated during the Rate Freeze Period used to finance the Cook Rate Freeze Exceptions.

- Recovery Amount – The Authority will recover the Resolution Amount, plus interim interest incurred on debt to finance the Resolution Amount from January 1, 2025 through June 30, 2025, plus the cost of issuance of debt issued to finance the Resolution Amount and the interim interest, the sum of which equals the Recovery Amount. The Recovery Amount will be financed and collected via the Cook Charge over the 14.5 year period from July 1, 2025 to December 31, 2039. The estimated impact on customers' bills is an increase of approximately 3%, an average increase of less than $5 on the monthly bill of a typical residential customer.

- Cook Charge – The Cook Charge will consist of the debt service on the debt issued to finance the Recovery Amount and amounts to collect a contribution to the Capital Improvement Fund of 8%, payments to the State and sums in lieu of taxes on that debt service. The Cook Charge will be calculated separately from the Authority's cost of service calculations used for the Authority's retail ratemaking and Central's cost of service pursuant to the Central Agreement. The Cook Charge will be allocated 65.4% to Central and 34.6% to the Authority's non-Central customers. The Authority will begin collecting the Cook Charge from its retail customers through its deferred cost recovery rider and from Central on its invoices beginning in July 2025.

- In addition, the Authority will retain the right to collect debt service after the Rate Freeze Period on the ELG Exception consistent with the Authority's cost of service calculations used for retail ratemaking and Central's cost of service, as provided in the Central Agreement.

- Other than the Resolution Amount and debt service on the ELG Exception, the Authority will not recover the Excluded Amounts. The Excluded Amounts include new Cook Rate Freeze Exceptions which occurred in 2024 and had not been previously identified in Annual Cook Compliance Reports.

- The Authority will transfer $11.5 million of the Resolution Amount into the Capital Improvement Fund, representing the capital portion of the Excluded Amounts, net of third-party contributions, to reimburse the fund for these capital expenditures.

On February 6, 2025, the board of trustees of Central approved the Exceptions Agreement. The Board approved the Exceptions Agreement on February 12, 2025. Class Counsel is expected to execute the Exceptions Agreement after Board approval. The Exceptions Agreement provides that within 30 days of the agreement having been approved by both the Board and Central's board of trustees, the Authority, Central and Class Counsel will submit a consent motion to the Court requesting approval of the Exceptions Agreement.

RATES AND RATE COMPARISON

Authorization

Under the Act, the Board is empowered and required to set rates as necessary to produce revenues sufficient to provide for the payment of all expenses, the conservation, operation and maintenance of its facilities and properties and the payment of its interest and principal on its bonds, notes and other obligations. The Board is required to adopt and publish pricing principles that respect and balance certain factors including, but not limited to, adherence to the Authority's mission to be a low-cost provider, reliability, transparency, preservation of the Authority's financial integrity, equity among customer classes, gradualism in adjustments to its pricing and rate schedule type, encouragement of efficiency and demand response, adequate notice to customers, and relief mechanisms for financially distressed customers. The Act establishes a process that is similar to the process previously approved by the Board for prior rate studies and adjustments.

While there is no governmental or regulatory entity, other than the Board, having jurisdiction over the rates of the Authority, in accordance with the terms of the Cook Settlement Agreement, the Board in 2020 authorized management to lock the rate schedules and variable rate components of select rates consistent with the rates that were developed and projected in the Authority's 2019 Reform Plan during the Rate Freeze Period. This period ended for all customers on January 15, 2025. See "COOK SETTLEMENT – Cook Settlement Agreement – *Rate Freeze and End of Rate Freeze Period*."

Information regarding the Authority's rates may be viewed at the following address: https://www.santeecooper.com/rates/. *No statement or information on the Authority's website is incorporated by reference herein*.

Revenue Obligation Resolution Requirements

The Revenue Obligation Resolution requires the Authority to establish, maintain and collect rents, tolls, rates and other charges for power and energy which will be adequate to provide the Authority with Revenues sufficient to pay when due all payments which the Authority is obligated to pay from the Revenues of the System by law or contract. The Revenue Obligation Resolution also requires that, so long as any Revenue Obligations are Outstanding, the Authority may not furnish or supply electric, or other form of, energy or water furnished by the Authority or in connection with the operation of the System, free of charge to any person firm or corporation. See "SECURITY FOR THE 2025 BONDS – Rate Covenant."

Wholesale Rates - Central

Rates under the Central Agreement have historically been determined in accordance with the cost of service methodology contained in the Central Agreement. Under the Central Agreement, Central initially pays for its power supply based on Central's projected loads and the Authority's projected costs. The charges are then adjusted automatically on a monthly basis to reflect actual fuel costs and on an annual basis, to reflect actual non-fuel costs and Central is charged or credited the difference between the amounts paid based on projected rates and the amounts due based on actual rates. During 2023, revenues from sales to Central and other wholesale requirements customers averaged 7.00 cents per kWh. For a more detailed discussion of the terms of the agreement with Central see "CUSTOMER BASE – Wholesale Customers – *Central*."

In August of 2020, the majority of Central's rates were fixed to values dictated in the terms of the Cook Settlement Agreement, as described above in "COOK SETTLEMENT – Cook Settlement Agreement – *Rate Freeze and End of Rate Freeze Period*." In January of 2025, Central's rates returned to being calculated as described above under "CUSTOMER BASE – Wholesale Customers – Central."

Wholesale Rates - Other

The Authority's rates with respect to its wholesale customers other than Central are driven by the specific requirements of its agreements with each of the wholesale customers. The Authority has entered into service agreements, purchase agreements and power agreements with its wholesale customers, other than Central. See "CUSTOMER BASE – Wholesale Customers – Other" above.

Direct Customer Rates - Large Industrial and Military

The Authority offers a large power rate schedule for large industrial and military customers which contract for a minimum of 1,000 kW for initial periods of not less than five years. See "CUSTOMER BASE – Direct Customers – Large Industrial and Military" above.

Retail Rates

The Authority has seasonal rates for the majority of its residential, commercial, and industrial customers. Seasonal energy charges reflect higher charges during the summer months when higher energy costs are incurred.

During 2023, revenues from sales to residential, commercial, and other customers averaged 10.4 cents per kWh based on the then current rates which reflected the lock of fuel adjustments and credits for demand sales adjustments described below.

The Authority's rate schedules also include monthly automatic fuel adjustment clauses which provide for increases or decreases to the basic rate schedules to cover increases or decreases in the cost of fuel to the extent such costs vary from a predetermined base cost, based on a three-month rolling average. The Authority's rate schedules also include a demand sales adjustment clause which provides for increases or decreases to the base rate schedules to reflect increases or decreases in demand revenues from non-firm sales (such as interruptible and economy power rate schedules and riders) and off-system sales to the extent such revenues vary from predetermined amounts included as credits to firm base rates. These adjustment clauses were locked for customers with rate codes designated in the Cook Settlement Agreement during the Rate Freeze Period, which impacted the majority of residential, commercial, and industrial customers. See "COOK SETTLEMENT – Cook Settlement Agreement – *Rate Freeze and End of Rate Freeze Period*" above.

The Authority has developed and offers time-of-use, and off-peak rates to its direct-served commercial and industrial customers to encourage them to reduce their peak demand.

The Authority has not changed its retail and municipal customer rates since April 1, 2017. Experimental electric vehicle rate REV-22 and RG-17 rate rider RG-22-EVO were proposed to encourage electric vehicle use in South Carolina and received Board approval in October of 2022, and experimental lighting rates OLDC-22 and OLC-22 were approved by the Board in December of 2022 following consultation with and requests from stakeholders. The experimental electric vehicle and lighting rates were made available for customer use in 2023, with all other residential, commercial and lighting rates staying the same. These electric vehicle and lighting rates collectively expire on March 31, 2025.

In August of 2022, the Board approved a revision to the PA-17 Pole Attachment rate schedule, PA-17 as Revised. This revision primarily removed proposed contract language from the schedule, with most other conditions remaining the same.

Retail Rate Process

The Act establishes a process for the Board to follow when creating or revising any approved retail rate schedules which includes, among other things, notice to customers, as well as to the ORS, of the date the Board is expected to vote on a proposed rate adjustment and the opportunity for a party in interest to provide written or oral comments or questions. Notwithstanding the process established by the Act, the Authority may place adjusted rates and charges into effect on an interim basis under emergency circumstances, such as the avoidance of default of its obligations and to ensure proper maintenance of the System, provided that such interim rates may not remain in effect for more than eighteen months.

The Act also establishes the procedure by which a party, including the ORS, can challenge any rate adjustments that have been approved by the Board with the exclusive remedy being a prospective adjustment of a new rate. On appeal, the South Carolina Supreme Court may not substitute its judgment for the judgment of the Board as to the weight of the evidence on questions of fact. The court may affirm the decision of the Board or remand the case back to the Board for further proceedings. The South Carolina Supreme Court may reverse or modify the decision if substantial rights of the appellant have been prejudiced because the Board's findings, inferences, conclusions, or decisions are: (a) in violation of constitutional or statutory provisions; (b) in excess of the statutory authority of the Authority; (c) made upon unlawful procedure; (d) affected by other error of law, (e) clearly erroneous in view of the reliable, probative, and substantial evidence on the whole record; or (f) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

While the Act establishes a process for the Board of the Authority to follow with respect to rate setting and the Board must ensure that the statutory process established under the Act is followed, the Act also provides that this process shall in no way limit or derogate from the State's covenants in the Act not to impair, alter, limit or

restrict the Authority's power to establish rates and charges sufficient to provide for payment of its expenses and debt service on its obligations, including its Revenue Obligations and its statutory obligation to establish rates that are consistent with the best interests of the Authority.

2024 Rate Study and 2025 Rate Adjustments

In June of 2023 management requested permission from the Board to conduct the 2024 Rate Study for the purpose of revising residential, commercial, industrial and lighting class rates. At that time, the Authority had not increased its electric rates since April 2017. The primary motivation behind the proposed revisions is a projected revenue deficit, of approximately $40 million, from the above-mentioned customer classes starting in 2025. The Board granted this request, and management presented rates developed through the 2024 Rate Study to the Board on June 10, 2024, initiating the various provisions and requirements of the retail rate adjustment process described in Section 58-31-730 of the Act.

The 2024 Rate Study recommended a system average 4.9% base rate increase effective in April of 2025, with proposed rate increases of 8.7% for residential customers, 4.1% for commercial customers, 5.0% for lighting customers and 2.8% for industrial customers. The proposed rate adjustments also include a new rate structure that lowers the energy charge for residential customers and adds a demand charge and gives customers the power to lower their electric bills.

As required by the Act, management has provided notice of the proposed rates to customers and various stakeholders at least 180 days before the Board's vote on the proposed adjustments, conducted on December 9, 2024. Notice is given to allow customers time to review the rates and provide comments to the Authority. Written comments were made for 90 days from the date of notice and oral comments were accepted 120 days from the date of notice. The Authority conducted three in-person meetings and one virtual public meeting.

A Board meeting was held on October 8, 2024, no sooner than 120 days after providing notice allowing interested parties, including ORS and the consumer advocate, to appear and speak in person for a reasonable amount of time and offer their comments directly to the Board.

On November 7, 2024, no sooner than 150 days following notice to customers, the Board met again to receive management's recommendation concerning proposed rate adjustments. Based on stakeholder feedback received during the public comment period, management provided modified rate schedules. The modifications were primarily revenue neutral and included reductions to the proposed demand charge for residential and small commercial customers. The modified proposal included an 8.8% increase for residential customers, a proposed 4.1% increase for commercial customers, a proposed 5.0% increase for lighting customers, and a proposed 2.6% increase for industrial customers.

Finally, on December 9, 2024, 180 days or more after notice to customers, the Board voted to approve the modified rates presented, concluding the 2024 Rate Study. Rates cannot go into effect sooner than 60 days after Board approval and are scheduled to be implemented for customer billing on April 1, 2025.

The Board has autonomous rate setting authority. In anticipation of the end of the Rate Freeze Period, the Board directed management to undertake a comprehensive retail rate study revising residential, commercial, industrial and lighting class rates. The Authority's last rate study was conducted in 2015, with the last rate changes implemented in 2017. The Act details a transparent and robust retail rates process that allows public feedback for any new proposed rates. The Board received the results of the comprehensive rate study on June 10, 2024, which included a proposed system average 4.9% base rate increase to the retail rates of customers effective in April, 2025. Following a public comment period, the Board modified the proposed rates while maintaining a system average 4.9% base rate increase, with proposed rate increases of 8.8% for residential customers, 4.1% for commercial customers, 5.0% for lighting customers and 2.6% for industrial customers. The Board approved the system average 4.9% base rate increase on December 9, 2024 and the new rates are scheduled to be implemented in April, 2025. See "RATES AND RATE COMPARISON – Retail Rate Process" and "– 2024 Rate Study and Proposed Rate Adjustments."

Pursuant to the terms of the Exceptions Agreement, Central, Class Counsel and the Authority have agreed that the Recovery Amount may be collected by the Authority from its customers through a separate charge that will be added to customers bills over a period beginning July 1, 2025 and ending December 31, 2039. The Authority will begin collecting the Cook Charge from its retail customers through its deferred cost recovery rider and from Central beginning in July 2025.

Retail Rate Comparison

Comparisons of the Authority's average cost per kWh for firm service at selected monthly usage levels with the average cost per kWh of the three investor-owned utilities that serve the State, based on rates on file with the SCPSC for the period of October 1, 2023, to September 30, 2024, are set forth below.

	Residential 1,000 kWh	**Commercial 5,000 kWh**	**Industrial 9,000 kW-5,000,000 kWh**
Authority	11.05¢	8.89¢	6.03¢
Duke Energy Carolinas	13.53¢	11.81¢	7.69¢
Duke Energy Progress	15.47¢	12.70¢	8.52¢
Dominion	14.35¢	13.64¢	8.25¢

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HISTORICAL SALES

Historical Demand, Sales, and Revenues

The following table sets forth the peak demand and firm off-system sales to other utilities on the Authority's system as well as the gigawatt hour ("GWh") sales and electric revenues of the Authority for the years 2019 through 2023.

	Peak Demand		Sales		Revenue from Sales		
Year	MW	Annual Increase (Decrease)	GWh	Annual Increase (Decrease)	Amount (Dollars in Thousands)	Annual Increase (Decrease)	Cents Per kWh
2019	4,583	(12.3)	23,229	(2.1)	1,695,055	(4.8)	7.30
2020	4,467	(2.5)	22,233	(4.3)	1,602,923	(5.4)	7.21
2021	4,634	3.7	24,601	10.7	1,741,341	8.6	7.08
2022	5,342	15.3	26,224	6.6	1,924,377	10.5	7.34
2023	4,940	(7.5)	26,185	(0.2)	1,825,717	(5.1)	6.97

The following table sets forth energy sales by customer class for the years 2019 through 2023.

Sales (GWh)

	2023		2022		2021		2020		2019	
Class of Customers		% of Total		% of Total		% of Total		% of Total		% of Total
Wholesale	16,251	62.1	16,294	62.1	15,402	62.6	14,564	65.5	14,901	64.1
Large Industrial	5,999	22.9	6,002	22.9	5,264	21.4	3,995	18.0	4,435	19.1
Residential, Commercial, Small Industrial and Other	3,935	15.0	3,928	15.0	3,935	16.0	3,674	16.5	3,892	16.8
Total	26,185	100.0	26,224	100.0	24,601	100.0	22,233	100.0	23,229	100.0

The following table sets forth revenues from energy sales by customer class for the years 2019 through 2023.

Revenues (Dollars in Thousands)

	2023		2022		2021		2020		2019	
Class of Customers		% of Total		% of Total		% of Total		% of Total		% of Total
Wholesale	$1,108,761	60.7	$1,131,578	58.8	$1,059,588	60.9	$1,022,397	63.8	$1,062,056	62.7
Large Industrial	306,603	16.8	386,211	20.1	274,202	15.7	196,682	12.3	224,967	13.3
Residential, Commercial, Small Industrial and Other	410,154	22.5	406,588	21.1	407,551	23.4	383,844	23.9	408,032	24.0
Total	$1,825,718	100.0	$1,924,377	100.0	$1,741,341	100.0	$1,602,923	100.0	$1,695,055	100.0

POWER SUPPLY, POWER MARKETING, PLANNING AND OTHER FACILITIES

Power Supply

The Authority plans for firm power supply from its own generating capacity and firm power contracts to equal its firm load, including a 18% winter reserve margin. The Authority owns generation facilities with a current total summer capacity rating of 5,163 MW and a total winter capacity rating of 5,388 MW. In addition, the Authority enters various power purchase arrangements through which the Authority purchases additional capacity and energy. In 2023, such purchases represented 466 MW (or 9%) of the Authority's winter power supply peak capability. See "Power Purchase Agreements or Purchases" below for additional information.

The electric generation, transmission and distribution facilities owned by the Authority, as well as certain transmission facilities owned by Central, are operated and maintained by the Authority as a fully integrated electric

system. The Authority has direct interconnections with five entities with which the Authority has long-term power contracts for energy interchange. See "Interconnection and Interchanges" below.

The table below details the Authority's resource capacity classified by fuel type for the winter power supply peak capability.

Source of Power Supply (Capacity)	**(MW)**	**% of Total**
Coal	3,480	59.4%
Natural Gas and Oil	1,413	24.1
Long-Term Contracted Purchases	463	7.9
Nuclear	322	5.5
Owned Hydro Generation	142	2.4
Landfill Methane Gas	26	0.5
Solar[(1)]	12	0.2
Total	5,858	100.0%

(1) Includes 5 MW of the Authority's owned resources and 283 MW of purchased power on a nameplate basis. The capacity shown in the table represents the effective load carrying capacity of solar.

The Authority is currently not subject to any renewable requirements or mandates; however, the Authority supports renewable energy development in its service area. Renewable energy programs include a distributed generation rider in which the Authority purchases excess power produced by a retail customer who installs a solar system on their home or business as well as a community solar program in which the Authority contracts with customers to provide them a portion of the output from an existing solar power purchase agreement. This program allows customers to participate in solar generation even if they choose not to install solar systems on their home or business.

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Existing Generating Facilities

The Authority's generating facilities are set forth in the following table.

Generating Facilities	Location	Initial Date in Service	Winter Capacity (MW) [1]	Summer Capacity (MW) [1]	Energy Source
Jefferies Hydroelectric Generating Station	Moncks Corner	1942	140	140	Hydro
Wilson Dam Generating Station	Lake Marion	1950	2	2	Hydro
Combustion Turbines Nos. 1 and 2	Myrtle Beach	1962	20	16	Oil/Gas
Combustion Turbines Nos. 3 and 4[2]	Myrtle Beach	1972	20	19	Oil
Combustion Turbine No. 5	Myrtle Beach	1976	25	21	Oil
Combustion Turbine No. 1	Hilton Head Island	1973	20	16	Oil
Combustion Turbine No. 2	Hilton Head Island	1974	20	16	Oil
Combustion Turbine No. 3	Hilton Head Island	1979	60	52	Oil
Winyah Generating Station	Georgetown				
No. 1		1975	280	275	Coal
No. 2		1977	290	285	Coal
No. 3		1980	290	285	Coal
No. 4		1981	290	285	Coal
Summer Nuclear Unit 1	Jenkinsville	1983	322 [3]	322 [3]	Nuclear
Cross Generating Station	Cross				
Unit 1		1995	585	580	Coal
Unit 2		1983	570	565	Coal
Unit 3		2007	580	585	Coal
Unit 4		2008	595	605	Coal
Horry Landfill Gas Station	Conway	2001	3	3	LMG [4]
Lee County Landfill Gas Station	Bishopville	2005	11	11	LMG
Richland County Landfill Gas Station	Elgin	2006	8	8	LMG
Georgetown County Landfill Gas Station	Georgetown	2010	1	1	LMG
Berkeley County Landfill Gas Station	Moncks Corner	2011	3	3	LMG
Rainey Generating Station	Starr				
Unit 1		2002	520	460	Gas
Unit 2A		2002	180	146	Gas
Unit 2B		2002	180	146	Gas
Unit 3		2004	90	75	Gas
Unit 4		2004	90	75	Gas
Unit 5		2004	90	75	Gas
Cherokee Generating Station	Gaffney	1998	98	86	Gas
Solar[5]	Various	2006-2019	5	5	Solar
Total Capability			5,388	5,163	

[1] Capacity represented by Net Dependable Capacity (NDC).
[2] Myrtle Beach Combustion Turbine No. 4 is currently unavailable until further notice and is not included in totals above.
[3] Represents the Authority's one-third ownership interest in Summer Nuclear Unit 1.
[4] Landfill Methane Gas ("LMG").
[5] Capacity values for solar reflected nameplate capacity. The Authority owns approximately 5 MW of solar capacity.

Fossil Fuel Generation

All Authority operated units are maintained with computerized maintenance management systems and the use of preventive, predictive, and proactive maintenance practices to achieve high reliability and efficiency at low maintenance cost. In its maintenance program, the Authority utilizes technologies such as vibration analysis, oil analysis, thermography, laser alignment, and non-destructive testing. The Authority continues to implement equipment maintenance programs for the units including major unit components such as control systems, steam generators, and turbine generators. See "THE AUTHORITY – Capital Improvement Program and Future Financings."

Coal-Fired Generation Performance Indicators. Performance monitoring systems are in place at the Authority's coal-fired generating stations to optimize each unit's operation while complying with environmental requirements.

The following table sets forth certain performance indicators for the Authority's coal-fired generation for the years 2021 through 2023.

	2021	2022	2023
Capacity Factor - %	35.1	32.6	36.2
Availability Factor - %	75.8	85.9	82.3
Forced Outage Rate - %	3.8	3.4	3.2
Net Heat Rate (BTU/kWh)	10,388	10,169	10,290

Gas-Fired Combined Cycle Generation. As of November 1, 2023, the Authority acquired a 98 MW natural gas-fired, combined-cycle generation facility located in Gaffney, South Carolina (the "Facility"). The acquisition was accomplished by purchasing 100% of Cherokee County Cogeneration Partners, LLC, the entity that owns (i) the license to operate the Facility, (ii) all assets and equipment related to the Facility, and (iii) all necessary permits. The Facility is interconnected to the electric transmission system of Duke Energy Carolinas, LLC and is connected to the existing Transcontinental Gas Pipeline Company, LLC ("Transco") natural gas pipeline which runs through western South Carolina. The Facility is a Qualifying Facility ("QF") under Section 210 of the Public Utility Regulatory Policies Act of 1978 and sells its excess thermal energy to a laterally connected refrigeration and packaging operation operated by an ice manufacturer. The purchase price for the Facility was $17 million. Central approved the acquisition as a proposed shared resource ("PSR"). See "Integrated Resource Planning" below.

The acquisition was approved by the Public Service Commission on September 28, 2023, and the acquisition of the subject real property was approved by the Joint Bond Review Committee on October 10, 2023. The transaction between the Authority and Cherokee Generating, LLC closed on October 31, 2023, and the Facility has been available since that date via block scheduling across the intervening transmission system and operated intermittently by the Authority based on system conditions. On August 1, 2024, a pseudo-tie was put in place, virtually bringing this unit into the Authority Balancing Area, thereby allowing the Authority to dynamically dispatch this unit and follow its load on a real-time basis.

The following table sets forth certain performance indicators for the Authority's combined cycle gas-fired generation for the years 2021 through 2023.

	2021	2022	2023
Net Capacity Factor - %	82.2	89.7	78.3
Availability Factor - %	88.7	94.7	85.3
Forced Outage Rate - %	0.2	0.1	0.9
Combined Cycle Net Heat Rate (BTU/kWh)	7,115	7,135	7,129

Nuclear Generation

The Authority owns a one-third undivided interest in the Virgil C. Summer Nuclear Generating Station Unit 1 ("Summer Nuclear Unit 1"), which has a pressurized water reactor with a Maximum Dependable Capacity ("MDC") of 966 MW net. The Authority's share of the MDC is 322 MW. Dominion owns the remaining two-thirds undivided interest and operates and maintains Summer Nuclear Unit 1 on its own behalf and as the Authority's agent.

The NRC oversees plant performance through the Reactor Oversight Process ("ROP") assessment program. The ROP assessment program collects information from inspections and performance indicators ("PIs") which the NRC uses to objectively assess a facility's safety performance. The ROP consists of three key strategic performance areas: reactor safety, radiation safety, and safeguards. Summer Nuclear Unit 1 is currently in the Licensee Response Column of the ROP Action Matrix. As a result of being in the Licensee Response Column, NRC oversight of Summer Nuclear Unit 1 is limited to baseline inspections.

In 2004, the NRC extended the operating license for Summer Nuclear Unit 1 an additional twenty years to August 6, 2042. On August 17, 2023, Dominion submitted a Subsequent License Renewal application to the NRC on behalf of itself and the Authority to extend the operating license for Summer Nuclear Unit 1 from August 2042 to August 2062. The renewal process is expected to be completed by August 2025.

Under the provisions of the Nuclear Waste Policy Act of 1982, on June 29, 1983, Dominion and the Authority entered into a contract (the "Standard Contract") with the Department of Energy ("DOE") for spent fuel and high-level waste disposal for the operating life of Summer Nuclear Unit 1. The Nuclear Waste Policy Act and the Standard Contract required the DOE to accept and dispose of spent nuclear fuel and high-level radioactive waste beginning not later than January 31, 1998. To date, the DOE has not accepted any spent fuel from Summer Nuclear Unit 1 or any other utility and has not indicated when it anticipates doing so.

Dominion contracted with HOLTEC International, The Shaw Group, Inc. ("Shaw") and Westinghouse to build a licensed Independent Spent Fuel Storage Installation ("ISFSI"), which was completed and commenced receiving fuel in 2016. Because of the DOE's failure to meet its obligation to dispose of spent fuel, Dominion and the Authority are being reimbursed by DOE for a portion of ISFSI project costs. The DOE reimbursements to date equal approximately 85% of the total project costs.

The following table sets forth certain performance indicators for Summer Nuclear Unit 1 for the years 2021 through 2023 and for the period of commercial operation from January 1, 1984, through December 31, 2023. The next refueling outage is scheduled for March 20, 2026.

	2021[1,2]	**2022**	**2023**[3,4,5]	**January 1, 1984 - December 31, 2023**
Net Generation – MWh	6,997,107	8,591,103	7,515,709	280,380,651
Capacity Factor - %	82.7	101.5	88.8	85.2
Availability Factor - %	82.5	99.4	87.9	86.2
Forced Outage Rate - %	8.4	0.0	4.2	2.5

(1) Fall 2021 — 36 days for scheduled refueling outage.
(2) November 15 - December 10, 2021 — 26 days for unscheduled outage to replace the failed step-up transformer.
(3) April 5 - April 7, 2023 — 2.6 days for unscheduled outage from loss of a main feed pump and subsequent thrust bearing repair.
(4) Spring 2023 — 30 days for scheduled refueling outage.
(5) May 7 - May 19, 2023 — 11.6 days for unscheduled outage extension to complete maintenance and refueling activities.

Power Purchase Agreements or Purchases

The Authority presently receives 84 MW of firm supply from the U.S. Army Corps of Engineers and 305 MW of firm hydroelectric power from SEPA. The SEPA allocation consists of 154 MW for wheeling to the SEPA preference customers served by the Authority and 151 MW purchased by the Authority for its customers. The Authority's contract with SEPA is subject to termination only after the Authority delivers a written termination notice to SEPA at least twenty-five (25) months prior to the termination date, or SEPA delivers a written termination notice to the Authority at least twenty-four (24) months prior to the termination date. The Authority may also terminate the contract in the event of a rate adjustment that would result in increased costs to the Authority.

In addition to the Authority's generation facilities, the Authority enters into various power purchase arrangements through which the Authority purchases additional capacity and energy. The following chart describes power purchase and capacity agreements entered into by the Authority.

Power Purchase Agreements

Number and Type	Capacity/Energy	Fuel Source	Online Date	Term (years)
3 PPAs	74 MW of capacity and energy	biomass	2010-2013	15 to 30
1 Agreement to Purchase Output	2.5 alternate current MW solar photovoltaic	Solar	2013	20
4 PPAs	280 MW to comply with PURPA requirements	Solar	2020-2023	5
2 PPAs with Central	200 MW of Solar	Solar	2025	20
2 PPAs	250 MW of capacity with optional energy	Natural Gas 80% Coal/Oil/Other Resources 20%	2024	5
1 PPA	150 MW of capacity and energy	Nuclear	2025	4
1 Short-Term PPA*	47 MW of capacity	Oil/Diesel	2023	Less than 1

* Represents a series of short-term PPAs that are each less than 1 year in length.

As required by Section 58-31-227 of the South Carolina Code of Laws, in November 2022, the Authority filed for SCPSC approval of a program for the competitive procurement of renewable energy ("CPRE"). The SCPSC approved this program on January 3, 2024 (Docket no. 2022-351-E; Order No. 2024-2). Following the guidelines established in the approved CPRE program, the Authority, with Central's cooperation, issued the required notices followed by the issue of a Request for Proposals ("RFP") on June 10, 2024. The RFP requests proposals for energy and associated renewable and environmental attributes produced from solar PV resources. The 2023 IRP (see "Integrated Resource Planning" below) anticipates adding additional solar PV resources of, on average, 300 MW (alternating current; nameplate rating) per year from 2026 through 2032. The 2024 Solar RFP is the first step toward procurement of the anticipated additional solar PV to be added across the Authority's service territory through 2028.

Fuel Supply and Risk Management

During 2023, the Authority's energy supply, including energy wheeled to SEPA preference customers, was derived from the following fuel sources:

Source of Power Supply (Energy)	% of Total (MWh)
Coal	41.5%
Natural Gas and Oil	20.9
Nuclear	9.3
Hydro	1.7
Other Owned Renewables	0.2
Purchases:	
Renewable	5.2
Other	21.2
Total	100.0%

Coal. The Authority contracts for bituminous coal from three primary coal basins: Central Appalachia, Northern Appalachia, and Illinois Basin. Considering quantity and quality requirements, the Authority uses a combination of these coal supplies with long-term and short-term contracts to meet its solid fuel needs at the Winyah and Cross Generating Stations. The Authority evaluates the fuel contracts based on the lowest delivered prices, while ensuring and adapting to future needs.

The Authority has long-term contracts in place with five different suppliers for 2025, four suppliers for 2026, three suppliers for 2027 and 2028, and one supplier for 2029 and 2030. The Authority also has an executed agreement with a supplier to provide all make-up tons that were not previously provided during the Rate Freeze Period. With the addition of these volumes from executed contracts to existing inventory, the Authority has secured the following percentages of the projected coal burns for 2025-2030: 93%, 80%, 50%, 53%, 34% and 34%, respectively. Additional coal can be acquired from spot market purchases if necessary. All the Authority's suppliers have loading facilities for providing delivery of coal in unit train shipments. The Authority owns approximately 1,700 coal cars and can supplement its fleet as needed with cars provided by the railroad and through short-term leases. The Authority will also lease out its owned cars to other parties to avoid storage charges during periods when all of its coal cars are not needed for planned shipments. The Authority's current rail transportation contract is in effect through June 30, 2025. The Authority will be negotiating an extension of this contract prior to the termination date of this agreement. The rail transportation contract has a fuel surcharge clause that requires the Authority to pay the retail diesel price overage beyond the base charge; this exposure is mitigated by use of a heating oil financial futures hedge program. Heating oil is a close proxy for retail diesel. Based on the most recent projection of exposure to retail diesel via rail miles traveled, the current heating oil coverage level is 57% for 2025.

The Authority uses a methodology that reflects the impact of coal to gas switching to calculate its coal days on hand. This methodology for calculating coal days on hand uses the annual amount of coal budgeted to be burned divided by 365. The annual burn budget factors in coal to gas generation switching based on economics, using projections based on gas prices and forward price curves available at the time the budget is developed. Using this methodology, the Authority had approximately 95 days of coal on hand as of September 30, 2024, based on 34 days of maximum burn and 74 days of average burn projected for 2025.

Sulfur dioxide ("SO_2") air emission limitations dictate the maximum amount of coal sulfur content that can be used by generating units. The sulfur content of coal received under existing contracts ranges from approximately 0.9% to 3.0%. See "REGULATORY MATTERS – Environmental Matters."

Natural Gas. The Authority uses its Firm Transportation contracts as well as short-term and daily pipeline capacity purchases on the market to ensure delivery of natural gas to its plants. The Authority contracted with Transco to provide firm gas transportation on the SouthCoast Expansion for 80,000-MMBtu/day, the amount approximately equal to the combined cycle unit of the Rainey Generating Station at full load. The fixed rate contract expired on October 31, 2015; however, a service agreement for the same volume is in effect through November 1, 2031, and thereafter on a year-to-year basis at the tariff rate. The current SouthCoast tariff rate is $0.13482 per dekatherm which includes a base reservation rate of $0.13240 that is likely to remain in effect until the current rate case, filed on August 30, 2024, at FERC Docket No. RP24-1035 is settled or finally adjudicated, and an electric power unit rate of $0.00242 that changes approximately annually. The fixed reservation charge is paid regardless of use. Variable charges are incurred as physical nominations of natural gas are scheduled to flow.

Additionally, the Authority has signed a Precedent Agreement with Transco for an additional 80,000-MMBtu/day of firm gas transportation, to serve both Rainey and Cherokee, on the proposed Southeast Supply Enhancement project with an expected in-service date of November 1, 2027.

Any additional gas transportation necessary to fuel the remaining needs of the units at the Rainey or Cherokee Generating Station will be purchased on the spot market as needed.

Fuels Risk Management. The Board has approved a policy governing activities related to the Authority's fuels risk management program. The Authority strives to mitigate variations in price with a combination of long-term and short-term contracts, a hedging program, and by taking advantage of market opportunities, such as

purchasing and blending off-specification coal when the economics are favorable. The Authority has determined that TEA will execute transactions as outlined by the policy's procedures. See "POWER SUPPLY, POWER MARKETING, PLANNING AND OTHER FACILITIES – The Energy Authority." The Authority purchases the majority of its physical natural gas on a daily or short-term basis. Based on the most recent projection of natural gas volume requirements of Rainey and Cherokee units, the level of natural gas commodity hedged by way of forward financial positions is 75% for 2025 and 37% for 2026. The Authority also has natural gas exposure by way of various purchase power agreements which are in effect through 2028. The hedge coverage for such agreements is 15% for 2025. The Authority also hedges exposure to retail diesel fuel used in coal deliveries. See "*Coal*" above. On September 19, 2024, the Authority's Executive Energy Management Committee ("EEMC") approved a new product called Prepaid Natural Gas ("PNG"). By partnering with other tax-exempt municipal entities, through a Joint Action Agency who issues bonds, the Authority can contract with a supplier for delivery of must-take PNG at a discount to the daily market prices as long as the natural gas is being used for our Qualified Use customers (retail load). A North American Energy Standards Board ("NAESB") agreement with Municipal Gas Authority of Georgia, a Joint Action Agency, was required to execute any specific transactions which can be short-term or long-term (30-year terms have 5-to-7-year re-pricing periods and temporary and permanent remedies to exit the transaction). The Authority has entered a short-term and a long-term transaction on 10k-MMBtu/day of the 80k-MMBtu/day pipeline capacity at Rainey. The short-term transaction has a term of November 2024 through March 2025 with a discount of $0.05/MMBtu. The long-term transaction has a term of April 2025 through March 2055 with a discount of $0.52/MMBtu for the initial pricing period which will be repriced after 7 years. The cost of commodity and delivery variables remain open to the market; however, traditional financial hedging tools can be used to secure those exposures.

System Risk Mitigation. The following table takes into consideration the Authority's exposure to all types of fuel and energy used to serve its load, as projected in the 2025 Budget Dispatch. It includes previously described commodity coverages for volumes of natural gas, coal, coal transportation surcharge, and purchased power agreements. It also includes the coverage of associated costs. Most of the remaining cost exposure is due to purchased power agreements that have a floating price, natural gas transportation costs that are normally not secured until the day before expected usage, and coal transportation. See above "*Coal*", "*Natural Gas*", "*Commodity Risk Management*", and "– Power Purchase Agreements or Purchases."

	2025		2026	
	Volume Coverage	Cost Coverage	Volume Coverage	Cost Coverage
Coal	93%	70%	80%	46%
Natural Gas	75%	73%	37%	39%
Purchased Power-Energy	84%	54%	66%	37%
System Overall	**89%**	**67%**	**71%**	**43%**

Nuclear. Under the Joint Ownership Agreement for Summer Nuclear Unit 1, Dominion acts for itself and as agent for the Authority in the operation of Summer Nuclear Unit 1 including the acquisition and management of nuclear fuel. Contracts and enriched uranium inventory are in place to supply uranium and conversion services requirements through 2027. Contracts and enriched uranium inventory are in place to supply enrichment service requirements through 2030.

Market Power Purchases. The majority of the Authority's market purchases come from TEA but also include PMPA, SEPA, SEEM and renewable PPAs.

Transmission

The Authority operates an integrated transmission system which includes lines owned by the Authority as well as those owned by Central and maintained by the Authority. The transmission system includes approximately 1,480 miles of 230 kilovolt ("kV"), 1,971 miles of 115 kV, 1,755 miles of 69 kV and 40 miles of 34 kV and below overhead and underground transmission lines. The Authority operates 93 transmission substations and switching stations serving 94 distribution substations and 424 Central delivery points. The Authority plans the transmission

system to operate during normal and contingency conditions that are outlined in electric system reliability standards adopted by the North American Electric Reliability Corporation ("NERC").

Broadband Access

As part of the statewide initiative, the Authority is working with State agencies and private companies to utilize its transmission lines and excess fiber to assist with the delivery of broadband internet to rural areas in the State. The Authority will not provide internet service or act as an Internet Service Provider but is accepting applications for dark fiber leasing and pole attachments from organizations that do provide internet service. The Authority has entered into a signed agreement with one electric cooperative to assist with the delivery of internet service.

Distribution

The Authority owns distribution facilities in two service areas: (i) the Berkeley District serving retail customers in St. Stephen, Bonneau Beach, Moncks Corner and Pinopolis, and some unincorporated and rural areas in Berkeley County, along with a small parcel in Charleston County; and (ii) the Horry-Georgetown Division serving retail customers in Conway, Myrtle Beach, North Myrtle Beach, Loris, Briarcliffe, Surfside Beach, Atlantic Beach, Pawleys Island, unincorporated areas along the Grand Strand and portions of rural Georgetown and Horry Counties. See "CUSTOMER BASE."

General Plant

The Authority owns general plant assets consisting of office facilities; transportation and heavy equipment; computer equipment; and communication equipment necessary to support the Authority's operations. The general plant includes all buildings associated with supporting the operations of the Authority throughout the State. These buildings range from a main office complex in Moncks Corner and an office facility in Myrtle Beach to multiple warehouses, crew quarters, transportation service buildings and various other service buildings.

Interconnection and Interchanges

The Authority's transmission system is interconnected with other major electric utilities in the region. It is directly interconnected with Dominion at twelve locations; with Duke Energy Progress at eight locations; with Southern Company Services, Inc. ("Southern Company") at one location; and with Duke Energy Carolinas, at two locations. The Authority is also interconnected with Dominion Energy South Carolina, Duke Energy Carolinas, Southern Company and SEPA through a five-way interconnection at SEPA's J. Strom Thurmond Hydroelectric Project, and with Southern Company and SEPA through a three-way interconnection at SEPA's R. B. Russell Hydroelectric Project. Through these interconnections, the Authority's transmission system is integrated into the regional transmission system serving the southeastern areas of the United States and the Eastern Interconnection. The Authority has separate interchange agreements with each of the companies with which it is interconnected to provide for mutual exchanges of power.

Reliability Agreements

The Authority is a party to the Carolina Reserve Sharing Group ("CRSG") Agreement, which exists to safeguard the reliability of the CRSG region by pooling and sharing operating capacity reserves. Other parties to this agreement are Duke Energy Progress, Duke Energy Carolinas, and Dominion Energy South Carolina.

The Authority is also a member of the SERC Reliability Corporation, which is one of six regional entities under NERC, and a member of the VACAR South sub region. The VACAR South sub region is comprised of the Authority, Duke Energy Progress, Duke Energy Carolinas, Dominion Energy South Carolina, and Cube Hydro Carolinas LLC. VACAR South safeguards the reliability of the region by coordinating the planning and operation of the regional bulk electric system.

The Energy Authority

The Authority is a member of TEA, a governmental nonprofit power marketing corporation. In addition to the Authority, the current members of TEA include City Utilities of Springfield (Missouri), Gainesville Regional Utilities (Florida), JEA (Florida), Nebraska Public Power District, American Municipal Power, Inc. (Ohio) and the Grand River Dam Authority (Oklahoma). TEA is engaged in buying and selling wholesale electric power and procuring natural gas for its members for use in their operations and also serves as members' market participant in various regional transmission organizations, to maximize the efficient use of energy resources, reduce operating costs and increase operating revenues of its members without impacting the safety and reliability of their electric systems. TEA's revenues and costs are allocated to members pursuant to settlement procedures under TEA's operating agreement.

As of September 30, 2024, the Authority had an approximate 17.65% ownership interest in TEA and the Authority accounts for its investment in TEA under the equity method of accounting. As a member of TEA, the Authority pays a membership fee and makes certain contributions to capital and is providing certain guarantees in an amount not to exceed $126.1 million for electric and gas trading by TEA as of September 30, 2024. If any payment is required to be made to TEA by the Authority, it will be payable as an operation and maintenance expense under the Revenue Obligation Resolution. All of TEA's revenues and costs are allocated to the members. As of September 30, 2024 and December 31, 2023, the Authority's share of monthly revenues over expenses from the Authority's investment in TEA was $4.5 million and $1.7 million, respectively. For additional information, see "M – Investment in Associated Companies" under Note 1 in APPENDIX A – "Report of the Authority's Financial Statements" attached hereto.

Southeast Energy Exchange Market

The Authority is a participant in the Southeast Energy Exchange Market ("SEEM"), a region-wide, integrated, automated, intra-hour energy exchange platform. SEEM matches buyers and sellers of energy with the goal of more efficient bilateral trading utilizing unused transmission capacity to achieve cost savings for customers. Other founding members of SEEM include Associated Electric Cooperative, Dalton Utilities, Dominion Energy South Carolina, Duke Energy Carolinas, Duke Energy Progress, Georgia System Operations Corporation, Georgia Transmission Corporation, Louisville Gas & Electric and KU Energy, MEAG Power, North Carolina Municipal Power Agency No. 1, NCEMC, Oglethorpe Power Corp., PowerSouth, Southern Company and Tennessee Valley Authority. The Southeast Energy Exchange Market Agreement among SEEM and the prospective members was deemed approved by operation of law by FERC on October 12, 2021, and became operational on November 9, 2022. On July 14, 2023, the United States Court of Appeals for the District of Columbia Circuit granted in part and denied in part a petition for review of FERC's interrelated SEEM orders, including vacating FERC's deemed approval and remanding the matter back to FERC for further action. On June 14, 2024, FERC issued an Order Establishing Briefing on Remand and Rehearing requesting stakeholders to file briefs on the issues discussed in the order to assist FERC in its determination of certain issues on remand. Initial briefs were due and filed 60 days after the order was issued and reply briefs were due 30 days later. SEEM has continued to operate during this period and SEEM operations are expected to continue during the period of FERC review.

The Electric Utility Industry Generally

The electric utility industry in general has been affected by regulatory changes, market developments and other factors which have impacted, and will probably continue to impact, the financial condition and competitiveness of electric utilities and the level of utilization of facilities, such as those of the Authority. Such factors include, among others, (a) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements, (b) changes resulting from conservation and demand-side management programs on the timing and use of electric energy, (c) changes that might result from national energy policies, (d) effects of competition from other electric utilities (including increased competition resulting from mergers, acquisitions, and strategic alliances of competing electric (and gas) utilities and from competitors transmitting less expensive electricity from much greater distances over an interconnected system) and new methods of producing low cost electricity, (e) increased competition from independent power producers, marketers and brokers, (f) self-

generation by certain industrial, commercial and residential customers, (g) issues relating to the ability to issue tax-exempt obligations, (h) restrictions on the ability to sell to nongovernmental entities electricity from projects financed with outstanding tax-exempt obligations, (i) changes from projected future load requirements, (j) increases in costs, (k) shifts in the availability and relative costs of different fuels, and (l) changes in customer preferences for sustainable operations and utilization of alternative energy sources.

While the Authority makes every effort to anticipate and predict what effect the above factors may have on its business operations and financial condition, any of these factors as well as other unforeseen economic, market and regulatory changes can occur. In addition, the Authority recognizes the uncertainty that a change in policies that a new presidential administration can produce and is unable to predict the likelihood of any regulatory changes, any legal challenges to such changes or the effects any such changes may have on the Authority's business operations or financial condition, but the effects could be significant.

Extensive information on the electric utility industry is available from sources in the public domain, and potential purchasers of the 2025 Bonds should obtain and review such information.

Integrated Resource Planning

Integrated Resource Plans

The Authority develops integrated resource plans (each an "IRP") as part of its overall planning process. The IRP process evaluates the Authority's existing generation resources and its projected load and energy needs over an extended period and establishes a plan for the resources needed to serve these needs. Under revisions to the Code 58-37, the Authority is now required to prepare an IRP and submit it to the SCPSC every three years, with updates in the intervening years. The Authority is also required to create a process to receive stakeholder input as a part of developing its IRP. Each IRP will establish a roadmap for how the Authority expects to meet the projected load of its customers, in a cost-effective and reliable manner and requires a balancing of multiple objectives, including system reliability, environmental responsibility, cost impacts and risks. The IRP is required to be developed by the Authority in consultation with the electric cooperatives, including Central, and municipally owned electric utilities purchasing power and energy from the Authority, and the Authority is to consider any feedback provided by retail customers.

The 2023 Integrated Resource Plan

The 2023 Integrated Resource Plan (the "2023 IRP") was initially filed with the SCPSC on May 15, 2023, at docket number 2023-154-E, and was supplemented by the Authority on October 27, 2023, with an Addendum providing the results of analysis prepared in response to recommendations from the ORS. On March 8, 2024, the SCPSC issued Order No. 2024-171 approving the 2023 IRP, having determined the proposal represented the most reasonable and prudent means of meeting the Authority's energy and capacity needs as of the time the proposed IRP was reviewed. A copy of the 2023 IRP may be viewed at the following address: https://www.santeecooper.com/About/Integrated-Resource-Plan/Reports-and-Materials/2023-Santee-Cooper-IRP.pdf. *No statement or information on the Authority's website is incorporated by reference herein.*

The 2023 IRP was developed through stakeholder engagement and analytical processes required by statute. The Authority evaluated several portfolio strategies in the 2023 IRP, including an unconstrained portfolio with no restrictions, a portfolio assuming the retirement of the coal-fired Cross Generating Station, and a portfolio targeting "net zero" CO_2 emissions by 2050. This evaluation includes several sensitivity and side case analyses to review the relative impacts of each portfolio on costs, reliability and emissions.

The 2023 IRP ultimately identified the Authority's "Preferred Portfolio," which reflected a cost-effective approach under a wide range of assumptions and would position the Authority to adapt to potential policy changes related to CO_2 emissions.

The Preferred Portfolio includes adding substantial new solar resource capacity annually from 2026 through the 2030s, totaling approximately 1,500 MW by 2030 and over 3,000 MW by 2040; retiring the 1,150 MW Winyah Coal Generating Station by year-end 2030; developing a natural gas combined cycle ("NGCC") resource of approximately 1,000 MW to coincide with the retirement of Winyah; and adding several hundred MW of combustion turbine generating units and battery energy storage systems ("BESS") in the mid-2030s.

The 2023 IRP also outlines a short-term action plan, which includes continuing to work with Central and market participants to identify options and transmission arrangements to meet capacity needs before 2029; proceeding with further actions to implement the NGCC resource, including potential collaboration with Dominion; adding substantial solar resources through multiple procurements, targeting new capacity additions starting in 2026; further implementing attractive demand-side management programs and conducting additional studies to evaluate demand-side options; implementing a BESS resource as a pilot project to enhance familiarity with the technology; and investigating the cost and appropriate locations for future wind projects.

Each IRP, including the 2023 IRP, is developed solely as a planning document and no assurance is given as to the ability of the Authority to achieve the goals described therein.

2024 Annual Update to the Integrated Resource Plans

The Authority is required to submit annual updates to its approved IRP to the SCPSC. The annual update must include an update to the Authority's base planning assumptions relative to its most recently accepted IRP, including, but not limited to energy and demand forecast, commodity fuel price inputs, renewable energy forecast, energy efficiency and demand-side management forecasts, changes to projected retirement dates of existing units, along with other inputs the SCPSC deems to be for the public interest. The Authority's annual update is also required to describe the impact of updated base planning assumptions on the selected resource plan. The ORS reviews the Authority's annual update and will submit a report to the SCPSC providing a recommendation concerning the reasonableness of the annual update. The SCPSC may accept the annual update or direct the Authority to make changes to the annual update that the SCPSC determines to be in the public interest.

The Authority filed the 2024 annual update to the IRP on September 16, 2024, at docket number 2024-18-E. The update is structured to comply with regulatory requirements and to address specific requirements as ordered by the SCPSC. In conjunction with this annual update, the Authority formed a Stakeholder Working Group with participants representing a wide range of interests and perspectives. The intent is to create an open dialogue and provide a forum for deep technical discussion of the analytical work supporting the IRP. The Authority will also continue to hold general Stakeholder sessions, open to the public, and publish meeting presentations and materials on the Authority's website on the integrated resource plan page located at the following address: https://www.santeecooper.com/About/Integrated-Resource-Plan/Index.aspx. *No statement or information on the Authority's website is incorporated by reference herein.*

The 2024 annual update includes an updated load forecast with substantial load growth from new and existing large customers, a significant portion of which is related to data centers and battery manufacturing facilities. During development, the Authority tracked 25 potential customers who expressed a desire to receive service directly from the Authority or indirectly through the Authority's wholesale customers, with a potential aggregate peak demand of approximately 3,500 MW. After careful evaluation of these potential loads, the Authority made an adjustment to the load forecast of approximately 1,100 MW (winter peak) by 2033.

The 2024 annual update confirms the primary conclusions reached in the 2023 IRP regarding the need for a large NGCC resource, substantial new solar resources, and the need for combustion turbine and battery energy system storage to meet system peaking needs. Due to the increase in load growth, the 2024 annual update identifies resource additions beyond those recommended in the 2023 IRP. These resources consist of additional capacity opportunities at the existing Rainey Generating Station and acceleration and addition of more peaking capacity through combustion turbine, battery energy storage system and power purchase agreement resource options. The 2024 annual update can be viewed on the Authority's website on the integrated resource plan page located at the following address: https://www.santeeecooper.com/About/Integrated-Resource-Plan/Reports-and-

Materials/Santee-Cooper-2024-IRP-Update.pdf. *No statement or information on the Authority's website is incorporated by reference herein.*

Power System Additions

South Carolina law imposes certain limitations and approval requirements on the Authority with respect to the planning and development, construction, or acquisition of a major utility facility. In addition, the SCPSC must approve the construction or acquisition of a major utility facility, but only to the extent the transaction is not subject to the exclusive jurisdiction of the FERC. A 'major utility facility' is defined under existing statutes as an electric generating plant and its associated facilities designed for operation at a capacity of more than 75 MW, or an electric transmission line and associated facilities with a designed operating voltage of 125 kV, or more, but does not include electric distribution lines and associated facilities. The Authority filed an Application for a Certificate of Environmental Compatibility and Public Convenience and Necessity with the SCPSC for the construction and operation of a steam turbine generator and associated facilities at the existing Rainey Generating Station in docket number 2024-264-E. The SCPSC approved the application on January 30, 2025. The project will convert two existing combustion turbines into a 2x1 natural gas combined cycle turbine, expected to add 178 MW of incremental winter capacity.

In addition, the Authority may not enter into a contract for the purchase of power with a duration longer than ten years without approval of the SCPSC, provided that the approval is required only to the extent the transaction is not subject to the exclusive jurisdiction of FERC or any other federal agency. Approval of such a contract is not required for purchases of renewable power through a commission approved competitive procurement process. The Authority's CPRE was approved by SCPSC on January 3, 2024. See " – Power Purchase Agreements or Purchases" above.

SUMMER NUCLEAR UNITS 2 AND 3

On July 31, 2017, the Authority approved the wind-down and suspension of construction of the Summer Nuclear Units 2 and 3 at the Summer Nuclear Station and the preservation and protection of the site and related components and equipment. The Authority had spent approximately $4.7 billion in construction and interest costs. Upon suspending construction, and in accordance with GASB No. 62, the Authority ceased capitalizing interest expense on the debt incurred to fund Summer Nuclear Units 2 and 3 as of July 31, 2017.

Except for certain assets to be repurposed at Summer Nuclear Unit 1 or used to enhance the Authority's transmission system, the fuel assets and non-fuel assets comprising Summer Nuclear Units 2 and 3 were determined in accordance with GASB No. 42 to be impaired.

Regulatory Accounting for Summer Nuclear Units 2 and 3. Based on the results of a fair value determination of the assets, the write-off of the construction costs and fuel for Summer Nuclear Units 2 and 3 for the year ended December 31, 2017, totaled $4.211 billion. In January of 2018, the Authority approved the use of regulatory accounting for the $4.211 billion impairment write-off. The majority of the costs of Summer Nuclear Units 2 and 3 were financed with borrowed funds, and for rate-making purposes, the Authority includes the debt service on these borrowed funds in its rates. Therefore, the impairment is being recorded as a regulatory asset and amortized through November 2056 to align with the principal payments on the associated indebtedness.

In December of 2017, the Authority approved the use of regulatory accounting to defer (i) a portion of post-suspension capitalized interest in the amount of $37.1 million to be amortized through November 2056 in order to align with the principal payments on the debt used to pay the interest and (ii) the recognition of income from the settlement agreement with the Toshiba Corporation ("Toshiba") relating to Toshiba's guaranty of certain payment obligations in respect of Summer Nuclear Units 2 and 3 (the "Toshiba Settlement Agreement") in the amount of $898.2 million, to be amortized over time to align with the manner in which the settlement proceeds are used to reduce debt service payments.

The following table summarizes the nuclear-related regulatory items:

Regulatory Item	Classification	Original Amount	2018 – 2023 Amortization	2018 - 2023 Changes	2023 Ending Balance
Nuclear impairment	Asset	$4.211 billion	($561.3 million)	($40.2 million)	$3.610 billion
Nuclear post-suspension interest	Asset	$37.1 million	($419,000)	-	$36.7 million
Toshiba Settlement Agreement	Deferred Inflow	$898.2 million	($678.9 million)	$13.8 million	$233.1 million

For additional information regarding the accounting treatment of the Summer Nuclear Units 2 and 3 assets, see "Regulatory Accounting Treatment" under Note 7 – Summer Nuclear Station in APPENDIX A – "REPORT OF THE AUTHORITY'S FINANCIAL STATEMENTS" attached hereto.

Sales of Summer Nuclear Units 2 and 3 Assets. Since 2018, the Authority has sold certain equipment and commodities located at the Summer Nuclear Station to third parties. As of September 30, 2024, $93.8 million of such materials have been sold. The Authority continues to work with Westinghouse to market and identify potential buyers of nuclear assets located at the Summer Nuclear Station, which may include a significant number of available assets sold to a single buyer. Authority approval is required to proceed with any such sale. The Authority expects to use the net proceeds received from the sale of nuclear-related equipment in its overall financial plan.

The Authority has engaged a consultant to conduct a process for requesting proposals from parties interested in acquiring one or both of Summer Nuclear Units 2 and 3 and the related assets, completing one or both of such units or pursuing alternative uses of the equipment and/or the site (the "2025 Nuclear RFP"). Responses to the 2025 Nuclear RFP are currently expected to be due on May 5, 2025, after which the Authority may select one or more qualified respondents to participate in the next phase of the RFP process. The acceptance of any proposal submitted to the 2025 Nuclear RFP is subject to approval of the Board and may be subject to regulatory oversight and other required approvals. The Authority is unable to predict the outcome of this RFP process, including whether any proposal will be accepted or any transaction ultimately consummated.

REGULATORY MATTERS

Environmental Matters

Both the U.S. Environmental Protection Agency (the "EPA") and the South Carolina Department of Environmental Services ("SCDES")[*] have imposed various environmental regulations and permitting requirements affecting the Authority's facilities. These regulations and requirements relate primarily to the emission of regulated air pollutants, the discharge of pollutants into waters and the disposal of solid and hazardous wastes, although the addition of new facilities and other projects and operations can also cause potential impacts associated with land disturbance, wetlands, wildlife, and threatened and endangered species. The Authority endeavors to ensure its facilities comply with applicable environmental regulations and standards; however, no assurance can be given that normal operations will not encounter occasional technical difficulties or that necessary permits and authorizations will be received. Federal and state standards and procedures that govern control of the environment, systems operations, and new facilities construction can change. These changes may arise from legislation, regulatory action, and judicial interpretations regarding the standards, procedures and requirements for compliance and issuance of permits. In addition, changes in presidential administrations can impact legal and regulatory interpretations as well as enforcement priorities. Therefore, there is no assurance that units in operation, under construction, or contemplated will remain subject to the regulations that are currently in effect. Furthermore, changes in environmental laws and standards may substantially increase capital and operating costs.

Air Quality

General Regulatory Requirements. The Authority is subject to a number of federal and state laws and regulations addressing air quality. Pursuant to the Clean Air Act ("CAA"), as amended, the EPA

[*] Effective July 2024, SCDES succeeded the South Carolina Department of Health and Environmental Control ("DHEC") as the South Carolina environmental regulatory agency.

promulgated primary and secondary national ambient air quality standards ("NAAQS") with respect to certain air pollutants, including particulate matter, ozone, SO_2 and nitrogen oxides ("NOx"). These standards are to be achieved by the application of control strategies included in state implementation plans that must be approved by the EPA. South Carolina adopted its EPA-approved State Implementation Plan ("SIP") in 1972, which has since undergone numerous amendments and is generally designed to achieve primary and secondary NAAQS. The EPA also promulgated New Source Performance Standards ("NSPS") regulations establishing stringent emission standards for particulate matter, SO_2 and NOx emissions for fossil-fuel fired steam generators. Congress has enacted comprehensive amendments to the CAA, including the addition of a program to address acid precipitation caused by SO_2 and NOx emissions.

Evolving Regulatory Requirements

Greenhouse Gases. On May 9, 2024, the EPA published a final rule establishing various guidelines for greenhouse gas ("GHG") emissions from existing fossil fuel-fired steam electric generating units ("EGUs") pursuant to its authority under the CAA. For existing coal-fired steam EGUs, the EPA determined that carbon capture and sequestration technology ("CCS") with a 90% capture rate is the best system of emission reduction ("BSER"); affected EGUs must comply with this requirement on or prior to January 1, 2032. If a coal-fired steam EGU will cease operations by January 1, 2039, then its BSER is to co-fire with natural gas at a level of 40% of the unit's annual heat input; the compliance deadline for those EGUs is January 1, 2030. If a coal-fired steam EGU will permanently shut down by January 1, 2032, it is exempt from these requirements. The final rule became effective on July 8, 2024. The Authority is currently analyzing the final rule to assess potential impacts to its affected EGUs.

The EPA's final rule published May 9, 2024 also established NSPS for GHG emissions from new, modified, and reconstructed fossil fuel-fired EGUs. Under the rule, EPA categorized combustion turbines as either base load, intermediate load, or low load. For base load turbines (*i.e.*, units operating above a 40% capacity factor), the BSER is: (i) highly efficient generation (based on the emissions of best performing units); and (ii) CCS technology with a 90% capture rate. The CCS requirement has a compliance deadline of January 1, 2032. Intermediate load facilities (*i.e.*, units operating above a 20% and at or below a 40% capacity factor) must comply with interim emission standards based on the efficient design and operation of combined cycle turbines. For low load facilities, those operating at 20% or less capacity factor, turbines are subject to emission standards based on the use of low emitting fuels. Under the final rule, the EPA eliminated GHG emissions guidelines for modified and existing gas-fired power plants. GHG emissions from existing gas-fired power plants will be promulgated under a separate future rulemaking. The final rule became effective on July 8, 2024. The rule was challenged in the D.C. Circuit Court of Appeals and on October 16, 2024, the United States Supreme Court issued a provisional ruling in favor of the EPA, allowing the emissions rule to go into effect and sending the case back to the lower court to be addressed on its merits. Oral arguments in the case were heard on December 6, 2024. Therefore, potential impacts of the rule on the Authority are subject to change.

Mercury and Air Toxics Standard. On May 7, 2024, the EPA published its final rule updating its Mercury and Air Toxics Standards. The rule sets new lower limits on filterable particulate matter for coal-fired power plants and requires that all coal- and oil-fired EGUs use continuous monitoring systems for particulate matter to demonstrate compliance with the new standards. The rule tightens the particulate emission standard by lowering the emission limit of particulate matter to one third the current limit. Numerous states jointly filed a legal challenge to the rule on May 8, 2024, and a request for stay of enforcement of the rule was denied by the D.C. Circuit Court of Appeals in August 2024. The case is currently pending before the D.C. Circuit Court of Appeals. Further, it is unclear how the change to the Trump Administration will further impact these standards, as the prior Trump Administration withdrew the legal justification for these standards in 2020. The impacts of the rule on the Authority are uncertain at this time but potential impacts are currently being analyzed and may be material.

Water Quality

General Regulatory Requirements. The Authority is subject to a number of federal and state laws and regulations which address water quality. The Clean Water Act ("CWA") prohibits the discharge of pollutants, including heat, from point sources into waters of the United States, except as authorized in the National Pollutant Discharge Elimination System ("NPDES") permit program. SCDES has been delegated NPDES permitting authority by the EPA under the CWA and administers the program for the State. Industrial wastewater discharges from all stations and the regional water plants are governed by NPDES permits. SCDES also has permitting authority for stormwater discharges, and the Authority manages stormwater pursuant to SCDES issued Industrial General Permits and Construction General Permits.

Evolving Regulatory Requirements

316(b) Fish Protection Regulations. Regulations issued to implement Section 316(b) of the CWA became effective on October 15, 2014, and require that NPDES permits for facilities with cooling water intake structures ensure that the structures reflect the Best Technology Available ("BTA") to minimize adverse environmental impacts from impingement and entrainment of fish, fish eggs, and larvae. In some cases, SCDES includes requirements in NPDES permits to conduct entrainment studies, to evaluate the potential for aquatic organisms to be drawn into the cooling water intake structures, where additional data is needed. SCDES declined to require new entrainment studies in the Rainey and Cross Generating Station permits and requested data from previously-completed entrainment studies. However, in the final permit issued in May 2024, SCDES proposed to require entrainment studies at Winyah Generating Station. This Winyah permit has been appealed and is not currently in effect. Winyah is currently operating under its prior permit. To the extent that the May 2024 Winyah permit goes into effect, study costs are assumed to be minimal. At this time the Authority does not anticipate material modifications at the Rainey, Cross and Winyah facilities to comply with these regulations.

On July 6, 2022, the EPA issued a memorandum with a revised framework for applying Section 316(b) of the CWA to cooling water intake structures at hydroelectric facilities. This memorandum specifically dealt with the EPA's evaluation of necessary measures to minimize impingement and entrainment of fish and other aquatic organisms at cooling water intake structures. No regulatory actions are expected in the near term due to the issuance of the memorandum. At this time the Authority does not anticipate significant compliance or financial impacts in connection with its hydroelectric facilities.

Effluent Limitation Guidelines. On October 13, 2020, the EPA published a revised Effluent Limitations Guidelines ("ELG") rule with lower mercury limits for Flue Gas Desulfurization ("FGD") wastewater along with some revisions related to bottom ash transport water. The 2020 rule also established new subcategories for high flow units, low utilization boilers and boilers that will cease coal combustion by 2028. The Authority's identified compliance options for the facilities it operates include: (i) the standard best available technology ("BAT") compliance option by the end of 2025, (ii) the subcategory for retiring units by 2028, and (iii) the subcategory for compliance via the voluntary incentive program ("VIP") by 2028. Construction of the FGD treatment systems and equipment required to comply with the rule using BAT technology is in progress at Cross and Winyah and the Authority expects the remaining cost of compliance at Cross and Winyah to be $156 million and $150 million, respectively, from 2023 to 2025. ELG requirements under the 2020 rule, along with any new state-defined limits, were included in revised NPDES discharge permits for Cross and Winyah. The Cross NPDES permit was issued on February 1, 2024, and became effective on March 1, 2024. The Winyah NPDES permit was issued on May 1, 2024, has been appealed and is not currently in effect. Winyah is currently operating under its prior permit.

On October 13, 2021, the Authority submitted a notice of planned participation ("NOPP") for the VIP for Cross, based on treatment via membrane technology and a pilot study of the biological treatment system, and requested parallel compliance paths in its permit. This is intended to allow the BAT approach at Cross, while allowing the option to change to the VIP approach if that develops as a preferred option. The Authority has also submitted a NOPP for retirement at Winyah, which would allow an automatic

transfer to that option under the rule; in addition, the Authority has requested that language addressing automatic transfer to the VIP option be included in the final permit. The Authority is planning to submit 2024 annual NOPP updates for Cross and Winyah. The current Cross NPDES permit requires the Authority to notify SCDES by December 31, 2024, if the facility will implement the BAT limits by December 2025 or choose to activate the NOPP to implement the VIP limits by December 2028. With the 2024 NOPP annual report, the Authority notified SCDES that Cross Generating Station will implement the generally applicable effluent guidelines based on the BAT by December 31, 2025. As a result, the VIP NOPP will not be activated for Cross and this will be the final annual progress report for the NOPP VIP option under the 2020 ELG Rule. With the 2024 NOPP annual report, the Authority will make notice that Winyah will implement the generally applicable effluent guidelines based on the 2020 BAT by December 31, 2025. The permanent cessation of coal combustion subcategory under the 2020 ELG rule by 2028 is no longer an option at Winyah and will not be activated. The 2024 NOPP report will be the final Winyah annual progress report for permanent cessation of coal combustion subcategory under the 2020 ELG rule.

On May 9, 2024, the EPA published revised ELGs for the steam electric power generating point source category applicable to FGD wastewater, bottom ash transport water and legacy wastewater at existing sources, and combustion residual leachate at new and existing sources. This rule establishes a zero discharge of pollutants limitation for FGD wastewater, bottom ash transport water, and combustion residual leachate as soon as possible, but no later than December 2028. The BAT standard of zero-discharge is based on membrane filtration, thermal evaporation, and spray dryer evaporation alone or in any combination including any necessary pretreatment or post-treatment. The rule also establishes a limit for mercury and arsenic for combustion residual leachate discharged through groundwater and for "legacy wastewater" discharged from surface impoundments that have not commenced closure under the coal combustion residual regulations as of July 8, 2024. Coal-fired steam EGUs that will permanently cease coal combustion by December 2034 are exempt from the rule and must continue to comply with previous ELGs. The rule also requires facilities to create and maintain an ELG Rule Compliance Data and Information public website that makes reporting and recordkeeping information available to the public. The final rule became effective on July 8, 2024. The Authority is continuing to evaluate impacts from this rule.

Waters of the U.S. The definition of "waters of the United States" ("WOTUS") under the CWA is defined by regulations promulgated by the U.S. Army Corps of Engineers and the EPA and informed by court decision, and this definition has changed over the years. On May 25, 2023, the United States Supreme Court issued a decision in *Sackett v. EPA* that narrowed the interpretation of the scope of WOTUS under the CWA. Specifically, the court ruled that CWA jurisdiction extends only to: (1) traditional interstate navigable waters; (2) relatively permanent waters connected to traditional interstate navigable waters; and (3) adjacent wetlands with a continuous surface connection to such waters. On September 8, 2023, EPA and the U.S. Army Corps of Engineers published a final rule to conform the definition of WOTUS to the decision in *Sackett*. The Authority's construction projects and projects upon which the Authority's operations depend may have impacts upon WOTUS, and such activities may require permits that are difficult to obtain.

Drinking Water

The Authority continues to monitor for Safe Drinking Water Act regulatory issues impacting drinking water systems at the Authority's Regional Water Systems, generating stations, substations, and other auxiliary facilities. SCDES has regulatory authority for potable water systems in the State. The State Primary Drinking Water Regulation, R.61-58, governs the design, construction, and operational management of all potable water systems in the State subject to and consistent with the requirements of the Safe Drinking Water Act and the implementation of federal drinking water regulations.

On the federal level, in 2021 the EPA announced its intention to implement a national program to evaluate and regulate a category of organic contaminants known as PFAS by designating PFAS as a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act

("CERCLA"). Specifically, the Strategic Roadmap: EPA's Commitments to Action 2021-2024 included a proposal that would require public water systems to participate in a nationwide monitoring program for PFAS in drinking water during a 12-month period sometime between the beginning of 2023 and the end of 2025. The EPA issued a final rule on December 27, 2021, for the Fifth Unregulated Contaminant Monitoring Rule (UCMR 5) pursuant to the Safe Drinking Water Act's requirement to issue a list of unregulated contaminants to be monitored by public water systems, that required monitoring for 29 PFAS. The EPA is in the process of developing a revised rule (UCMR 6), which is anticipated to be finalized in 2027.

On April 10, 2024, EPA finalized a National Primary Drinking Water Regulation establishing legally enforceable levels, called Maximum Contaminant Levels ("MCLs"), for six PFAS in drinking water. EPA also finalized health-based, non-enforceable Maximum Contaminant Level Goals for these PFAS. Water systems are required to complete initial monitoring for these six PFAS by 2027, and must take action to reduce the levels of these PFAS in drinking water if the level of PFAS in their drinking water exceeds regulatory standards. Systems that detect PFAS above the new standards will have five years to implement solutions that reduce PFAS in their drinking water. Granular activated carbon, anion exchange, reverse osmosis, and nanofiltration were identified by the EPA as the BAT for meeting the PFAS MCLs. Water systems may use any technology or practice to meet the PFAS MCLs and are not limited to the BATs. The new rule will impact the Lake Marion and Lake Moultrie Water Plants and Cross Generating Station.

In addition, the EPA's Revised Lead and Copper Rule became effective on December 16, 2021, with a compliance date of October 16, 2024. This rule is expected to have only a minimal impact on the Authority's Regional Water Systems as they have a limited transmission system that is completely constructed from cement-lined ductile iron pipe. Changes in requirements for monitoring frequency, corrosion control treatment, and sampling procedure will be the primary effects to the Regional Water Systems. Cross Generating Station is required to conduct an inventory of on-site drinking water piping. On October 30, 2024, the EPA issued a final Lead and Copper Rule Improvements regulation, which included requirements that most water systems replace lead services lines within 10 years, that water systems regularly update lead pipe inventories and create a publicly available replacement plan, changing tap sampling protocols, lowering the lead action level from 15 µg/L to 10 µg/L, and requiring water systems to provide filters when they have multiple exceedances of the lead action level. The rule went into effect on December 30, 2024. The Authority is continuing to evaluate impacts from this rule and potential impacts are still unknown, but are unlikely to be significant.

Solid and Hazardous Waste and Hazardous Substances

General Regulatory Requirements. The Authority is subject to federal and state laws and regulations which address solid, universal, and hazardous waste and substances. The Resource Conservation and Recovery Act ("RCRA"), under Subtitle C, is the overarching regulation providing the framework for proper management of hazardous waste. Additional regulations pertaining to solid and hazardous wastes and substances are: the CWA, which imposes penalties for spills of oil or federally listed hazardous substances into water and for failure to report such spills; CERCLA, which provides for the reporting requirements to cover the release of hazardous substances into the environment and imposes liability upon generators of hazardous substances; the Superfund Amendments and Reauthorization Act, which requires compliance with programs for emergency planning and public information; and the United States Department of Transportation's Hazardous Materials Transportation Act, which governs the safe transportation of hazardous materials, substances, and waste. Additionally, the EPA regulations under the Toxic Substances Control Act impose stringent requirements for labeling, handling, storing, and disposing of hazardous substances, including polychlorinated biphenyls ("PCB") and associated equipment. The Authority has comprehensive waste and PCB management programs, policies, and procedures for ongoing compliance in response to these regulations, as well as for compliance with the requirements of the other waste management statutes and regulations noted above. The Authority may have liabilities for investigation or remediation of sites that have been adversely affected by disposal of solid waste or hazardous waste or substances present on its properties.

Evolving Regulatory Requirements

Coal Combustion Residuals ("CCR") Rule. The Authority generates solid waste associated with the combustion of coal, the vast majority of which is fly ash, bottom ash, scrubber sludge, and gypsum. These wastes, known as CCRs, are exempt from hazardous waste regulation under the RCRA. On April 17, 2015, the EPA published the CCR Rule establishing comprehensive requirements for the management and disposal of CCRs. The rule regulates CCRs as a RCRA Subtitle D, nonhazardous waste and had an effective date of October 19, 2015. The Authority continues to comply with the CCR Rule through groundwater monitoring, assessment of corrective measures, and internet postings of CCR Rule reports. Long-term compliance plans to address groundwater include pond closures and utilization of Class 3 landfills at the Cross and Winyah Generating Stations for disposal of CCRs.

Not all of the Authority's surface impoundments are subject to the 2015 CCR Rule. The impoundments subject to the 2015 CCR Rule are located at the Cross and Winyah Generating Stations. These CCR impoundments are closing, and as of the April 11, 2021, CCR rule compliance deadline, all of the Authority's impoundments that are subject to the CCR Rule were no longer receiving any CCR or non-CCR waste streams.

On May 8, 2024, the EPA published a rule amending its CCR regulations for legacy CCR surface impoundments and CCR management units at active CCR facilities and at inactive CCR facilities with a legacy CCR surface impoundment that became effective on November 8, 2024. Under the rule, EPA established standards for legacy CCR impoundments to comply with the same regulations that apply to inactive CCR impoundments at active power plants, except for the location restrictions and the liner design criteria, with tailored compliance deadlines. This will affect the Jefferies Generating Station ash pond. EPA established a more limited set of requirements, primarily post-closure care, groundwater monitoring, and corrective action, if necessary, for ponds that have already completed closure under state oversight. This will affect the Grainger Generating Station ash ponds. The rule also requires a two-part Facility Evaluation process and public report to determine whether the facility has any CCR management units containing one ton or more of CCR. This will require evaluations at Cross, Winyah, Jefferies, and Grainger Generating Stations. CCR management units containing 1,000 tons or more of CCR must then comply with groundwater monitoring, corrective action, closure, and post-closure care requirements. Until the Facility Evaluation process is complete, it is unknown how many CCR management units may become subject to this rule, although the Winyah Generating Station West Ash Pond and Jefferies Generating Station Rail Loop area are already known CCR management units. Subsequent to September 30, 2024, Santee Cooper estimated a potential impact of approximately $9 million related to remediation of the Jefferies Generating Station Rail Loop area. This rulemaking also established an additional closure option for units that are closing by removal of CCR but cannot complete groundwater corrective action within the prescribed closure timeframes. A legal challenge to the rule was filed on August 2, 2024, and is currently pending before the D.C. Circuit Court of Appeals. The Authority cannot predict the outcome of the litigation and how it may impact it.

Another rulemaking is expected in the future. The EPA has proposed a Federal CCR Permit Program, which will set forth procedures to obtain federal CCR permits that would then supersede the existing federal regulations and the self-implementing scheme once a federal permit is issued for a regulated facility. This will apply to facilities in states that do not have an approved CCR program, which currently includes South Carolina.

The CCR regulations and the EPA's interpretation of them have changed frequently, and the new rules and recent changes in interpretations are being litigated. Additionally, EPA is now utilizing its enforcement authority and has found many instances of non-compliance at other utilities according to these changes in interpretations. The Authority cannot predict interpretive changes from the EPA, regulatory changes that the EPA may propose or the impacts of such proposals upon the Authority's operations and financial results until they are proposed and finalized and their impacts upon the Authority can be evaluated.

Pond Closures. The Authority has ash and gypsum slurry ponds at the Winyah, Cross and Jefferies Generating Stations. Four ponds (Winyah Slurry Pond 2, Grainger Ash Pond 1, Grainger Ash Pond 2, and the Cross Gypsum Pond) have already completed closure in accordance with SCDES's requirements. Closure plans for the Jefferies Generating Station ash pond and decant pond (a non-CCR unit) and for the Winyah West Ash Pond have been approved by SCDES and closure is in progress, with regulatory deadlines of 2030, and are subject to the requirements of the Legacy CCR rulemaking that went into effect on November 8, 2024. The Cross Bottom Ash Pond and the remaining four ponds at the Winyah Generating Station are subject to both the CCR Rule's closure requirements and to SCDES closure regulations. Closure is in progress on all ponds and SCDES plans are being developed and implemented to facilitate closure of these remaining ponds by the CCR Rule's regulatory deadlines with applicable extensions if necessary. The ponds will be closed through excavation and beneficial use of materials or through disposal in the industrial Class 3 solid waste landfills on-site at Cross and Winyah. Closure by removal is the selected closure strategy and monitored natural attenuation is the selected groundwater remedy so that it meets groundwater protection standards for those units at Cross and Winyah that are subject to groundwater corrective action. Pond closure activities are expected to continue at least through 2031, and estimates of remaining costs are projected to be approximately $159.4 million between 2025 and 2031. This amount does not include possible groundwater corrective action for the Cross Gypsum Pond being conducted under the CCR Rule, for which additional costs, if any, are not yet known. These costs also do not include potential expenses associated with the Legacy Rule's requirements for CCR Management Units ("CCRMUs") that have not yet been identified.

Beneficial Use of Coal Combustion Products. Coal combustion residuals that can be beneficially reused are considered coal combustion products ("CCP"), and include fly ash, bottom ash, and flue gas desulfurization products such as gypsum. The Authority has entered into contracts for the beneficial use of CCPs and continually looks for new markets for excess quantities. The Authority provides synthetic gypsum to American Gypsum for its wallboard production requirements. Gypsum is also marketed to cement companies and used in the agriculture industry. Additionally, dry fly ash from the operating units and ash reclaimed from the Authority's ash ponds are used in the cement industry, and bottom ash is used by concrete block manufacturers to produce concrete block.

Industrial Solid Waste Landfills. At Cross and Winyah Generating Station, dry CCRs which are not beneficially used are disposed of in on-site industrial Class 3 solid waste landfills. These landfills are permitted by SCDES to receive the Authority's CCR waste from any Authority coal-fired generating units and ash ponds. The Class 3 landfill at Winyah Generating Station has been in operation since November 2018 with the latest and last expansion receiving approval to operate from SCDES in December 2022. The Cross Generating Station's Class 3 landfill continues in operation, and an expansion is currently under construction. These two operational Class 3 landfills are also subject to the CCR Rule. These landfills were located, designed, and constructed to meet CCR requirements for continued operation. Additional landfill cells for the Cross and Winyah Class 3 landfills are already fully permitted and will be constructed as the existing cells are filled and closed to provide ongoing landfill capacity.

Pollution Remediation Obligations

A property exists within the Authority's FERC project boundaries that is currently occupied by a commercial lessee, Packs Landing Marina. As part of a proposed South Carolina Department of Transportation ("SCDOT") right-of-way project, ARM Environmental reported a release at Packs Landing Marina on May 20, 2002, by submitting a Limited Phase II Subsurface Assessment for SCDOT Project #99-188D. The assessment found that an underground storage tank ("UST") had been removed, there was an aboveground storage tank ("AST") with dispensers present, and identified and subsurface hydrocarbon contamination (both soil and groundwater). Based on that information, SCDES began working with the lessee to address the contamination at the site, identified as Site ID #-01935. SCDES was not successful in addressing the contamination with the lessee and contacted the Authority as the owner of the property. On February 26, 2014, the Authority was notified by SCDES that based on the groundwater monitoring report received August 29, 2013, the submittal of a Tier II Assessment Plan was required under the South Carolina

Pollution Control Act, SC Code Ann. § 48-1-50(6), § 48-1-50(20), and § 48-1-50(21). The Authority agreed to monitor the progress of the environmental work and assist with financing the cost of environmental assessment for the lessee. Work has been conducted on the site since 2013 through SCDES approved work plans. On March 17, 2021, SCDES issued a directive to Packs Landing Marina for a Site-Specific Work Plan to conduct additional testing due to creosote found at the site. The Authority then entered into a Responsible Party Voluntary Cleanup Contract ("VCC") with SCDES on March 18, 2022. The VCC addresses the Authority and SCDES's cooperative plan for remediation of the creosote on the property. The Authority submitted its Work Plan pursuant to the VCC process in July 2022 and SCDES approved it in August 2022. In June 2023, the first Remedial Assessment Report, which indicated shallow impacted soils that could be excavated, was submitted to SCDES and approved in July 2024. A Removal Work Plan is currently being developed. The hydrocarbon contamination is not addressed in the creosote VCC or Removal Work Plan.

No additional pollution remediation liabilities were recorded for the years 2024 and 2023.

FERC Hydro Licensing

The Authority operates the Santee Cooper Project (FERC P-199), which includes its Jefferies Hydro Station and certain other property such as the Pinopolis Dam on the Cooper River and the Santee Dam on the Santee River, which are major parts of the Authority's integrated hydroelectric complex, under a license issued by the FERC pursuant to the Federal Power Act ("FPA"). The project recently completed a multi-decade relicensing effort and was issued a 50-year license order by the FERC on January 20, 2023. The license is effective through January 1, 2073.

The Authority initiated license order compliance efforts upon receipt of the new license, including creation and implementation of various threatened and endangered species protection plans, a nuisance and invasive aquatic plant management plan, an operations and flow monitoring plan, a recreation management plan, a historic properties management plan, study plans focused on diadromous fish species, and plans for capital upgrades required to safely pass the required increased minimum flows into the Santee River at the Santee Dam. Various studies intended to inform future management of diadromous fish species at the project, including the endangered shortnose sturgeon and Atlantic sturgeon, were initiated in 2024 in close coordination with the South Carolina Department of Natural Resources, United States Fish & Wildlife Service, National Marine Fisheries Service, and the United States Army Corps of Engineers. Total implementation costs for new requirements associated with the terms and conditions of the license order are estimated to be between $84 million and $179 million. The Authority has recorded approximately $350,000 in capital assets for the FERC Hydroelectric license through December 31, 2024.

NERC Regulation

NERC establishes and enforces reliability standards which include operating and planning standards as well as critical infrastructure protection standards for the Bulk Electric System. Compliance with these standards is mandatory. Though the Authority has not received any major fines, the current maximum penalty that may be levied for violating a NERC Reliability Standard is $1,544,521 per violation, per day. The Authority has formal programs, processes, and policies in place to promote compliance with these standards, including a NERC Compliance and Coordination Unit. However, it is not possible to predict whether the Authority will have future violations or what the fines for such violations might be.

Nuclear Matters

Summer Nuclear Unit 1 is subject to regulation by the NRC. Dominion and the Authority were required to obtain liability insurance and a United States Government indemnity agreement for Summer Nuclear Unit 1 in order for the NRC operating license to be issued. This primary insurance and the retrospective assessments are to insure against the maximum liability under the federal Price-Anderson Act for any public claims arising from a nuclear incident. The Energy Policy Act of 2005 extends the Price-Anderson Act until 2025.

The NRC requires that a licensee of a nuclear reactor provide minimum financial assurance of its ability to decommission its nuclear facilities. In compliance with the applicable NRC regulations, the Authority established an external trust to comply with the NRC regulations and began making deposits into the external decommissioning fund in September 1990.

In addition to providing for the minimum requirements imposed by the NRC, the Authority established, in 1983, an internal decommissioning fund. Based on the most recent decommissioning cost estimates developed by Dominion, assuming a SAFSTOR (delayed decommissioning) scenario that includes operating the plant until 2062 (80-year plant life), both the internal and external funds, which had a combined market value of approximately $215.6 million on December 31, 2023, along with future deposits, investment earnings, and credits from DOE reimbursements for spent fuel storage costs, are estimated to provide sufficient funds for the Authority's one-third share of the total estimated decommissioning cost (approximately $404 million in 2023 dollars).

Inflation Reduction Act of 2022

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "IRA"). The IRA introduces a large amount of funding and grants for governmental and non-profit organizations. Among the most significant energy-related grants are grants for "zero-emissions technologies" and other GHG reduction activities as determined by the EPA. Pursuant to the IRA, public power utilities and other tax-exempt entities will also be given access to refundable direct payment tax credits. Among the energy related tax credits that may be available if certain requirements are met are a clean hydrogen production tax credit, a biogas and energy storage credit, and enhancements to the credit for carbon capture. The IRA also expands and extends the renewable electricity production tax credit and the investment tax credits for renewable energy sources. The Authority continues to analyze the potential impacts of the IRA and opportunities for the Authority to participate in some of the funding mechanisms and tax credits.

Legislative Matters

In 2024, South Carolina's Governor and the South Carolina General Assembly were focused on new energy infrastructure, including support for the Authority to pursue a new natural gas combined cycle project in South Carolina with Dominion Energy.

In the South Carolina House, a legislative committee appointed by the South Carolina Speaker produced a bill authorizing the Authority's and Dominion Energy's pursuit of a joint build natural gas combined cycle project in South Carolina, proposing permitting reforms, and promoting regulatory reforms that are aligned with the Authority's integrated resource plan. This bill, H.5118, was introduced in February 2024 but was not able to get through the legislative process before the legislature's regular session adjournment in May 2024. The South Carolina Senate offered legislative language to H.5118 that supported the Authority's resource plans and conducted hearings over the summer and fall of 2024 to develop specific energy proposals for the 2025 legislative session. The Authority's President and Chief Executive Officer and staff participated in all of these state policy discussions.

In 2025, the Authority expects the South Carolina General Assembly will address energy legislation and the approval for the joint build natural gas combined cycle project between Dominion Energy and the Authority.

The South Carolina Governor also may make appointments to the Authority board in 2025. These appointments could include the following seats on the board: 1) at large (general); 2) 3rd congressional district; 3) 5th congressional district; 4) 7th congressional district; 5) Horry County; and, 6) Georgetown County.

The South Carolina General Assembly's legislative session runs from January 14 to May 8, 2025.

INVESTMENT CONSIDERATIONS

The following is a discussion of certain risks that could affect payments to be made with respect to the 2025 Bonds. Such discussion is not exhaustive, should be read in conjunction with all other parts of this Official Statement and should not be considered a complete description of all risks that could affect payments with respect to the 2025 Bonds. Prospective purchasers of the 2025 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices attached hereto.

Environmental Regulation

The Authority and other electric utilities are subject to extensive and continuing federal, state and local environmental regulations and requirements affecting, among other things, construction and operation of new facilities, upgrades to existing facilities and retirement or restrictions on operations, as well as air pollutant emissions, wastewater discharges and the management of hazardous and solid wastes. Federal, state and local laws, regulations, standards, and procedures which regulate the environmental impact of electric utilities are subject to change. These changes may arise from continuing legislative, regulatory and judicial action regarding such standards and procedures as well as changes in presidential administrations that can impact legal and regulatory interpretations and enforcement priorities. Consequently, there is no assurance that the Authority's facilities will remain subject to the regulations currently in effect, will always be in compliance with regulations, or will always be able to obtain all required operating permits. Changes in these requirements or the inability to comply with existing environmental standards could result in substantial additional capital expenditures to achieve or maintain compliance, or could result in reduced operating levels or the complete shutdown of individual electric generating units, which could have an adverse impact on the Authority's Revenues.

Certain environmental laws can impose the entire cost or a portion of the cost of investigating and cleaning up a site contaminated with hazardous substances, regardless of fault, upon any one or more responsible parties, including the current or previous owners or operators of the site. Such environmental laws can also impose liability on any person who arranges for the disposal or treatment of hazardous substances at a contaminated site. Some of the sites that the Authority currently or historically has owned or operated potentially could require investigation or remediation under such environmental laws which could result in material costs for the Authority.

Bankruptcy; Enforceability of Remedies and Certain Legal Opinions

The enforceability of the rights and remedies of the Holders, the obligations of the customers of the Authority (and of the Authority itself) and the lien and pledge created by the Revenue Obligation Resolution are subject to the United States Bankruptcy Code (the "Bankruptcy Code") and/or to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, to equitable principles that may limit the enforcement under South Carolina law of certain remedies and to exercise by the United States of America of powers delegated to it by the United States Constitution.

Some of the risks associated with a bankruptcy, insolvency or dissolution include the risks of delay in payment and of nonpayment. There may be other possible effects of a bankruptcy of the Authority that could result in delays or reductions in payments on the 2025 Bonds or result in losses to Holders. Regardless of any specific adverse determinations in any such bankruptcy proceeding, the fact of the pendency of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2025 Bonds. Potential purchasers of the 2025 Bonds should consult their own attorneys and advisors in assessing the risk and the likelihood of recovery in the event the Authority or any other party becomes a debtor in a bankruptcy, insolvency or dissolution case prior to the time Holders are paid in full.

The remedies available to the holders of the 2025 Bonds upon an event of default under the Revenue Obligation Resolution are in many respects dependent upon regulatory and judicial actions that are in many instances subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for in the Revenue Obligation Resolution may not be readily available or may be limited. Legal opinions to be delivered concurrently with the delivery of the 2025 Bonds will be qualified to the extent that the enforceability of certain

legal rights related to the 2025 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally and to limitations on legal remedies against agencies of the State.

Chapter 9 of the Bankruptcy Code contains provisions relating to the adjustment of debts of a state's political subdivisions, public agencies and instrumentalities (each an "eligible entity"). Pursuant to the Bankruptcy Code, political subdivisions, public agencies and instrumentalities must be specifically authorized under state law to file a petition under Chapter 9. States are free to pass, and amend, legislation granting or denying such entities the authority to file a petition under the Bankruptcy Code. Under the Bankruptcy Code and in certain circumstances described therein, an eligible entity may be authorized to initiate Chapter 9 proceedings without prior notice to or consent of its creditors, which proceedings may result in a material and adverse modification or alteration of the rights of its secured and unsecured creditors, including holders of its bonds and notes. South Carolina law allows municipalities, including the Authority, the right to file for Chapter 9 protections on their own.

The enforceability of the various legal agreements of the Authority may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors or secured parties generally and by the exercise of judicial discretion in accordance with general principles of equity. Certain agreements with the Authority's customers are executory contracts. If any of the parties with which the Authority has contracted under such agreements is involved in a bankruptcy proceeding, the relevant agreement could be discharged in return for a claim for damages against the party's estate with uncertain value. In such an event, the Revenues could be materially and adversely affected. Similarly, in the event that the Authority is involved in a bankruptcy proceeding, exercise of the remedies afforded under the Revenue Obligation Resolution may be stayed.

Effects of Weather and Other Catastrophic Events

Weather conditions can affect a utility's operations and financial results. For example, in the past the Authority has delivered less electricity when weather conditions have been milder than normal and, as a consequence, earned less income from those operations. Mild weather in the future could diminish the revenues and results of operations and harm the financial condition of the Authority. Fluctuations in weather conditions could result in higher bills for customers and higher write-offs of receivables, as well as a greater number of disconnections for non-payment. Severe weather can be destructive for the Authority, causing outages and property damage, adversely affecting operating expenses and revenues.

In addition, the occurrence of one or more natural disasters, such as hurricanes, tropical storms, floods, wildfires, earthquakes, major or extended weather storms, droughts, extreme heat, or other sudden or severe changes in climate conditions, or man-made mishaps (such as a coal ash pond failure or national gas pipeline failure), could adversely affect the Authority's operations and financial performance in a number of ways. For example, such events could: (i) cause outages, fluctuations in customer energy needs and physical property damage; (ii) impede the Authority's ability to generate, transmit, and/or distribute power; (iii) adversely affect the Authority's key contractors or suppliers; or (iv) result in disadvantageous changes to federal, state, or local policies, laws and regulations.

The Authority's operations may be adversely affected, directly or indirectly, by acts of sabotage, wars or terrorist incidents, including cyber-attacks (including cyber-attacks impacting the Authority's technology systems, network infrastructure and integrated transmission system) and by catastrophic events such as pandemic health events (including, without limitation, the COVID-19 outbreak), or other similar occurrences.

Cybersecurity and other Safety and Security Risks

The Authority relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on its computing and other digital networks and systems. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Authority's networks and systems for the purposes of misappropriating assets or information or causing operational disruption

and damage. Cybersecurity breaches could result in damage to the Authority's information and security systems and networks and cause material disruption to its operations. While the Authority has security measures and other safeguards in place, there can be no assurance that any existing or additional safety and security measures will prove adequate in the event that attacks, including cyber terrorism, are directed at the Authority's systems.

Tax Legislation

Bills have been and in the future may be introduced that could impact the issuance of tax-exempt bonds for transmission and generation facilities. The Authority is unable to predict whether any of these bills or any similar federal bills proposed in the future will become law or, if they become law, what their final form or effect would be. Such an effect, however, could be material to the Authority.

Effects on the Authority

The foregoing is a brief discussion of certain factors affecting the electric utility industry and the Authority. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date hereof. Extensive information on the electric utility industry is, and will be, available from legislative and regulatory bodies and other sources in the public domain, and potential purchasers of the Bonds should obtain and review such information.

LITIGATION

General

There are no actions, suits, or governmental proceedings pending or, to the knowledge of the Authority, threatened before any court, administrative agency, arbitrator or governmental body which would, if determined adversely to the Authority, have a material adverse effect on the Authority's financial condition, or the Authority's ability to transact its business or meet its obligations under the Revenue Obligation Resolution other than those described below. The Authority is involved in numerous actions arising from the ordinary course of its business and is defending pending claims, including the actions described below. Claims may be settled or decided by a judge, jury, or arbitrator. The Authority is unable to predict the outcome of the pending matters described below or predict additional claims which may arise. Adverse decisions or determinations could delay or impede the Authority's operation or construction of its existing or planned projects, and/or require the Authority to incur substantial additional costs. Such results could materially adversely affect the Authority's revenues and, in turn, the Authority's ability to pay debt service on its bonds, including the 2025 Bonds.

Pending Matters or Disputes

Allocation of Capital Costs Dispute – Arbitration Initiated by Central. In 2019, following an annual audit of the Authority's records as permitted under the Central Agreement, Central took issue with the Authority's treatment of the Summer Nuclear Units 2 and 3 associated regulatory asset for purposes of allocating certain costs, including debt service and Capital Improvement Fund payments, under the Central Agreement's cost of service model. Central's treatment of the regulatory asset, if applied, would result in the return to Central of over $70 million for fiscal years 2017, 2018, and 2019 and for the period January – July 2020 and a reduction of future contributions from Central in an undetermined amount. On February 12, 2025, Central and the Authority agreed to resolve the matter and executed a Capital Cost Allocation Settlement Agreement (the "CCA Agreement"). The CCA Agreement is based on an agreed-upon methodology that, among other things, continues to include the Summer Nuclear Units 2 and 3 associated regulatory asset for purposes of determining the allocation of certain costs, including debt service, and excludes the Summer Units 2 and 3 associated regulatory asset for purposes of allocating certain other costs. The CCA Agreement is not expected to have an impact on the Authority's total revenues from all customers during this same period.

Cook Settlement Agreement Disputes. See "COOK SETTLEMENT."

Gypsum Dispute – Arbitration Initiated by Central. On September 23, 2021, Central tendered a Notice of Arbitration, as permitted under the Central Agreement, presenting questions related to the Authority's accounting for gypsum expenses and revenues in conjunction with the Authority's contract with American Gypsum. The Authority submitted a response on October 15, 2021, with its position the gypsum accounting is proper. If accounted for in the manner Central proposed in its original Notice, the Authority estimates the amount would be approximately $2.9 million for 2015 through July 2020 and a reduction in future contributions from Central in an as yet undetermined amount. Central submitted an Amended Notice of Arbitration on June 8, 2022, to which the Authority replied on July 8, 2022, reiterating its position of proper accounting. After selecting an arbitration tribunal, the parties worked collaboratively to reach a conditional resolution that is expected to become final in 2025.

South Carolina Public Service Authority v. U.S. Army Corps of Engineers. The Authority filed a claim on October 2, 2015, against the U.S. Army Corps of Engineers ("COE") seeking a determination that the Rediversion Contract between the Authority and the COE does not require the Authority to credit the COE for a capacity value surcharge and that the COE owes the Authority approximately $5.3 million in contract payments for 2015. The Rediversion Contract governs the operation of the St. Stephen Hydro Plant and the obligations of the parties related to the Plant's operations. The COE denied the claim and asserted the Authority was required to pay the credit and a credit in the amount of $716,874 was due to the COE for 2015. The Authority appealed the decision to the Armed Services Board of Contract Appeals ("ASBCA") and the COE counterclaimed. The parties asked the ASBCA to determine the rights under the contract. On July 22, 2020, the Board denied the Authority's appeals and remanded to the parties for "negotiation for the value of the additional capacity for the final 20 years of the contract performance period based on the contract." An agreement in principle was reached on July 26, 2024, and final terms are under discussion.

TAX MATTERS

Tax Matters Relating to the 2025A Bonds and the 2025B Bonds

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing law and assuming continuing compliance with certain tax covenants, representations and certifications made by the Authority described herein, (i) interest on the 2025A Bonds and 2025B Bonds (collectively, the "Tax-Exempt Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Code; however, for tax years beginning after December 31, 2022, interest on the Tax-Exempt Bonds is taken into account in determining the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax imposed under Section 55 of the Code.

In addition, in the opinion of Bond Counsel, under existing law, interest on the Tax-Exempt Bonds is exempt from all taxation by the State, its counties, municipalities, and school districts except estate, transfer, or certain franchise taxes. Interest paid on the Tax-Exempt Bonds is currently subject to the tax imposed on banks by Section 12-11-20, Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

Certain Ongoing Federal Tax Requirements and Covenants

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of gross proceeds of the Tax-Exempt Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that requires certain excess earnings on gross proceeds to be rebated to the federal government. Noncompliance with such requirements could cause the interest

on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Tax-Exempt Bonds. The Authority, pursuant to the Revenue Obligation Resolution and the Tax Certificate has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority has made certain representations and certifications in the Revenue Obligation Resolution and the Tax Certificate on which Bond Counsel will rely. Bond Counsel will not independently verify the accuracy of those representations and certifications.

Ancillary Tax Matters

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Bonds may otherwise affect a holder's federal, state, local, foreign or other tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the holder or the holder's other items of income or deduction. Prospective owners, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the tax consequences of owning and disposing of the Tax-Exempt Bonds. Bond Counsel expresses no opinion regarding any such other tax consequences.

Original Issue Discount

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Any prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Tax-Exempt Bonds were ultimately sold to the public.

In general, the original issue discount with respect to any maturity of the Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Accrued original issue discount may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Tax-Exempt Bond even though there will not be a corresponding cash payment. Holders of Tax-Exempt Bonds having original issue discount, and especially any holder who is not an original owner of such a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the tax consequences of acquiring, holding, and disposing of Tax-Exempt Bonds with original issue discount.

Original Issue Premium

Tax-Exempt Bonds purchased, whether at original issue or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a holder's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such holder. As a consequence of reducing a holder's basis in a Premium Bond, under certain circumstances a holder of a Tax-Exempt Bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such holder's original cost of acquiring the bond. Holders of any Premium Bonds should consult

their own tax advisors with respect to the proper treatment of amortizable bond premium with respect to the tax consequences of acquiring, holding, and disposing of Premium Bonds.

Changes in Law and Post Issuance Events

The opinions of Bond Counsel are based on current legal authority, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the proper treatment of the Tax-Exempt Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Tax-Exempt Bonds for federal or state income tax purposes and thus on the value or marketability of the Tax-Exempt Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Tax-Exempt Bonds may occur. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the impact of any change in law on the Tax-Exempt Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Tax-Exempt Bonds may affect the tax status of interest on the Tax-Exempt Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Tax-Exempt Bonds, or the interest thereon, if any action is taken with respect to the Tax-Exempt Bonds or the proceeds thereof upon the advice or approval of other counsel.

IRS Examination

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to, selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the Authority or the beneficial owners to incur significant expense.

Information Reporting and Backup Withholding

Interest on federally tax-exempt obligations such as the Tax-Exempt Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any holder of the Tax-Exempt Bonds who fails to provide certain required information and who is not an exempt person. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

Tax Matters Relating to the 2025C Bonds

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing law, interest on the 2025C Bonds (collectively, the "Taxable Bonds") is exempt from all taxation by the State, its counties, municipalities, and school districts except estate, transfer, or certain franchise taxes. Interest paid on the Taxable Bonds is currently subject to the tax imposed on

banks by Section 12-11-20, Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

Certain United States Federal Income Tax Matters

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Taxable Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Taxable Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including, but not limited to, financial institutions, insurance companies, dealers and traders in securities or currencies, persons holding such Taxable Bonds as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies, certain United States expatriates, REITs, RICs, partnerships, S corporations, trust, estates, tax exempt organizations or persons whose functional currency is not the United States dollar. In addition, this summary does not address (i) alternative minimum tax issues, (ii) the net investment income tax imposed (3.8% surtax) under Section 1411 of the Code, (iii) the indirect effects on person who hold equity interests in a holder, or (iv) holders other than original purchasers that acquire Taxable Bonds pursuant to this offering at their initial issue price except where otherwise specifically noted. Potential purchasers of the Taxable Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Taxable Bonds.

The Authority has not sought and will not seek any rulings from the IRS with respect to any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of Taxable Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury Regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Taxable Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Taxable Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Taxable Bonds.

Taxation of Interest Generally

Interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Taxable Bonds. Subject to the discussions below addressing original issue discount and bond premium, interest

paid on the Taxable Bonds generally will be treated as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for United States federal income tax purposes.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Taxable Bonds issued with original issue discount ("Discount Taxable Bonds"). A Taxable Bond generally will be treated as having been issued with an original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Taxable Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Taxable Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Taxable Bond's "stated redemption price at maturity" is the total of all payments provided by the Taxable Bond that are not payments of "qualified stated interest." Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the Authority) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Taxable Bond is the sum of the "daily portions" of original issue discount with respect to such Discount Taxable Bond for each day during the taxable year in which such holder held such Taxable Bond. The daily portion of original issue discount on any Discount Taxable Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Taxable Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Taxable Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period), and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Taxable Bond at the beginning of any accrual period is the sum of the issue price of the Discount Taxable Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Taxable Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a Taxable Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Bond Premium

A holder of a Taxable Bond who purchases such Taxable Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Taxable Bonds held by the holder on the first day of the taxable year to which the election applies and to all Taxable Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Taxable Bonds who acquire such Taxable

Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Taxable Bonds.

Sale or Redemption of Bonds

A bondholder's adjusted tax basis for a Taxable Bond is the price such holder pays for the Taxable Bond plus the amount of original issue discount previously included in income and reduced on account of any payments received on such Taxable Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Taxable Bond, measured by the difference between the amount realized and the bondholder's tax basis as so adjusted, generally will give rise to capital gain or loss if the Taxable Bond is held as a capital asset.

If the terms of a Taxable Bond are materially modified, in certain circumstances, a new debt obligation would be deemed "reissued," or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Taxable Bond under the defeasance provisions of the Revenue Obligation Resolution could result in a deemed sale or exchange of such Taxable Bond.

Each potential holder of Taxable Bonds should consult its own tax advisor concerning (i) the treatment of gain or loss on sale, redemption or defeasance of the Taxable Bonds, and (ii) the circumstances in which Taxable Bonds would be deemed reissued and the likely effects, if any, of such reissuance.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Taxable Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a "Non-U.S. Holder").

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act ("FATCA"), payments of principal by the Authority or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (i) does not own (actually or constructively) 10% or more of the voting equity interests of the Authority, (ii) is not a controlled foreign corporation for United States tax purposes that is related to the Authority (directly or indirectly) through stock ownership, and (iii) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (i) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to the Authority, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (ii) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business and that also holds the Taxable Bonds must certify to the Authority or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing United States federal income tax treaty, if any, in force between the United States and the resident country of the Non-U.S. Holder. The United States has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide the Authority or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Taxable Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Taxable Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Taxable Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (i) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (ii) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Taxable Bonds, FATCA imposes U.S. withholding tax on interest payments, certain "passthru" payments, and gross proceeds of the sale of the Taxable Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, holders or beneficial owners of the Taxable Bonds shall have no recourse against the Authority, nor will the Authority be obligated to pay any additional amounts to "gross up" payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Taxable Bonds. However, it should be noted that, under current guidance, FATCA withholding does not apply to gross proceeds, and will apply to certain "passthru" payment no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payment."

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Taxable Bonds.

Information Reporting and Backup Withholding

For each calendar year in which the Taxable Bonds are outstanding, the Authority, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder's name, address and taxpayer identification number (either the holder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, the Authority, its agents or paying agents or a broker may be required to make "backup" withholding of tax on each payment of interest or principal on the Taxable Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by the Authority, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the

second paragraph under "Non-U.S. Holders" above), or has otherwise established an exemption (provided that neither the Authority nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Taxable Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Taxable Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding United States federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Taxable Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

Changes in Law and Post Issuance Events

The opinions of Bond Counsel are based on current legal authority, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the proper treatment of the Taxable Bonds for federal income tax purposes. Such opinions are not binding on the IRS or the courts. Furthermore, legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the treatment of interest on the Taxable Bonds for federal or state income tax purposes, and thus on the value or marketability of the Taxable Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Taxable Bonds. Prospective purchasers of the Taxable Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Taxable Bonds.

Bond Counsel Opinions

The opinions of Bond Counsel are limited to the laws of the State and federal income tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Tax-Exempt Bonds, Taxable Bonds or the interest thereon under the laws of any other jurisdiction. The forms of the approving opinions of Bond Counsel are attached to this Official Statement as APPENDIX E – "PROPOSED FORMS OF BOND COUNSEL OPINION." Bond Counsel is not rendering any opinions as to any federal and state tax matters other than those described in the opinions attached as APPENDIX E – "PROPOSED FORMS OF BOND COUNSEL OPINION" to this Official Statement. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Tax-Exempt Bonds and Taxable Bonds, as well as any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction.

CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I

of ERISA ("ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) ("Governmental Plans"), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Church Plans"), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law ("Similar Laws") which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the 2025 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans ("Parties in Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (i) fiduciary with respect to a plan; (ii) a person providing services to a plan; (iii) an employer or employee organization any of whose employees or members are covered by the plan; and (iv) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the 2025 Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Authority were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the "Plan Assets Regulation"), the assets of the Authority would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 of the Code if the Benefit Plan acquires an "equity interest" in the Authority and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on this matter, it appears that the 2025 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the 2025 Bonds, including the reasonable expectation of purchasers of 2025 Bonds that the 2025 Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the 2025 Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of 2025 Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Authority or the Trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the 2025 Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a 2025 Bond. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected

by "qualified professional asset managers." Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate's) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the 2025 Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a 2025 Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the 2025 Bond (or interest therein) with the assets of a Benefit Plan, Governmental Plan or Church Plan; or (ii) the acquisition and holding of the 2025 Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires 2025 Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because the Authority, the Trustee, the Underwriters or any of their respective affiliates may receive certain benefits in connection with the sale of the 2025 Bonds, the purchase of the 2025 Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of 2025 Bonds using plan assets of a Benefit Plan should consult with its counsel if the Authority, the Trustee or the Underwriters or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the 2025 Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws.

UNDERWRITING

Pursuant to the provisions of a Bond Purchase Agreement, BofA Securities, Inc. (in such capacity, the "Representative"), on its own behalf and on behalf of J.P. Morgan Securities LLC, Barclays Capital Inc., American Veterans Group, PBC, Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, TD Securities (USA) LLC and Wells Fargo Bank, National Association (together with the Representative, the "Underwriters"), have agreed, subject to certain conditions, to purchase the 2025 Bonds from the Authority at the price of $1,086,037,025.22, representing the aggregate principal amount of the 2025 Bonds, plus original issue premium of $68,524,760.65 less an underwriters' discount of $3,522,735.43. The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all 2025 Bonds if any 2025 Bonds are purchased. The public offering prices may be changed, from time to time, by the Underwriters.

Certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as Underwriters) for the distribution of the offered bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided and may in the future provide, a variety of these services to the Authority and to persons and entities with

relationships with the Authority, for which they received or will receive customary fees and expenses. For a discussion of credit facilities provided by certain of the Underwriters or their affiliates to the Authority, see "Commercial Paper Notes" and "Revolving Credit Agreements" under "THE AUTHORITY – Outstanding Indebtedness – Subordinated Debt."

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

PFM Financial Advisors LLC is acting as municipal advisor (the "Municipal Advisor") to the Authority in connection with the issuance of the 2025 Bonds. The Municipal Advisor has not audited, authenticated, or otherwise verified the information set forth in this Official Statement or the other information available from the Authority with respect to the appropriateness, accuracy, and completeness of the disclosure of such information, and the Municipal Advisor makes no guarantee, warranty, or other representation on any matter related to such information. The Municipal Advisor is an independent municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading of municipal securities or any other negotiable instruments.

INDEPENDENT ACCOUNTANTS

The financial statements as of December 31, 2023, and for the year then ended, included in this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing herein. See APPENDIX A – "REPORT OF THE AUTHORITY'S FINANCIAL STATEMENTS" attached hereto.

The unaudited 2024 and 2023 results included in this Official Statement have been prepared by, and are the responsibility of, the Authority's management. PricewaterhouseCoopers LLP has not performed an audit, review, or compilation with respect to the accompanying unaudited 2024 and 2023 results. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

As stated in APPENDIX A, the financial statements as of December 31, 2022, and for the year then ended were audited by Cherry Bekaert LLP, independent accountants. Cherry Bekaert LLP has not been engaged to perform and has not performed, since the date of its report referenced in APPENDIX A, any procedures on the financial statements addressed therein or herein.

RATINGS

S&P Global Ratings ("S&P") is expected to assign its municipal bond insured rating of "AA" (stable outlook) and Moody's Investors Service, Inc. ("Moody's") is expected to assign its insured rating of "A1" (stable outlook), respectively, to the Insured Bonds, based upon the issuance and delivery of the Policy by AG at the time of delivery of the 2025 Bonds. S&P, Moody's and Fitch Ratings ("Fitch") have assigned ratings to the 2025 Bonds of "A-", "A3" and "A-", respectively.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings or other statements given by the rating agencies with respect thereto should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, Hearst Tower, 300 West 57th Street, New

York, New York 10019, Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and S&P Global Ratings, 55 Water Street, New York, New York 10041. The Authority has furnished to the rating agencies information, including information not included in this Official Statement, about the Authority and the 2025 Bonds. Generally, a rating agency bases its rating and outlook on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance such ratings for the 2025 Bonds will continue for any given period of time or that any of such ratings will not be revised downward or withdrawn entirely by any of the rating agencies, if, in the judgment of such rating agency or agencies, circumstances so warrant. Those circumstances may include, among other things, changes in or unavailability of information relating to the Authority. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2025 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Integrity Public Finance Consulting LLC will verify the accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on Permitted Investments, together with certain cash balances, held under the 2014C Escrow Deposit Agreement with respect to the 2014 Series C Bonds to be redeemed thereby and the 2015A Escrow Deposit Agreement with respect to the 2015 Series A Bonds, to pay the principal of such 2014 Series C Bonds and the 2015 Series A Bonds on the redemption dates therefor and to pay accrued interest thereon to such redemption dates.

APPROVAL OF LEGAL PROCEEDINGS

The issuance of the 2025 Bonds is subject to the approval of Burr Forman McNair LLP, Charleston, South Carolina, Bond Counsel and delivery of the approving opinion of Bond Counsel in substantially the form set forth in APPENDIX E – "PROPOSED FORMS OF BOND COUNSEL OPINION" attached hereto. Certain legal matters will be passed upon for the Authority by Nixon Peabody LLP, New York, New York, Disclosure Counsel to the Authority. Certain legal matters will be passed on for the Authority by Carmen Thomas, the Authority's Chief Legal Officer and General Counsel, and for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

CONTINUING DISCLOSURE

The Authority has authorized and will execute a Continuing Disclosure Agreement simultaneously with the delivery of the 2025 Bonds (the "Continuing Disclosure Agreement") to assist the Underwriters in complying with Rule 15c2-12 of the SEC ("Rule 15c2-12"). A proposed form of the Continuing Disclosure Agreement is included as APPENDIX F – "PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

Pursuant to the Continuing Disclosure Agreement, the Authority will covenant for the benefit of the Holders and the "Beneficial Owners" (as hereinafter defined) of the 2025 Bonds to provide certain financial information and operating data relating to the System by not later than six months (presently, by each June 30) after the end of each of the Authority's fiscal years, commencing with the report for the fiscal year ending December 31, 2023 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events with respect to the 2025 Bonds. The Annual Report will be filed by, or on behalf of, the Authority with the MSRB through its EMMA system. The notices of such enumerated events will be filed by, or on behalf of, the Authority with the MSRB. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in form of the Continuing Disclosure Agreement.

As provided in the Continuing Disclosure Agreement, failure by the Authority to comply with any provision of the Continuing Disclosure Agreement does not constitute an event of default under the Revenue Obligation Resolution; however, any Holder or Beneficial Owner of the 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under the Continuing Disclosure Agreement. "Beneficial Owner" is defined in the Continuing Disclosure Agreement to mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2025 Bonds (including persons holding 2025 Bonds

through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2025 Bonds for federal income tax purposes. If any person seeks to cause the Authority to comply with its obligations under the Continuing Disclosure Agreement, it is the responsibility of such person to demonstrate that it is a "Beneficial Owner" within the meaning of the Continuing Disclosure Agreement.

Except as described in the following paragraph, the Authority represents that, in the previous five years, it has not failed to comply, in all material respects, with any previous undertaking in a written contract or agreement entered into under Rule 15c2-12.

In September 2021, the Authority failed to file notice in a timely manner with respect to the incurrence of a "Financial Obligation", as defined in Rule 15c2-12, that on September 9, 2021, the Authority and Bank of America entered into a First Amendment to Revolving Credit Agreement (the "First Amendment") to extend the expiration date of the Bank of America Credit Agreement to December 10, 2021. On November 22, 2021, the Authority filed the notice of having entered into the First Amendment and additionally filed a notice of late filing regarding entering into the First Amendment.

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MISCELLANEOUS

The agreements of the Authority with the owners of the 2025 Bonds are fully set forth in the Revenue Obligation Resolution. This Official Statement is not to be construed as a contract with the purchasers of the 2025 Bonds. This Official Statement has been approved by the Board.

The information contained in this Official Statement has been compiled or prepared from information obtained from the Authority and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of the date hereof. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

By: /s/ Jimmy D. Staton
President and Chief Executive Officer

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APPENDIX A

REPORT OF THE AUTHORITY'S FINANCIAL STATEMENTS

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SOUTH CAROLINIANS ***POWERING*** SOUTH CAROLINA

Annual Report 2023

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Letter from the Chairman and CEO

Peter McCoy, *Chairman*

Jimmy Staton, *President and CEO*

Santee Cooper has built a strong legacy as a leading resource in the State of South Carolina in meeting the electricity needs in communities across our state. We energized rural South Carolina beginning in the 1940s and have been serving the people of the state since that time. Today, we are planning for the future so we can continue to serve our customers and communities for years to come.

Santee Cooper's 2023 Integrated Resource Plan (IRP), submitted to the Public Service Commission (PSC) in May 2023 and approved by the PSC in February 2024, was the result of 18 months of detailed analysis and extensive public input. The preferred portfolio provides a road map for meeting the future power needs of our customers through a modern generation mix that prioritizes flexibility, reliability and affordability. The plan significantly reduces Santee Cooper's carbon footprint by closing coal units, adding flexible natural gas generation jointly built with Dominion Energy South Carolina, and significantly increasing solar power on the system.

This portfolio enables Santee Cooper to continue to power South Carolina reliably – and affordably – in support of South Carolina's growing power-dependent industries across the state.

2023 Accomplishments

Receiving 50-Year FERC License

Santee Cooper achieved a significant milestone on Jan. 20, 2023, when the Federal Energy Regulatory Commission (FERC) issued a new 50-year license order for the continued operation of the Santee Cooper Hydroelectric Project (Lake Marion and Lake Moultrie). This feat is the result of numerous Santee Cooper team members' hard work and dedication and their extensive collaboration with other agencies over the past 20+ years.

The terms and conditions of the license have a focus on threatened and endangered species protection, including increased flows and expanded water quality monitoring in the lower Santee River to protect fish. We are working with a number of other agencies to ascertain achievable solutions that allow us to comply with these important environmental requirements.

Meeting Record Growth

Throughout 2023, the number of new customers joining Santee Cooper's system outpaced prior years, with most of that growth occurring along the Grand Strand. When the year ended, Santee Cooper had added 7,832 customers in its retail territory, bringing the total number of residential and business customers to 212,597.

That represents a record year for customer growth at Santee Cooper, and it is a nearly 4% increase over 2022's strong growth of 3%. Myrtle Beach was ranked as the fastest-growing area in the United States for 2023-2024, and so continued growth is likely in 2024.

To help meet that retail growth and similar increases among electric cooperative systems, Santee Cooper purchased the Cherokee County Cogeneration Partners LLC, a roughly 100-megawatt (MW) natural gas combined cycle power plant in Gaffney.

Cherokee offered an existing, in-state solution that matches well with our generating portfolio and will help provide the reliable, affordable power our customers have come to expect. The transaction was supported by Central Electric Power Cooperative and approved by the PSC.

Santee Cooper also signed new purchased power agreements for an additional 250 MWs of power. The new purchased power and Cherokee generating station bring a total 350 MWs to meet short-term capacity needs.

Delivering Outstanding Customer Satisfaction

We saw strong customer satisfaction among residential (96.1% satisfied), commercial (98.7% satisfied), municipal customers (100%) and industrial customers (97.4%). While satisfaction among our cooperative customers has improved, it remains low (57.1% satisfied), and we recognize we need to continue working on those relationships as we move forward.

Supporting Economic Development

Santee Cooper helped our economic development partners secure more than $3 billion in capital investment and approximately 5,000 announced jobs in 2023. Our low rates, incentive loans and grants are powerful tools in helping to secure deals. In addition, Camp Hall Commerce Park, home to Volvo and Redwood Materials, was named 5th best industrial park in the nation, and the only one in the Southeast to be ranked by Business Facilities Magazine.

Focusing on Safety

Safety remains a top priority at Santee Cooper, and the team earned the first-place American Public Power Association's (APPA) Safety Award of Excellence for its focus on safe working practices in 2022 (which was awarded in 2023), reflecting both a low safety-incident rate and Santee Cooper's overall safety program and culture. For 2023, the Recordable Injury rate was 0.77 incidents per 100 people, and the Preventable Motor Vehicle Accident rate was 0.52 incidents per million miles traveled.

Facilitating Electric Innovation

We advanced electric vehicle (EV) infrastructure in our direct-serve territory through our Evolve Grant program. In 2023, Santee Cooper awarded grants to seven exciting new projects submitted by our commercial customers and participated in four ribbon-cutting events showcasing completed EVolve Grant projects with the City of Conway, Coastal Carolina University, McLeod Health and Myrtle Beach Area Chamber of Commerce.

We offer rebates to customers who install qualifying charging stations at their residence, and we have an experimental rate program, ChargeSmart, for residential customers who own or lease electric vehicles. ChargeSmart offers time-of-use rates, which encourage customers, through a discounted pricing structure, to shift the electric use for charging their EVs to times of low demand.

Maintaining Excellent Reliability

Santee Cooper again earned APPA's Reliable Public Power Provider Program, or RP3, Diamond-Level Award. The award, which is given every three years, recognizes utilities that demonstrate high proficiency in reliability, safety, workforce development and system improvement. Thanks to the continuing dedication and hard work of our team, Santee Cooper has maintained the RP3 designation since it was first offered in 2006.

In terms of distribution reliability, Santee Cooper again ranked near the top of a national peer group. Data reported to the U.S. Energy Information Administration ranked Santee Cooper 10th (top 2%) among nearly 500 investor owned utilities and electric cooperatives. The average customer experienced only 22 minutes of outage time in 2023. Our transmission reliability is also very strong at 99.97%, with an average outage time of only 15 minutes.

Growing Water Systems

Santee Cooper's two regional water systems continue to grow and expand to meet area needs. The Lake Moultrie system serves more than 220,000 consumers across the Lowcountry and is growing. The Lake Marion Regional Water System's five-year plan is designed to meet aggressive system growth, with new reaches under construction and five more planned, along with two elevated water tanks and a water plant expansion.

We are also helping the S.C. Department of Health and Environmental Control test treatment technologies for removing PFAS, also known as forever chemicals. Based on our testing, public water systems across the state will be better equipped to choose the best treatment for their plants.

Administering Grid Resiliency Grant

Our Grid Reliability Grant team, working with independent consultant Guidehouse, advanced to the U.S. Department of Energy for final approval 18 proposals, totaling $10,766,899 in total project costs. The proposals were submitted by electric cooperatives and municipal and other utilities seeking Bipartisan Infrastructure Law funding for federal fiscal years 2022 and 2023 that we are administering on behalf of the State. These proposals offer projects that would strengthen grid reliability against adverse weather events primarily in disadvantaged areas of South Carolina.

Impacting Communities
Santee Cooper's team members are dedicated to making their communities better places to live. In 2023, team members donated more than 25,000 hours of their time in community outreach and volunteerism efforts. They also donated $528,000 to the Trident, Black River (Georgetown), Horry and Anderson United Way organizations.

Santee Cooper organizes and hosts Celebrate The Season, an annual holiday lights driving tour and festival that has raised nearly $1.3 million since 2011 for charity. Supported by dozens of other community business and organization sponsors, the event raised more than $154,000 for area charities during its 2023 season.

Increasing Supplier Diversity
Santee Cooper is proud to partner with suppliers that represent and reflect the citizens and communities of South Carolina, and we believe a diverse and inclusive procurement strategy expands the pool of potential suppliers, enhancing competition and improving the agility of our supply chain. As a result of in-person conversations at supplier fairs and by hosting informational sessions, Santee Cooper increased in 2023 its spend of controllable procurement dollars with minority-, women- or veteran-owned businesses by nearly 5%, compared to 2022.

Improving Credit Ratings
Moody's Investors Service upgraded its outlook on Santee Cooper revenue bonds to stable (from negative) and also affirmed its A3 rating on our debt. Our ratings with Fitch and Standard & Poor's remained at A- with negative outlooks.

Responding to Storms
The Santee Cooper team prepares year-round for the probability of weather – or other emergencies – affecting our system. Hurricane Idalia passed through our system in August, causing minor retail system damage and more significant – but quickly addressed – issues for our transmission system. In total, 2,709 retail customers lost power because of the storm, and we fully restored overnight all customers who could receive power. Five transmission lines locked out over the course of about 12 hours, impacting a total of 17 different cooperative delivery point substations. In each case, the delivery point stations were picked back by transmission switching and sectionalizing, typically within an hour or less.

A December Nor'easter was more damaging for the retail system, causing outages for nearly 31,000 retail customers and minor flooding issues at one of our generating stations. Crews worked overnight to restore service.

Trading Through SEEM
The Southeast Energy Exchange Market (SEEM), of which Santee Cooper is a founding member, observed its one year operational anniversary in late November and continues to deliver value to Santee Cooper customers. Santee Cooper was very active in that first year, trading more than 110,000 MWh of energy, or roughly 17% of all completed trades across the SEEM footprint. Those transactions have provided approximately $750,000 of fuel cost savings to our system.

Rates

In June, the Santee Cooper Board of Directors approved a comprehensive study of its retail electric rates to address a projected revenue shortfall beginning in 2025. Santee Cooper's current rates were approved in 2015 and last implemented in 2017. A 2020 rate freeze extended those rates through Dec. 31, 2024. The rate study is necessary to ensure we can continue to invest in the reliability of our system as it grows, while also continuing to transition to a greener power mix.

The study is expected to take approximately a year to complete and will include rate adjustments for residential, commercial, industrial, lighting and municipal customers. Any recommendations from that study would require an open and transparent public review and comment period of several months, most likely beginning in summer 2024, prior to any action on new rates.

Santee Cooper remains focused on providing safe, reliable, affordable water and electricity while balancing the cost impact on our customers and maintaining the financial integrity of our state asset.

Award-Winning Utility

In addition to earning APPA's first-place Safety Award for Excellence and the RP3 Diamond-Level Award, Santee Cooper was also recognized in 2023 as:

- An Outstanding Corporate Partner by Trident United Way.
- A Champion of Public Schools by South Carolina School Boards Association.
- A Lower Region Group Leadership Award winner from South Carolina Litter Control Association and Palmetto Pride/Keep South Carolina Beautiful for our partnership with Keep Conway Beautiful.
- A South Carolina Economic Development Impact winner by the Coastal Carolina University Grant Center for Real Estate and Economics.

Conclusion

Santee Cooper powers South Carolina by energizing homes and businesses, hydrating communities with clean, safe water, and helping the state thrive through economic development efforts, strategic partnerships and community support. We are navigating today's challenges and investing in the future, and our team will continue to work each and every day to help improve the quality of life for all South Carolinians.

Peter McCoy
Chairman

Jimmy Staton
President and CEO

CORPORATE STATISTICS

System Data 2023

Miles of transmission system lines[1]:	**5,255**
Miles of distribution system lines:	**3,159**
Number of transmission substations:	**93**
Number of distribution substations:	**59**
Number of Central Electric Power Cooperative, Inc (CEPCI) Delivery Points (DPs):	**427**

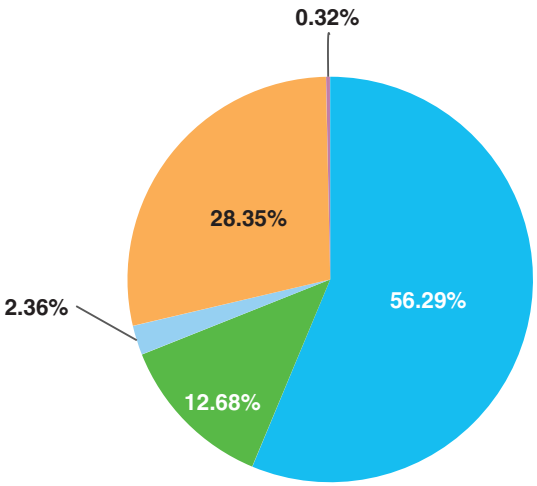
[1] Includes Central-owned transmission lines

	2023	2022	2021	2020	2019 [2]
FINANCIAL (Thousands)					
Total Revenues & Income	**$1,888,400**	$1,974,737	$1,854,350	$1,689,760	$1,613,518
Total Expenses & Interest Charges	**$1,744,573**	$1,960,898	$1,801,232	$1,583,275	$1,676,509
Other	**($8,433)**	($1,026)	$3,146	($54,431)	$48,681
Reinvested Earnings	**$135,394**	$12,813	$56,264	$52,054	($14,310)
OTHER FINANCIAL *(Excluding CP and Other)*					
Debt Service Coverage *(prior to Distribution to State and Special Item, includes Cook Deferred Expenses)*[1]	**1.95**	1.27	1.27	1.46	1.43
Debt / Equity Ratio	**76/24**	77/23	76/24	76/24	76/24
STATISTICAL					
Number of Customers (at Year-End)					
Retail Customers	**212,597**	204,766	198,694	193,930	189,177
Military and Large Industrial	**27**	27	27	27	27
Wholesale - on system	**4**	4	4	4	4
Wholesale - off system	**4**	4	4	4	4
Total Customers	**212,632**	204,801	198,729	193,965	189,212
Generation (MWh):					
Coal	**11,096,020**	9,953,263	10,441,460	8,502,014	9,126,240
Nuclear	**2,499,418**	2,863,279	2,323,542	2,569,684	2,745,960
Hydro	**464,761**	418,764	503,461	756,388	550,468
Natural Gas and Oil	**5,588,689**	5,694,732	5,020,130	5,471,117	5,582,155
Landfill Gas & Renewables	**63,584**	47,651	49,039	47,077	56,012
Total Generation (MWh)	**19,712,472**	18,977,689	18,337,632	17,346,280	18,060,835
Purchases, Net Interchanges, etc. (MWh)	**7,021,907**	7,891,502	6,867,283	5,723,215	5,737,196
Wheeling, Interdepartmental, and Losses	**(549,448)**	(644,818)	(603,873)	(836,321)	(569,323)
Total Energy Sales (MWh)	**26,184,931**	26,224,373	24,601,042	22,233,174	23,228,708
Annual Degree Days	**3,741**	4,250	4,062	3,907	4,316
Summer Generating Capacity (MW)	**5,170**	5,075	5,115	5,110	5,110
Winter Generating Capacity (MW)	**5,388**	5,293	5,343	5,338	5,338
Territorial Peak Demand (MW), Summer	**4,940**	4,746	4,505	4,467	4,507
Territorial Peak Demand (MW), Winter	**4,664**	5,342	4,634	4,456	4,558

[1] See Note 5 - Cook Settlement as to Rates

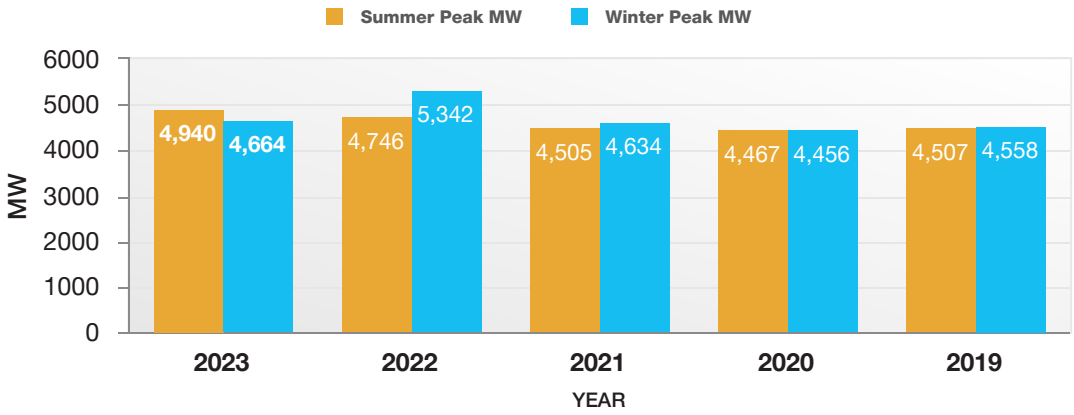
[2] 2019 financial results included a decrease to reinvested earnings from higher net amortization of the Regulatory assets - nuclear over the Deferred inflows - Toshiba settlement. This amortization was to align with impacts from the 2019 debt defeasance as well as capital expenditures.

2023 GENERATION BY FUEL MIX

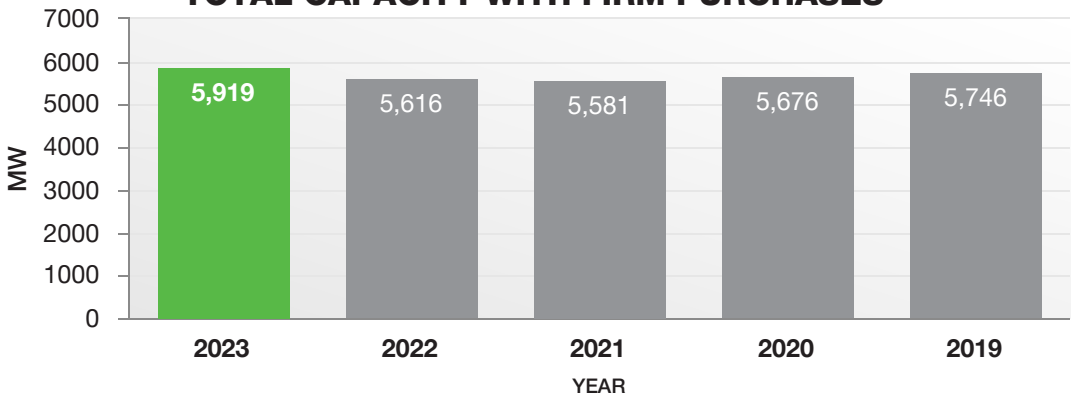


Source		MWh
Coal	56.29%	11,096,020
Nuclear	12.68%	2,499,418
Hydro	2.36%	464,761
Natural Gas and Oil	28.35%	5,588,689
Total Renewables	0.32%	63,584
	100.00%	19,712,472

PEAK DEMAND



TOTAL CAPACITY WITH FIRM PURCHASES



Audit Committee Chairman's Letter

The Audit Committee of the Board of Directors is comprised of independent directors Charles H. Leaird – Chairman, Charles Samuel "Sam" Bennett II, Merrell W. Floyd, Stephen H. Mudge, Stacy K. Taylor, and John S. West.

The committee receives regular reports from members of management and Internal Audit regarding their activities and responsibilities.

The Audit Committee oversees Santee Cooper's financial reporting, internal controls and audit process on behalf of the Board of Directors.

Periodic financial statements and reports pertaining to operations and representations were received from management and the internal auditors. In fulfilling its responsibilities, the committee also reviewed the overall scope and specific plans for the respective audits by the internal auditors and the independent auditors. The committee discussed the company's financial statements and the adequacy of its system of internal controls. The committee met with the independent auditors to discuss the results of the audit, the evaluation of Santee Cooper's internal controls, and the overall quality of Santee Cooper's financial reporting.

Charles H. Leaird
Chairman
2023 Audit Committee

Notes:
Charles Samuel "Sam" Bennett II, Stacy K. Taylor, and John S. West were appointed to the committee on June 20, 2023, replacing committee members William A. Finn, Peggy H. Pinnell, and Barry D. Wynn, whose terms on the Board expired.

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Report of Independent Auditors

To the Board of Directors of the South Carolina Public Service Authority

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the South Carolina Public Service Authority ("Santee Cooper"), a component unit of the state of South Carolina, as of and for the year ended December 31, 2023, including the related notes, which collectively comprise Santee Cooper's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, and fiduciary activities of Santee Cooper as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Santee Cooper and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matter

The financial statements of the business-type activities and fiduciary activities of Santee Cooper as of December 31, 2022 and for the year then ended were audited by other auditors whose report, dated March 15, 2023, expressed unmodified opinions on those statements and included a paragraph describing the limited procedures performed over the required supplementary information presented to supplement the 2022 basic financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Santee Cooper's ability to continue

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as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santee Cooper's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Santee Cooper's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as of and for the year ended December 31, 2023 on pages 16 through 30, schedule of proportionate share of the net pension liability as of June 30, 2023 on page 94, schedule of pension plan contributions for the year ended December 31, 2023 on page 95, schedule of changes in net OPEB liability and related ratios as of and for the year ended June 30, 2023 on page 96, schedule of OPEB contributions for the year ended December 31, 2023 on page 97, and schedule of investment returns for the year ended December 31, 2023 on page 97 be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Chairman and CEO Letter, Corporate Statistics, Audit Committee Chairman's Letter, Board of Directors and Leadership, and Office Locations, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PricewaterhouseCoopers LLP

Atlanta, Georgia
March 25, 2024

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Management's Discussion and Analysis of Financial Condition and Results of Operations (unaudited)

Introduction

The South Carolina Public Service Authority (the "Authority" or "Santee Cooper") is a component unit of the State of South Carolina (the "State"), created by the State in 1934 for the purpose of providing and aiding interstate commerce, navigation, electric power and wholesale water to the people of South Carolina. The statute under which it was created provides that the Authority will establish rates and charges so as to produce revenues sufficient to provide for payment of all expenses, the conservation, maintenance and operation of its facilities and properties and the payment of the principal and interest on its notes, bonds, or other obligations; provided, however, that prior to putting into effect any increase in rates the Authority shall give at least a sixty-day notice of such increase to all customers who will be affected.

The Authority's assets include wholly-owned and ownership interests in a variety of coal, natural gas, nuclear, hydro, biomass, landfill and solar generating units. Summer power supply peak capacity totaled 5,170 megawatts (MW) consisting of 3,460 MW of coal-fired capacity, 1,215 MW of natural gas and oil capacity, 322 MW of nuclear capacity, 142 MW of hydro capacity, 26 MW of landfill methane gas capacity and 5 MW of solar capability Winter power supply peak capacity totaled 5,388 MW consisting of 3,480 MW of coal-fired capacity, 1,413 MW of natural gas and oil capacity, 322 MW of nuclear capacity, 142 MW of hydro capacity, 26 MW of landfill methane gas capacity and 5 MW of solar capability.

In addition to its generation assets, the Authority may purchase from, sell to or exchange with other bulk electric suppliers additional capacity and energy in order to maximize the efficient use of generating resources, reduce operating costs and increase operating revenues. The Authority also operates an integrated transmission system which includes lines owned by the Authority as well as those owned by Central Electric Power Cooperative Inc. ("Central"), the Authority's largest wholesale customer.

Overview of The Financial Statements

This discussion serves as an introduction to the basic and fiduciary financial statements of the Authority to provide the reader with an overview of the Authority's financial position and operations. As discussed in the Notes to the Financial Statements (Note 1 – A -"Reporting Entity"), the financial statements include the accounts of the Lake Moultrie and Lake Marion Regional Water Systems.

The Statements of Net Position – Business – Type Activities summarize information on the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

The operating results of the Authority are presented in the Statements of Revenues, Expenses and Changes in Net Position – Business – Type Activities. Revenues represent billings for electricity and wholesale water sales. Expenses primarily include operating costs and debt service-related charges.

The Statements of Cash Flows – Business – Type Activities are presented using the direct method. This method provides broad categories of cash receipts and cash disbursements related to cash provided by or used in operations, non-capital related financing, capital related financing and investing activities.

The Statements of Fiduciary Net position – Other Post Employment Benefits (OPEB) Trust Fund summarizes the assets, liabilities, and fiduciary net position of the OPEB Trust Fund.

The Statements of Changes in Fiduciary Net Position – OPEB Trust Fund reports additions to and deductions from the OPEB Trust Fund.

The Notes are an integral part of the Authority's basic financial statements and provide additional information on certain components of the financial statements.

Financial Condition Overview

The Authority's Statements of Net Position as of December 31, 2023, 2022 and 2021 are summarized below

	2023	2022	2021
		(Thousands)	
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
Capital assets	**$ 5,095,612**	$ 5,008,163	$ 5,108,947
Current assets	**1,304,252**	1,568,740	1,294,801
Other noncurrent assets	**4,917,531**	4,788,349	4,436,986
Deferred outflows of resources	**829,286**	976,711	872,566
Total assets & deferred outflows of resources	**$ 12,146,681**	$ 12,341,963	$ 11,713,300
LIABILITIES & DEFERRED INFLOWS OF RESOURCES			
Long-term debt - net	**$ 7,605,551**	$ 7,573,550	$ 6,961,591
Current liabilities	**595,916**	672,284	671,887
Other noncurrent liabilities	**1,124,911**	1,239,117	1,240,899
Deferred inflows of resources	**569,951**	723,093	700,143
Total liabilities & deferred inflows of resources	**$ 9,896,329**	$ 10,208,044	$ 9,574,520
NET POSITION			
Net invested in capital assets	**$ 2,001,334**	$ 2,040,738	$ 2,116,131
Restricted for debt service	**12,182**	20,698	9,214
Unrestricted	**236,836**	72,483	13,435
Total net position	**$ 2,250,352**	$ 2,133,919	$ 2,138,780
Total liabilities, deferred inflows of resources & net position	**$ 12,146,681**	$ 12,341,963	$ 11,713,300

2023 Compared to 2022

The primary changes in the Authority's financial condition as of December 31, 2023 and 2022 were as follows:

Assets and Deferred Outflows of Resources

Total assets and deferred outflows of resources decreased $195.3 million during 2023 due to decreases of $264.5 million in current assets, and $147.4 million in deferred outflows of resources. These decreases were offset by increases of $87.4 million in capital assets and $129.2 million in other noncurrent assets.

The increase in capital assets of $87.4 million was due to an increase during 2023 in capital construction spending which included solid waste, landfill and Effluent Limitation Guidelines (ELGs) system along with the Marion-Conway 230kV line and various large distribution and generation additions. This was offset by a smaller increase in accumulated depreciation.

The decrease in current assets of $264.5 million was primarily due to decreases in unrestricted and restricted cash and investments of $260.0 million. The net decreases were caused mainly from higher debt service payments offset by higher net operating receipts in the current year along with higher net investment income (including fair market value adjustments). Fuel stocks increased $78.4 million attributed to an increase in fossil fuel physical quantities and higher fuel prices. Accounts receivables decreased $45.2 million, primarily caused by decreases in the Central Electric Power Cooperative, The Energy Authority, and industrial receivables resulting from lower volumes and lower fuel rate revenues. Prepaid expenses & other current assets decreased by $52.9 million due mainly to a decrease in the current derivative assets (including fair market value adjustments). Materials and supplies inventory increased $14.6 million due to higher

market prices of commodities as well as inventory items added with the purchase of the Cherokee generation facility during late 2023.
Interest receivable increased $1.2 million due mainly to higher investment income. Additionally, there was a small net decrease of $600,000 in the smaller other remaining current assets.

The increase in other noncurrent assets of $129.2 million resulted mainly from the recording of additional Cook Settlement Exceptions regulatory asset adjustments of $266.5 million during 2023. This was partially offset by the decreases in noncurrent assets due to an investment loss (including market value adjustments) and a decrease in the noncurrent regulatory asset – nuclear due to transfers to current. Other noncurrent assets netted to small variances between the years.

Deferred outflows of resources decreased $147.4 million, due mainly to the decreases in these line items. Decreases in deferred outflow - pension of $45.8 million resulting from the 2023 actuarial study driven by the investment experience, unamortized loss on refunded and defeased debt of $12.3 million resulting from normal amortization during 2023, the accumulated fair value of hedging derivatives also decreased by $6.3 million due to lower deferred losses compared to the prior period, and a decrease in deferred outflow - ARO of $81.5 million due to continued ash pond removals and an adjustment to align our one third nuclear related asset retirement obligations with the majority owner's decommissioning study. In addition, the deferred outflow – OPEB decreased $1.5 million, resulting from the 2023 actuarial study driven by a change in assumptions.

Liabilities, Deferred Inflows of Resources & Net Position

Liabilities & deferred inflows of resources decreased $311.7 million. This was due to a decrease of $76.4 million in current liabilities, a decrease in other noncurrent liabilities of $114.2 million, and a decrease of $153.1 million in deferred inflows of resources. These decreases were partially offset by an increase of $32.0 million in long-term debt.

Long-term debt - net increased $32.0 million. This resulted primarily from Long Term Revolving Credit Agreements which increased by $185.0 million due to current period draws partially offset by $2.0 million from paydowns and transfers to short term. This was further offset by a $62.7 million debt cash defeasance in December 2023 and $56.6 million in transfers to current portion. Also there was a $30.7 million decrease in unamortized premiums and discounts and a $1.0 million reduction from removals resulting from the December cash defeasance.

The decrease in current liabilities of $76.4 million was due mainly to decreases in other current liabilities of $132.5 million and a decrease of $25.8 million in accounts payable. These decreases were partially offset by increases of $65.1 million in commercial paper and $17.1 million in the current portion of long-term debt. The other current liabilities decrease was primarily a result of a lower deferred liability offset of $126.0 million in hedging collateral received due to lower forward commodity prices, and a $5.9 million decrease in the current mark to market loss liability account along with smaller net decreases of approximately $600,000 in the remaining categories. The accounts payable decrease resulted from lower purchased power liabilities offset by a higher nuclear fuel liability along with higher V. C. Summer nuclear related accounts payables. The increase in commercial paper liabilities was due to an increase of $131.6 million resulting from new issuances offset by $66.5 million due to paydowns. Current portion - long term debt increased due mainly to net higher current year transfers into current portion offset by lower principal payments under debt service requirements. In addition, there was a small net decrease of $300,000 between accrued interest on long term debt and the revolving credit agreement liabilities.

The decrease in other noncurrent liabilities of $114.2 million resulted primarily from reductions in the net pension and net OPEB liabilities of $53.8 million and $6.1 million, respectively. This resulted from the 2023 actuarial study updates with changes in investment return and discount assumptions for the current year. Also a $71.7 million reduction in the asset retirement obligations because of continued ash pond removals and an adjustment to align our one third nuclear related asset retirement obligations with the majority owner's decommissioning study in 2023. This was offset by increases totaling $16.7 million in other credits and noncurrent liabilities for nuclear associated net pension and OPEB resulting from the 2023 actuarial study updates, landfill closure updates, and the change in the deferred liability for Camp Hall sales for 2023. Other items in this line item accounted for small net increases of approximately $700,000 between the years being compared.

Deferred inflows of resources decreased $153.1 million largely due to a lower accumulated value in fair value of hedging derivatives of $152.6 million caused by lower mark to market gains associated with lower natural gas prices reducing future settle prices. There were also decreases of $49.6 million in deferred inflows - pension associated with changes in assumptions for investment experience in the 2023 actuarial study and deferred inflows - Toshiba settlement due to amortization of $8.9 million. These decreases were partially offset by increases in deferred inflows – OPEB of $45.4 million due changes in assumptions to the 2023 actuarial study and deferred inflows - nuclear decommissioning costs of $12.6 million, mainly to higher market values and changes in projected earnings rates and NRC required minimum funding.

The increase in net position of $116.4 million was due to positive operating results. Unrestricted net position increased $164.3 million, offset by lower net investment in capital assets of $39.4 million and lower restricted net position of $8.5 million.

2022 Compared to 2021

The primary changes in the Authority's financial condition as of December 31, 2022 and 2021 were as follows:

Assets and Deferred Outflows of Resources

Total assets and deferred outflows of resources increased $628.7 million during 2022 due to increases of $274.0 million in current assets, $351.4 million in other noncurrent assets, and $104.1 million in deferred outflows of resources. These increases were offset by smaller decreases of $100.8 million in capital assets.

The decrease in capital assets of $100.8 million was due to higher accumulated depreciation, offset by capital asset additions. Capital spending was reduced in 2022, resulting in lower capital asset additions. Projects going into service included: new absorber tanks and vessels at Cross Unit 1; Cross Units 3 and 4 reheater work; Cross 1 boiler work and finishing superheater assembly; and the Carnes Crossroads transformer addition.

The increase in current assets of $274.0 million was primarily due to increases in unrestricted and restricted cash and investments of $153.5 million. The net increases came mainly from proceeds received from the 2022 E tax exempt bond proceeds less debt service payments, funding the current year cash defeasances, fund transfers and capital expenditures. Fuel stocks increased $46.1 million due to higher priced fuel and fuel management practices. Accounts receivables increased $44.6 million, primarily caused by increases in the Central Electric Cooperative and The Energy Authority receivables. Also, prepaid expenses & other current assets increased by $38.5 million due mainly to an increase in the current derivative assets. Materials and supplies inventory increased $18.8 million due to higher market prices of commodities. Regulatory assets - nuclear decreased by $28.6 million ~~is~~ due to reduced amortization scheduled for 2023, resulting in less transfers from noncurrent regulatory assets – nuclear. Other smaller accounts netted to approximately an increase of $1.1 million in this category.

The increase in other noncurrent assets of $351.4 million resulted from the recording of the Cook Settlement Exceptions regulatory asset of $358.6 million during 2022. This was partially offset by the decreases in noncurrent restricted investments due to an investment loss (including market value adjustments) and a decrease in the noncurrent regulatory asset – nuclear due to transfers to current. Other noncurrent assets netted to small variances between the years.

Deferred outflows of resources increased $104.1 million, due mainly to the increase in Unamortized loss on refunded and defeased debt of $124.4 million resulting from loss additions related to the 2022 AB Refunding bond issue. The accumulated fair value of hedging derivatives also increased by $14.4 million due to higher deferred losses compared to the prior period. The deferred outflow – OPEB increased $16.4 million, resulting from the 2022 actuarial studies driven by the investment experience. These increases were partially offset from a decrease in the deferred outflow – ARO of $34.1 million due to continued ash pond removals.

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

Liabilities & deferred inflows of resources increased $633.5 million due to increases of $612.0 million in long-term debt, $0.4 million, in current liabilities, and $22.9 million in deferred inflows of resources. These increases were partially offset by a decrease of $1.8 million in other noncurrent liabilities.

Long-term debt - net increased $612.0 million. This resulted from the net debt increases of $311.7 million related to the 2022 AB Refunding bond issue, 2022 CDEF Refunding and Improvement bond issues, removals of the bonds being refunded along with the March and December cash defeasances. Long Term Revolving Credit Agreements increased by $200.5 million due to current period draws. Unamortized debt discounts and premiums also increased by $99.8 million due mainly to the impact of the associated 2022 net bond activity.

Total current liabilities were relatively consistent with prior years, key changes in individual components were as follows: increases in other current liabilities of $45.0 million and an increase of $27.3 million in accounts payable. These increases were partially offset by a decrease of $68.3 million in the current portion of long-term debt. The other current liabilities increase was primarily a result of a higher deferred liability offset of $75.8 million in hedging collateral received, partially offset by a $70.0 million decrease in the Cook Settlement Agreement liability. The accounts payable increase resulted from higher purchased power liabilities partially offset by lower Summer nuclear accounts payables. Current portion - long term debt decreased due mainly to lower principal payments under debt service requirements.

The decrease in other noncurrent liabilities of $1.8 million resulted mainly from a reduction of $38.9 million in the asset retirement obligation because of continued ash pond removals in 2022. This was offset by increases in the net pension of $14.1 million and net OPEB liabilities of $14.5 million, resulting from the 2022 actuarial study updates with lower investment assumptions for the current year. Further offsetting the decrease was an increase of $8.5 million in the deferred liability account for Camp Hall sales.

Deferred inflows of resources increased $22.9 million largely due to higher accumulated increase in fair value of hedging derivatives of $89.2 million, resulting from higher mark to market gains associated with higher natural gas prices increasing future settle prices. This was partially offset by decreases in deferred inflows – nuclear decommissioning costs of $41.4 million, mainly from lower market values and reduced funding due to changes in projected earnings rates and NRC required minimum funding; deferred inflows - pension of $13.7 million associated with changes in assumptions and better investment performance in the 2022 actuarial study; and deferred inflows - Toshiba settlement amortization of $9.1 million. Further offsets were provided by deferred inflow - OPEB of $2.1 million from changes in the 2022 actuarial study.

The decrease in net position of $4.9 million was due to negative operating results. Net invested in capital assets decreased $75.4 million. This was offset by unrestricted net position of $59.0 million and restricted for debt service of $11.5 million.

RESULTS OF OPERATIONS

Santee Cooper's Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2023, 2022 and 2021 are summarized as follows:

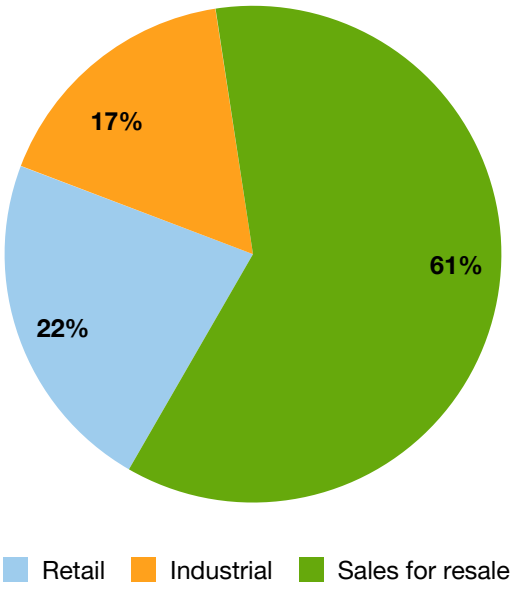
	2023	2022	2021
		(Thousands)	
Operating revenues	**$ 1,850,603**	$ 1,949,050	$ 1,765,785
Operating expenses	**1,429,528**	1,670,010	1,496,286
Operating income	**421,075**	279,040	269,499
Interest expense	**(315,045)**	(290,888)	(304,946)
Costs to be recovered from future revenue	**(8,433)**	(1,026)	3,145
Other income	**37,797**	25,688	88,566
Capital contributions, transfers and special item	**(18,961)**	(17,675)	(17,135)
Change in net position	**$ 116,433**	$ (4,861)	$ 39,129
Net position - beginning of period	**$ 2,133,919**	$ 2,138,780	$ 2,099,651
Ending net position	**$ 2,250,352**	$ 2,133,919	$ 2,138,780

2023 Compared to 2022

Operating Revenues

Comparing 2023 to 2022, operating revenues decreased $98.4 million (5%), primarily driven from lower fuel rate revenues of $52.5 million, due to an overall decrease in commodity prices year over year. Contributing to the decrease were lower energy revenues of $30.8 million from unfrozen Economy Power fuel rates due to lower fuel costs in the current year. Other factors causing the decrease included lower: (i) off system sales of $10.6 million; (ii) demand rate revenues of $2.6 million; and (iii) other smaller revenue adjustment decreases of $1.9 million between the two periods. Milder weather caused most of the impact lowering heating degree days 12% in the current year. For comparison, energy sales for 2023 and 2022 were virtually the same totaling approximately 26.2 million megawatt hours (MWhs).

2023 Revenues from Sales of Electricity*
by Customer Class

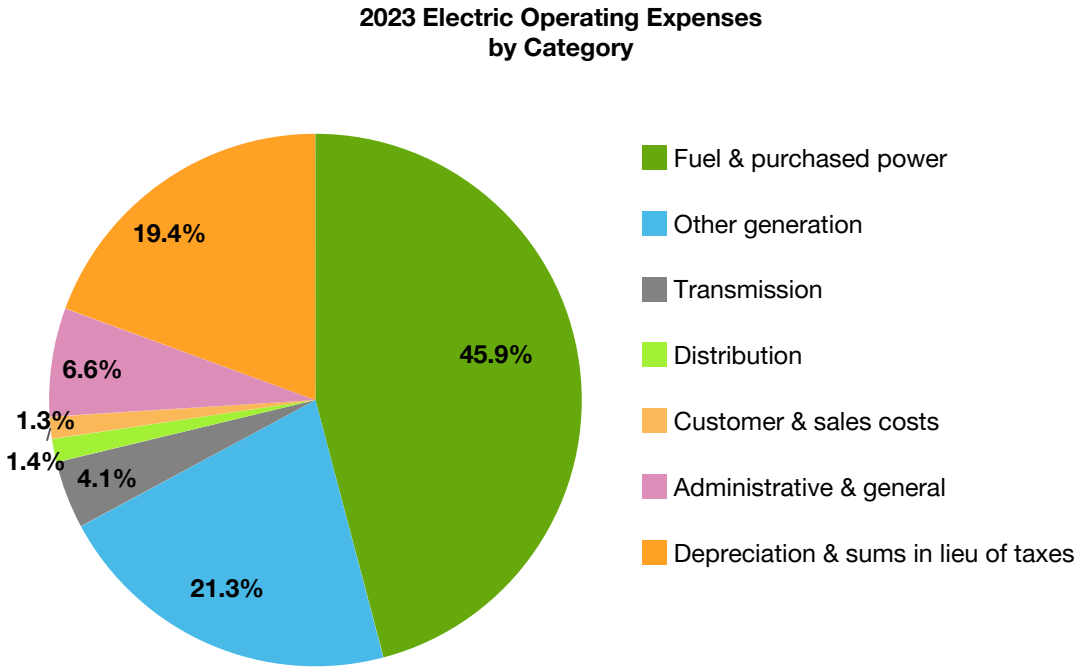


	2023	2022	2021
Revenues from Sales of Electricity*		(Thousands)	
Retail	**$ 409,762**	$ 405,973	$ 406,969
Industrial	**306,602**	386,211	274,202
Sales for resale	**1,108,760**	1,131,579	1,059,588
Totals	**$ 1,825,124**	$ 1,923,763	$ 1,740,759

*Excludes interdepartmental sales of $592 for 2023, $615 for 2022 and $582 for 2021.

Operating Expenses

Operating expenses for 2023 decreased $241.7 million (15%) as compared to 2022. The major causes were lower fuel and purchased power expenses which decreased $428.1 million due to lower prices in the current year purchased power and natural gas markets. This was offset somewhat by lower Cook settlement exception regulatory asset credits of $89.7 million as compared to the prior year due to the lower current year purchased power and natural gas prices experienced in 2023. Additional offsets to the decrease were: (i) higher non-fuel generation expense which showed an increase of $72.9 million from higher contract services and materials from larger scopes on Winyah, Cross, and Rainey outages, increased Winyah and Cross maintenance costs, increased gypsum purchases, and higher nuclear expenses from higher Dominion corporate cost allocations and operational expenses; (ii) transmission increased $12.8 million from higher outside transmission costs, labor, materials, and contract services; and (iii) administrative and general expense were higher $9.7 million mainly caused by labor associated with higher pension expense in 2023 compared to 2022. Other smaller changes netted to the remaining variance.



	2023	2022	2021
Electric Operating Expenses		(Thousands)	
Fuel & purchased power	**$ 652,622**	$ 991,017	$ 770,115
Other generation	**302,186**	229,251	288,840
Transmission	**58,568**	45,679	42,338
Distribution	**20,076**	21,515	17,997
Customer & sales costs	**18,997**	19,528	17,903
Administrative & general	**93,758**	84,099	90,844
Depreciation & sums in lieu of taxes	**275,925**	272,747	262,134
Totals	**$ 1,422,132**	$ 1,663,836	$ 1,490,171

Non-Operating Income (Expense)

Regulatory amortization and other income provided a combined increase to non-operating expense of $11.5 million, in 2023 as compared to 2022. This resulted primarily from lower amortization of the nuclear regulatory asset of $23.1 million due, resulting from lower principal payments on nuclear debt coming due in the current year. Another contributing item to the increase was a change in the fair value of investments of $19.0 million and higher interest income of $9.9 million. Offsetting these increases were lower nuclear equipment and Camp Hall sales of $38.3 million and lower smaller items in this category netting approximately $2.2 million.

Interest charges increased $24.3 million, resulting primarily from the impact of the 2022 E & F bond issue in November 2022. This increase was net of higher credits to interest expense from borrowings related to the Cook settlement exception regulatory asset in the current year.

CTBR expense was higher year over year by $7.6 million because of higher principal amortization in the current year.

Transfers represent dollars paid to the State.

2022 Compared to 2021

Operating Revenues

Compared to 2021, operating revenues increased $183.3 million (10%), primarily from higher fuel rate revenues of $77.0 million, mainly in the Industrial category. Higher energy sales (7%), demand usage (8%) and demand rate revenues also increased revenues by $40.7 million, $31.1 million and $18.7 million, respectively. Degree day increases of 5% contributed to increased revenues in our retail and wholesale businesses. Further contributions were made by higher off system Municipal sales of $14.7 million. Also contributing was the change between the periods for the Central Cost of Service adjustments of $15.2 million. The 2021 adjustments were higher due to the finalization of 2020's adjust-to-actual and accruals for 2016, 2017 and 2018's audit issues of $21.6 million. In addition, the 2021 adjust-to-actual accrual was $2.4 million higher as compared to 2022. The 2022 adjustments included accruals for 2018 & 2019 audit issues of $8.0 million. Somewhat offsetting these increases were lower O&M rate revenues of $12.3 million. Energy sales for 2022 totaled approximately 26.2 million megawatt hours (MWhs), as compared to approximately 24.6 million MWhs for 2021.

Operating Expenses

Operating expenses for 2022 increased $173.7 million (12%) as compared to 2021 fuel and purchased power credits of $327.1 million from the Cook Settlement Exceptions regulatory asset. Primary drivers were higher: (i) fuel and purchased power expense of $548.0 million from higher kWh sales, higher commodity prices for the generation mix utilized and increased use of higher cost purchased power due to coal stockpile management, as well as higher costs in the energy markets due to elevated natural gas prices; (ii) depreciation of $10.6 million from assets placed into service in the current year; (iii) distribution of $3.5 million from higher labor and contract services in the current year; and (iv) transmission of $3.3 million from higher transmission purchases associated with purchased power. Further offsetting these increases were lower: (i) non-fuel generation of $59.6 million mainly from lower contract services and materials due largely to smaller Cross, Winyah and Rainey maintenance outage scopes. V.C. Summer expenses were lower due to higher software integration expense in the prior year; and (ii) administrative & general of $6.7 million from contract services due to lower legal expense. Non-fuel generation and administrative & general are shown net of credits from the Cook Settlement Exceptions regulatory asset of $16.7 million and $5.4 million, respectively.

NON-OPERATING INCOME (EXPENSE)

Regulatory amortization and other income provided a combined increase to non-operating expense of $63.0 million, in 2022 as compared to 2021, resulting primarily from lower amortization of the Toshiba regulatory liability of $36.2 million, higher amortization of the nuclear regulatory asset of $49.0 million associated with the cash defeasance of nuclear bonds in December of 2022 and lower TEA income of $11.7 million in the current year. This was offset by higher Summer Nuclear 2 & 3 sales of $23.3 million, interest income of $4.5 million, an increase in the fair value of investments of $2.8 million and the Hearn settlement expense in the prior year of $2.8 million.

Interest charges decreased $14.0 million, resulting mainly from the 2021 A Refunding in late 2021 and the 2022 AB Refunding in February 2022, as well as the Cook Settlement Exceptions regulatory asset which lowered interest charges by $8.4 million.

CTBR expense was higher year over year by $4.2 million as a result of higher principal amortization in the current year. The change of water CTBR was $361,000 between the years as a result of debt paydowns.

Transfers represent dollars paid to the State.

ECONOMIC DEVELOPMENT

The Authority and the electric industry continue to face economic and industry challenges that impact the competitiveness and financial condition of the utility. As market conditions fluctuate, the Authority's mission continues to be to deliver low-cost and reliable electricity and water to its customers. To address these challenges, the Authority has developed economic development programs that revolve around four strategic initiatives:

(1) Marketing – includes market commercial and industrial properties, providing grants to economic development allies for marketing purposes, and providing closing fund grants to help close projects; (2) Product Development – the Authority's Economic Development Loan Program provides funding for product development (land acquisition, building construction, and infrastructure); (3) Project management – in-house expertise can be utilized for certain engineering, environmental, and property and/or site consultation; and (4) Competitive rates.

Since June 2012, the Authority has invested nearly $146 million throughout South Carolina in product development activities through low interest revolving loans and grants to public entities.The Authority's commitment to economic development efforts with the State, the electric cooperatives and other economic development partners also brought additional announcements of business growth projects during 2023, including Metglas, Inc. in Horry County, ZEB Materials in Berkeley County, and Latitude Corporation in Clarendon County.

The Authority's largest customer, Central Electric Power Cooperative, Inc ("Central"), accounted for 58 percent of operating revenues in 2023. Central provides wholesale electric service to each of the 19 distribution cooperatives which are members of Central pursuant to long-term all requirements power supply agreements that extend through December 31, 2058.

In May 2013, the Authority and Central approved an amendment to their contract (the "Coordination Agreement") and agreed to extend their termination rights. Under the Coordination Agreement 10-year rolling notice provision, for a termination date of December 31, 2058, a party must give notice of termination no later than December 31, 2048. Central's power supply agreements with their member cooperatives obligates those members to pay their share of Central's costs, including costs paid under the Coordination Agreement. The Authority and Central have also resolved certain matters relating to the nuclear project through the execution of the Cook Settlement Agreement and continue to conduct business pursuant to the terms of the Settlement and the Coordination Agreement.

Fuel cost in 2023 were down from the historic levels experienced in 2022. The Authority's load requirements were normal throughout the year, with no major weather events. The Authority's coal inventory, although priced higher than in previous years due to factors related to the Sugar Camp mine fire of 2021, remained above the Authority's operational target range (800 thousand to 1.2 million tons) throughout most of the year. Purchased energy market prices were lower than expected and the Authority was able to participate in that market by reducing the Authority's own generation resources; however, when there were price spikes, the Authority was able to switch back to the Authority's coal resources.

The Authority's 2023 system rate of $31.65/MWh was lower than the Authority's 2022 system rate and the Authority's 2023 Budget projections. 2023 system rate is also in line with historical average system rates even though we have seen inflationary pressures throughout the past decade.

Legislative Matters

The 2023-2024 SC legislative session began January 10, 2023, and the second year of that two-year session began on January 9, 2024. The two-year session is scheduled to adjourn on May 9, 2024.

The SC Governor and legislative leaders have identified a need in South Carolina for new dispatchable, reliable, and affordable energy. The Governor has initiated a state action group name 'PowerSC' to address energy challenges for South Carolina and develop an energy plan. Legislative leaders, including the SC Speaker of the House, are pursuing an agenda to improve energy capacity for South Carolina as well.

It is expected that energy policies, including policies that will enable and support the Authority's resource plan, will be discussed and addressed in the 2024 legislative session. In addition, the South Carolina Public Service Commission approved the Authority's 2023 Integrated Resource Plan on February 15, 2024.

Increased Focus On Sustainability

The Authority has increased its focus on sustainability with the creation of a standalone department that has been tasked with developing and implementing an enterprise-wide strategic plan for sustainability as well as leading the Authority's just transition efforts with impacted stakeholders related to its planned retirement of the Winyah Generating Station. The creation of its new sustainability department is a part of the Authority's continued commitment to sustainable business practices and corporate responsibility.

The Authority's increased emphasis on sustainability goes hand in hand with its corporate mission to improve the quality of life for all South Carolinians. Its sustainability efforts are guided by overarching corporate strategic goals for 2023 centered on four key areas. **People** – with the objective of shaping and cultivating a corporate culture in which employees feel safe, included, and engaged. **Perception** – with the objective of exceeding the expectations of customers and stakeholders through innovation, transparency, and service. **Performance** – with the objective of modernizing Santee Cooper through several initiatives, including among other things fuel diversification and investment in emerging technology. And finally, **Profitability** – with the objective of delivering and executing on a financial plan that addresses dynamic internal and external market forces.

The Authority has made great strides in each of these areas from the continued good work of its IDEA (Inclusion, Diversity, Equity, and Awareness) Council, to the over 25,000 hours of outreach in the communities it serves provided by the Authority's employees. Additionally, for the second year in a row the Authority finished the year with a top ten finish in reliability out of nearly 500 utilities, not to mention its role as the administrator on behalf of the State of South Carolina for over $10.4 million in grant funds awarded by the U.S. Department of Energy for strengthening the state's electric grid resiliency.

The Authority continues its commitment to and focus on sustainable practices that prioritize long-term economic performance, environmental stewardship, reliable, affordable energy and water, effective corporate governance, corporate responsibility, and transparency. As a part of its commitment, the Authority has increased its disclosure around sustainability and additional information about its efforts are included in its 2023 Sustainability Report which will be available on April 30, 2024, on the Authority's website at https://www.santeecooper.com/about/.

Homeland Security

The Department of Homeland Security ("DHS") was established by the Homeland Security Act of 2002, a portion of which relates to anti-terrorism standards at facilities which store or process chemicals. The Chemical Facility Anti-Terrorism Standards ("CFATS") program identifies and regulates high-risk chemicals facilities to ensure they have security measures in place to reduce the risk associated with these chemicals. The Authority has been proactive in striving to comply with these evolving regulations by conducting valid threat and risk assessments to the facilities regulated by the CFATS program, also referred to as 6 CFR, Part 27. Once completed, the assessments become sensitive, federally controlled documents and are stored in accordance with all federal and state guidelines attendant to critical infrastructure information protection.

Capital Improvement Program

The purpose of the capital improvement program is to continue to meet the energy and water needs of the Authority's customers with economical and reliable service. The Authority's three-year budget for the capital improvement program approved in 2023, 2022 and 2021 was as follows:

Approved in:	**2023 Budget 2024-26**	2022 Budget 2023-25	2021 Budget 2022-24
Capital Improvement Expenditures		(Thousands)	
Environmental Compliance [1]	**395,157**	$ 286,757	$ 241,824
General Improvements and Other [2]	**1,501,622**	818,716	723,266
Load and Resource Plan [3]	**1,351**	219,727	0
Totals	**$ 1,898,130**	$ 1,325,200	$ 965,090

[1] Project costs are associated with ash pond closures, solid waste landfill construction, and installation of wastewater treatment systems.

[2] Reflects ongoing improvements to existing generating resources and FERC Relicensing. "Other" includes Camp Hall and transmission improvements due to load growth. "Budget 2023-25"General Improvements includes a $5M property acquisition previously reflected separately.

[3] Reflects future generation costs associated with the load and resource plan.

As determined by the Authority, the capital improvement program will be funded from revenues, additional revenue obligations, commercial paper, revolving credit agreements as well as internal funding sources.

Budget

The Authority's 2024 three-year capital budget is as follows:

Years Ending December 31,	2024	2025	2026
		(Millions)	
Environmental Compliance [1]	$ 204.4	$ 129.9	$ 60.9
General System Improvements and Other [2]	460.8	500.3	540.6
Load and Resource Plan [3]	0.3	0.9	0.2
Total Capital Budget [4]	$ 665.5	$ 631.1	$ 601.7

Budget Assumptions:

[1] Project costs are associated with ash pond closures, solid waste landfill construction, and installation of wastewater treatment systems.

[2] Reflects ongoing improvements to existing generating resources and FERC Relicensing. "Other" includes Camp Hall and transmission improvements due to load growth.

[3] Reflects future generation costs associated with the load and resource plan.

[4] Will be financed by internal funds or debt.

Financing Activities

Although there were no new Revenue Obligation Bonds issued or refunded in 2023, the Authority entered into a cash defeasance whereby proceeds were deposited into an escrow account to fund near term maturities due on December 1, 2024. The resulting transaction included removal of approximately $62.7 million in debt outstanding. The principal and interest net debt service savings for December 2023 and year 2024 totaled approximately $65.5 million.

Liquidity and Capital Resources

Santee Cooper has significant cash flow from operating activities, access to capital markets, bank facilities and special funds deposit balances.

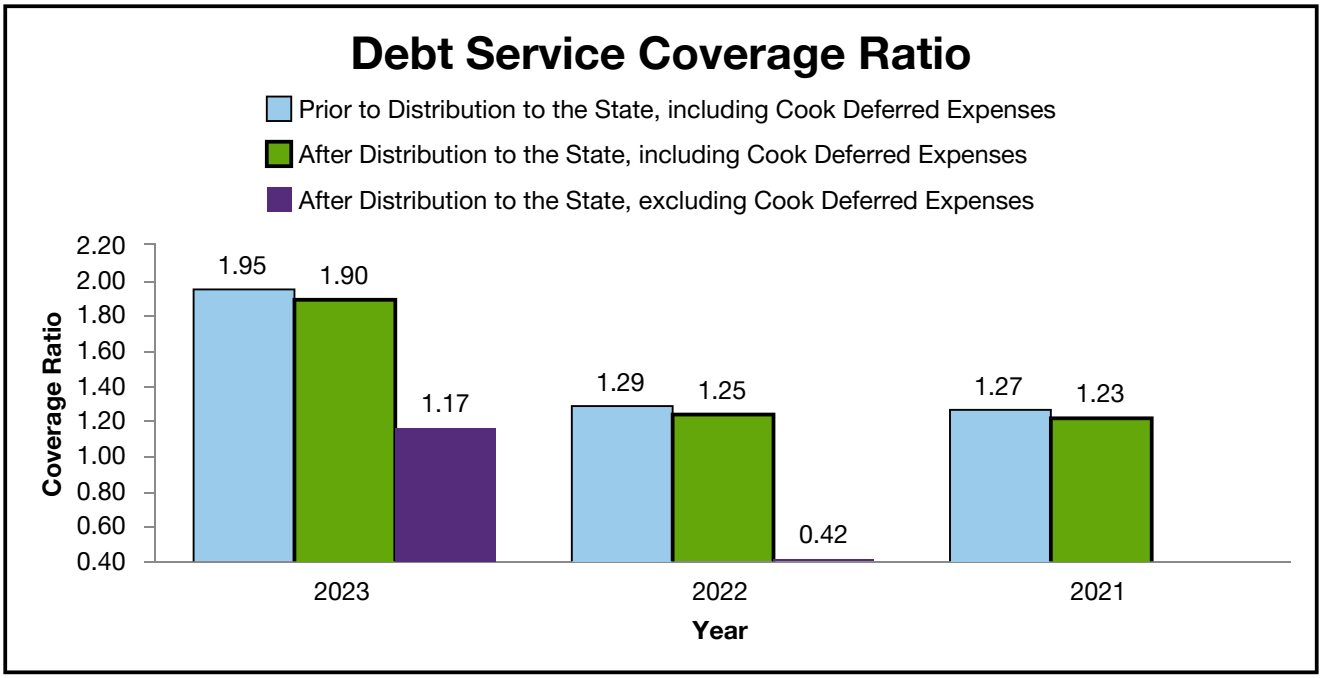
On December 31, 2023, Santee Cooper had $846.6 million of cash and investments, of which $415.1 million was available for liquidity purposes to fund various operating, construction, debt service and contingency requirements. Balances in the decommissioning funds totaled $215.9 million.

The Authority has entered into Reimbursement Agreements and secured irrevocable direct-pay letters of credit with a bank facility to support the issuance of commercial paper notes totaling $300.0 million as of December 31, 2023. As of December 31, 2023, the Authority had $183.4 million of commercial paper notes outstanding.

To obtain other funds, if needed, the Authority entered into Revolving Credit Agreements with various bank facilities. These agreements allow the Authority to borrow up to $750.0 million and expire at various dates. As of December 31, 2023, the Authority has borrowed $403.9 million under these agreements.

Debt Service Coverage

The Authority's debt service coverage (excluding commercial paper and other) for the years ended December 31, 2023, 2022 and 2021 is shown below:



[1] Excluding commercial paper and other.

[2] See Note 5 - *Cook Settlement as to Rates*.

Bond Ratings

Bond ratings assigned by various agencies as of December 31, 2023, 2022 and 2021 were as follows:

Agency / Lien Level	**2023**	2022	2021
Fitch Ratings			
Revenue Obligations	**A-**	A-	A-
Commercial Paper[1]	**F1**	F1	F1
Outlook	**Negative**	Negative	Stable
Moody's Investors Service, Inc.			
Revenue Obligations	**A3**	A3	A2
Commercial Paper[1]	**P-1**	P-1	P-1
Outlook	**Stable**	Negative	Stable
Standard & Poor's Rating Services			
Revenue Obligations	**A-**	A-	A
Commercial Paper[1]	**A-1**	A-1	A-1
Outlook	**Negative**	Negative	Stable

[1] In 2020, the Authority *amended its* Direct Pay Letters of Credit issued by a financial institution supporting the commercial paper program.

Bond Market Transactions for Years 2023, 2022 and 2021

YEAR 2023

No Bond Market Transactions - South Carolina Public Service Authority did not issue any Revenue Bond Obligations in 2023.

YEAR 2022

Revenue Obligations:	2022 Tax-Exempt Refunding Series A	Par Amount:	$ 930,990,000
Purpose:	Refund a portion of the following: 2013 Series A, 2013 Refunding Series B, 2013 Series E, 2014 Series A, 2014 Refunding Series B, 2014 Refunding Series C, 2015 Series A, 2015 Series E	Date Closed:	February 23, 2022
Comments:	Tax-exempt bond with an all-in true interest cost of 3.31 percent		
Revenue Obligations:	2022 Tax-Exempt Refunding Series B	Par Amount:	$ 352,201,000
Purpose:	Refund a portion of the following: 2013 Series A, 2013 Refunding Series B, 2013 Series E, 2014 Series A, 2014 Refunding Series B, 2014 Refunding Series C, 2015 Series A, 2015 Series E	Date Closed:	February 23, 2022
Comments:	Tax-exempt bond with an all-in true interest cost of 3.31 percent		
Revenue Obligations:	2022 Tax-Exempt Refunding Series C	Par Amount:	$ 36,640,000
Purpose:	Refund all of the 2016 Series D	Date Closed:	November 15, 2022
Comments:	Tax-exempt bond with an all-in true interest cost of 4.85 percent		
Revenue Obligations:	2022 Taxable Refunding Series D	Par Amount:	$ 134,850,000
Purpose:	Refund all of the 2016 Series D	Date Closed:	November 15, 2022
Comments:	Taxable bond with an all-in true interest cost of 6.56 percent		
Revenue Obligations:	2022 Tax-exempt Improvement Series E	Par Amount:	$ 390,000,000
Purpose:	To finance a portion of the Authority's ongoing capital program	Date Closed:	November 15, 2022
Comments:	Tax-exempt bond with an all-in true interest cost of 5.26 percent		
Revenue Obligations:	2022 Taxable Improvement Series F	Par Amount:	$ 60,000,000
Purpose:	To finance a portion of the Authority's ongoing capital program	Date Closed:	November 15, 2022
Comments:	Taxable bond with an all-in true interest cost of 6.47 percent		

YEAR 2021

Revenue Obligations:	2021 Tax-Exempt Refunding Series A	Par Amount:	$ 145,735,000
Purpose:	Refund all the 2011 Refunding Series C and a portion of the 2012 Refunding Series A	Date Closed:	September 2, 2021
Comments:	Tax-exempt bond with an all-in true interest cost of 2.10 percent.		
Revenue Obligations:	2021 Tax-Exempt Improvement Series B	Par Amount:	$ 284,555,000
Purpose:	To finance a portion of the Authority's ongoing capital program and convert variable debt to fixed-rate debt at a low interest rate	Date Closed:	September 2, 2021
Comments:	Tax-exempt bond with an all-in true interest cost 2.93 percent		

Requests For Information

This financial report is designed to provide a general overview of the South Carolina Public Service Authority's finances for all those with an interest in the South Carolina Public Service Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Daniel T. Manes, Controller, South Carolina Public Service Authority, P.O. Box 2946101, Moncks Corner, SC 29461-6106.

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Statements of Net Position - Business - Type Activities

South Carolina Public Service Authority

As of December 31, 2023 and 2022

		2023		2022
		(Thousands)		
ASSETS				
Current assets				
Unrestricted cash and cash equivalents	**$**	**236,702**	$	299,284
Unrestricted investments		**178,390**		163,567
Restricted cash and cash equivalents		**35,904**		53,175
Restricted investments		**264,587**		459,517
Receivables, net of allowance for doubtful accounts of $2,353 and $2,469 at December 31, 2023 and December 31, 2022, respectively		**175,251**		220,458
Materials inventory		**186,373**		171,731
Fuel inventory				
Fossil fuels		**178,484**		100,125
Regulatory Asset - Nuclear		**7,296**		7,911
Prepaid expenses and other current assets		**41,265**		92,972
Total current assets		**1,304,252**		1,568,740
Noncurrent assets				
Restricted cash and cash equivalents		**336**		373
Restricted investments		**130,709**		123,778
Capital assets				
Utility plant		**9,263,588**		9,120,952
Long lived assets - asset retirement cost		**266,981**		266,981
Accumulated depreciation		**(4,891,661)**		(4,619,865)
Total utility plant-net		**4,638,908**		4,768,068
Construction work in progress		**431,202**		214,373
Other physical property-net		**25,502**		25,722
Total capital assets		**5,095,612**		5,008,163
Investment in associated companies		**28,947**		26,057
Costs to be recovered from future revenue		**213,527**		221,960
Regulatory asset - OPEB		**149,694**		152,497
Regulatory asset - nuclear		**3,638,884**		3,670,734
Regulatory assets - Cook Settlement Exceptions		**625,110**		358,605
Other noncurrent and regulatory assets		**130,324**		234,345
Total noncurrent assets		**10,013,143**		9,796,512
Total assets	**$**	**11,317,395**	$	11,365,252
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	**$**	**23,612**	$	69,402
Deferred outflows - OPEB		**56,008**		57,539
Regulatory asset - asset retirement obligation		**557,239**		638,709
Accumulated decrease in fair value of hedging derivatives		**19,348**		25,621
Unamortized loss on refunded and defeased debt		**173,079**		185,440
Total deferred outflows of resources	**$**	**829,286**	$	976,711
Total assets & deferred outflows of resources	**$**	**12,146,681**	$	12,341,963

The accompanying notes are an integral part of these financial statements.

Statements of Net Position - Business - Type Activities - continued

South Carolina Public Service Authority
As of December 31, 2023 and 2022

		2023		2022
		(Thousands)		
LIABILITIES				
Current liabilities				
Current portion of long-term debt	**$**	**56,585**	$	39,525
Accrued interest on long-term debt		**38,770**		40,456
Revolving credit agreement		**1,394**		0
Commercial paper		**183,363**		118,246
Accounts payable		**189,501**		215,268
Other current liabilities		**126,303**		258,789
Total current liabilities		**595,916**		672,284
Noncurrent liabilities				
Construction liabilities		**4,519**		3,781
Net OPEB liability		**150,037**		203,817
Net Pension liability		**302,480**		308,586
Asset retirement obligation liability		**558,786**		630,526
Total long-term debt (net of current portion)		**7,129,966**		7,066,226
Unamortized debt discounts and premiums		**475,585**		507,324
Long-term debt-net		**7,605,551**		7,573,550
Other credits and noncurrent liabilities		**109,089**		92,407
Total noncurrent liabilities		**8,730,462**		8,812,667
Total liabilities	**$**	**9,326,378**	$	9,484,951
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	**$**	**12,230**	$	61,848
Deferred inflows - OPEB		**52,698**		7,334
Accumulated increase in fair value of hedging derivatives		**54,819**		207,449
Nuclear decommissioning costs		**217,120**		204,486
Regulatory Inflows - Toshiba Settlement		**233,084**		241,976
Total deferred inflows of resources	**$**	**569,951**	$	723,093
NET POSITION				
Net investment in capital assets	**$**	**2,001,334**	$	2,040,738
Restricted for debt service		**12,182**		20,698
Unrestricted		**236,836**		72,483
Total net position	**$**	**2,250,352**	$	2,133,919
Total liabilities, deferred inflows of resources & net position	**$**	**12,146,681**	$	12,341,963

The accompanying notes are an integral part of these financial statements.

Statements of Revenues, Expenses and Changes in Net Position - Business - Type Activities

South Carolina Public Service Authority

For the years ended December 31, 2023 and December 31, 2022

	2023	2022
	(Thousands)	
Operating revenues		
Sale of electricity	**$ 1,825,124**	$ 1,923,763
Sale of water	**7,493**	7,574
Other operating revenue	**17,986**	17,713
Total operating revenues	**1,850,603**	1,949,050
Operating expenses		
Electric operating expenses		
Production	**179,981**	139,015
Fuel	**525,929**	559,432
Purchased and interchanged power	**126,693**	431,585
Transmission	**46,897**	36,828
Distribution	**14,110**	15,546
Customer accounts and other	**18,997**	19,528
Administrative and general	**79,231**	70,182
Electric maintenance expenses	**154,369**	118,973
Water operating and maintenance expenses	**5,937**	4,920
Depreciation	**272,161**	269,073
Sums in lieu of taxes	**5,223**	4,928
Total operating expenses [1]	**1,429,528**	1,670,010
Operating income	**421,075**	279,040
Nonoperating revenues (expenses)		
Interest and investment revenue	**16,939**	6,751
Net increase in fair value of investments	**20,209**	1,230
Interest expense on long-term debt [2]	**(327,034)**	(302,680)
Interest expense on commercial paper and other [3]	**(5,966)**	(7,992)
Amortization income	**17,955**	19,784
Costs to be recovered from future revenue	**(8,433)**	(1,026)
U.S. Treasury subsidy on Build America Bonds	**7,669**	7,669
Regulatory amortization - net	**(23,573)**	(46,427)
Other-net	**16,553**	56,465
Total nonoperating revenues (expenses)	**(285,681)**	(266,226)
Income before transfers	**135,394**	12,814
Transfers		
Distribution to the State	**(18,961)**	(17,675)
Change in net position	**116,433**	(4,861)
Total net position-beginning of period	**2,133,919**	2,138,780
Total net position-ending	**$ 2,250,352**	$ 2,133,919

The accompanying notes are an integral part of these financial statements.

[1] Operating expenses were reduced by $243.2 million in 2023 and $350.2 million in 2022 due to the deferral of the Cook Deferred Expenses to the Cook Exceptions Regulatory Asset.

[2] Interest on long-term debt was reduced by $17.3 million in 2023 and $8.4 million in 2022 due to the deferral of the Cook Deferred Expenses to the Cook Exceptions Regulatory Asset.

[3] Interest on commercial paper was reduced by $6.0 million in 2023 due to the deferral of the Cook Deferred Expenses to the Cook Exceptions Regulatory Asset.

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Statements of Cash Flows - Business - Type Activities

South Carolina Public Service Authority
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities	(Thousands)	
Receipts from customers	**$ 1,895,931**	$ 1,907,220
Payments to non-fuel suppliers	**(853,744)**	(384,315)
Payments for fuel	**(615,265)**	(629,329)
Purchased power	**(274,712)**	(688,753)
Payments to employees	**(198,166)**	(222,616)
Other receipts-net	**341,634**	206,190
Net cash provided by operating activities	**295,678**	188,397
Cash flows from non-capital related financing activities		
Distribution to the State	**(18,961)**	(17,675)
Proceeds from revolving credit agreement draw	**185,000**	210,360
Repayment of revolving credit agreement draw	**0**	(10,000)
Proceeds from issuance of commercial paper notes	**116,000**	6,200
Repayment of commercial paper notes	**(20,297)**	(13,533)
Refunding / defeasance of long-term debt	**(27,868)**	(965,763)
Proceeds from sale of bonds	**0**	974,682
Repayment of long-term debt	**(10,628)**	(30,545)
Interest paid on long-term debt	**(186,656)**	(170,672)
Interest paid on commercial paper and other	**(8,023)**	(2,478)
Other-net	**(4,685)**	(5,432)
Net cash provided by (used in) non-capital related financing activities	**23,882**	(24,856)
Cash flows from capital-related financing activities		
Proceeds from revolving credit agreement draw	**0**	9,100
Repayment of revolving credit agreement draw	**(600)**	(12,211)
Proceeds from issuance of commercial paper notes	**15,598**	13,814
Repayment of commercial paper notes	**(46,184)**	(9,067)
Refunding / defeasance of long-term debt	**(34,813)**	(587,653)
Proceeds from sale of bonds	**0**	971,423
Repayment of long-term debt	**(28,897)**	(77,246)
Interest paid on long-term debt	**(159,005)**	(120,886)
Interest paid on commercial paper and other	**(3,530)**	(3,880)
Construction and betterments of utility plant	**(330,926)**	(218,901)
Other-net	**(26,335)**	(9,915)
Net cash used in capital-related financing activities	**(614,692)**	(45,422)
Cash flows from investing activities		
Proceeds from the sale and maturity of investment securities	**921,004**	1,231,963
Purchase of investment securities	**(721,485)**	(1,340,603)
Other-net	**0**	1,230
Interest on investments	**15,723**	5,737
Net cash provided by (used in) investing activities	**215,242**	(101,673)
Net (decrease) increase in cash and cash equivalents	**(79,890)**	16,446
Cash and cash equivalents-beginning	**352,832**	336,386
Cash and cash equivalents-ending	**$ 272,942**	$ 352,832

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows - Business - Type Activities - continued

South Carolina Public Service Authority
Years Ended December 31, 2023, and 2022

	2023	2022
	(Thousands)	
Reconciliation of operating income to net cash provided by operating activities		
Operating income	**$ 421,075**	$ 279,040
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	**272,161**	269,073
Amortization of nuclear fuel	**16,134**	18,619
Net power gains (losses) involving associated companies	**(49,389)**	(250,532)
Distributions from associated companies	**48,648**	249,049
Advances to/from associated companies	**1,764**	2,514
Changes in assets and liabilities		
Accounts receivable-net	**45,207**	(44,648)
Inventories	**(93,001)**	(64,895)
Prepaid expenses	**58,801**	(52,355)
Other deferred debits	**(42,173)**	(368,697)
Accounts payable	**(32,292)**	24,685
Other current liabilities	**(187,945)**	79,733
Other noncurrent liabilities	**(163,312)**	46,811
Net cash provided by operating activities	**$ 295,678**	$ 188,397
Composition of cash and cash equivalents		
Current		
Unrestricted cash and cash equivalents	**$ 236,702**	$ 299,284
Restricted cash and cash equivalents	**35,904**	53,175
Noncurrent		
Restricted cash and cash equivalents	**336**	373
Cash and cash equivalents at the end of the year	**$ 272,942**	$ 352,832
Noncash capital activities-Accounts Payable	**$ 15,391**	$ 8,866

The accompanying notes are an integral part of these financial statements.

Statements of Fiduciary Net Position - OPEB Trust Fund

South Carolina Public Service Authority
As of December 31, 2023, and 2022

	2023	2022
	(Thousands)	
ASSETS		
Cash and cash equivalents	**$ 2,668**	$ 4,239
Investments	**103,351**	85,192
Total assets	**$ 106,019**	$ 89,431
LIABILITIES		
Total liabilities	**$ 0**	$ 0
NET POSITION		
Restricted for other postemployment benefits (OPEB)	**$ 106,019**	$ 89,431
Total net position	**$ 106,019**	$ 89,431
Total liabilities & net position	**$ 106,019**	$ 89,431

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Fiduciary Net Position - OPEB Trust Fund

South Carolina Public Service Authority
Years Ended December 31, 2023 and 2022

	2023	2022
	(Thousands)	
ADDITIONS		
Employer contributions	**$ 12,804**	$ 9,578
Total employer contributions	**12,804**	9,578
Investment income (loss)		
Appreciation (depreciation) in fair value of investments	**253**	(32,722)
Interest	**3,531**	2,832
Net investment income (loss)	**3,784**	(29,890)
Total additions	**16,588**	(20,312)
DEDUCTIONS		
Total deductions	**0**	0
Change in net position	**16,588**	(20,312)
Net position - beginning of period	**89,431**	109,743
Total net position - ending	**$ 106,019**	$ 89,431

The accompanying notes are an integral part of these financial statements.

NOTES

Note 1 – Summary of Significant Accounting Policies

A - Reporting Entity - The South Carolina Public Service Authority (the "Authority" or "Santee Cooper"), a component unit of the State of South Carolina (the "State"), was created in 1934 by the State legislature. The Santee Cooper Board of Directors (the "Board") is appointed by the Governor of South Carolina with the advice and consent of the Senate. The purpose of the Authority is to provide electric power and wholesale water services to the people of South Carolina. Capital projects are funded by bonds, commercial paper and internally generated funds. As authorized by State law, the Board sets rates charged to customers to pay debt service and operating expenses and to provide funds required under bond covenants. The Authority's financial statements include the accounts of the electric system and the Lake Moultrie and Lake Marion Regional Water Systems after elimination of inter-company accounts and transactions.

B - System of Accounts - The accounting records of the Authority are maintained on an accrual basis in accordance with accounting principles generally accepted in the United States ("GAAP") issued by the Governmental Accounting Standards Board ("GASB") applicable to governmental entities that use proprietary fund accounting.

The accounts are maintained substantially in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission ("FERC") for the electric system and the National Association of Regulatory Utility Commissioners ("NARUC") for the water systems.

The Authority also complies with policies and practices prescribed by its Board and practices common in both industries. As the Board is authorized to set rates, the Authority follows GASB 62. This standard provides for the reporting of assets and liabilities consistent with the economic effect of the rate structure.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions in the Authority's reporting. This practice affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

C - Current and Noncurrent - The Authority presents assets and liabilities in order of relative liquidity. The liquidity of an asset is determined by how readily it is expected to be converted to cash and whether restrictions limit the use of the resources. The liquidity of a liability is based on its maturity, or when cash is expected to be used to liquidate the liability.

D - Restricted Assets - For purposes of the Statements of Net Position and Statements of Cash Flows, assets are restricted when constraints are placed on their use by either:

(1) External creditors, grantors, contributors, or laws or regulations of other governments; or
(2) Law through constitutional provisions or enabling legislation.

E - Cash and Cash Equivalents - For purposes of the Statements of Net Position and Statements of Cash Flows, the Authority considers highly liquid investments with original maturities of ninety days or less, and cash on deposit with financial institutions, as unrestricted and restricted cash and cash equivalents.

F - Inventory - Material and fuel inventories are carried at weighted average costs. At the time of issuance or consumption, an expense is recorded at the weighted average cost.

G - Utility Plant - Utility plant is recorded at cost, which includes materials, labor, overhead and interest capitalized during constructions. Due to the adoption of GASB 89, *Accounting for Interest Cost Incurred Before the End of Construction Period*, interest is no longer capitalizable subsequent to 2020. Those costs of maintenance, repairs and minor replacements are charged to appropriate operation and maintenance expense accounts. The costs of renewals and betterments are capitalized. The original cost of utility plant retired and the cost of removal, less salvage, are charged to accumulated depreciation.

H - Depreciation - Depreciation is computed using composite rates on a straight-line basis over the estimated useful lives of the various classes of the plant. Composite rates are applied to the gross plant balance of various classes of assets which includes appropriate adjustments for cost of removal and salvage. For assets not grouped in a plant class, straight-line depreciation is used over the estimated useful life of the asset.

Annual depreciation provisions, expressed as a percentage of average depreciable utility plant in service, were as follows:

Years Ended December 31,	**2023**	2022
Annual average depreciation	**3.1%**	3.0%

I - Retirement of Long Lived Assets - The Authority follows the guidance of GASB 83, *Certain Asset Retirement Obligations (ARO),* in regard to the decommissioning of V.C. Summer Nuclear Station ("Summer Nuclear Unit 1") as a minority owner (less than 50%) of applicable jointly owned generation facilities and for closing coal-fired generation ash ponds. The Authority uses the measurement produced by the nongovernmental minority owner that has operational responsibility for Summer Nuclear Unit 1 (ARO Measurement), to account for it's ARO, which is included in non-current liabilities on the Balance Sheet

Summer Nuclear Unit 1
As required by the Nuclear Regulatory Commission ("NRC") and in accordance with prudent utility practices, Santee Cooper systematically sets aside funds to provide for the eventual decommissioning of Summer Nuclear Unit 1. The annual decommissioning funding deposit amount is currently based on NRC requirements, estimated cost escalation and fund earnings rates, the results of a site-specific decommissioning study conducted by an outside firm, estimated Department of Energy ("DOE") reimbursement of spent fuel energy storage costs and a SAFSTOR (delayed decommissioning) scenario. This site-specific study also forms the basis for the asset retirement obligation calculation presented in the table below. The estimated remaining useful life of Summer Nuclear Unit 1 is expected to end in 2062.

Coal Combustion Residuals ("CCRs")
The Authority generates solid waste associated with the combustion of coal, the vast majority of which is fly ash, bottom ash, and gypsum. These wastes, known as CCRs, are exempt from hazardous waste regulation under the Resource Conservation and Recovery Act ("RCRA"). On April 17, 2015, EPA published the CCR Rule establishing comprehensive requirements for the management and disposal of CCRs. The Rule regulates CCRs as a RCRA Subtitle D, nonhazardous waste and had an effective date of October 19, 2015. The Authority continues to comply with the CCR Rule through groundwater monitoring, assessment of corrective measures and internet postings of CCR Rule reports. Long-term compliance plans to address groundwater include pond closures and utilization of Class 3 landfills at the Cross and Winyah Generating Stations for disposal of CCRs.

The Authority has ash ponds at Cross, Winyah, and Jefferies Generating Stations and gypsum ponds at Cross and Winyah Generating Stations. Closure plans for the Jefferies Generating Station ash ponds and for the Winyah West Ash Pond have been approved by the Department of Health and Environmental Control ("DHEC") and closure is in progress, with regulatory deadlines of 2030. These ponds are currently not subject to the CCR Rule. However, CCR rulemakings changes could regulate these impoundments and possibly the now closed Grainger ash ponds as being subject to the CCR Rule. The Cross Bottom Ash Pond and the remaining ponds at the Winyah Generating Station (A Ash Pond, B Ash Pond, South Ash Pond and Unit 3 & 4 Slurry Pond) are subject to the CCR Rule's closure requirements and are subject to DHEC closure regulations. Plans are being developed and implemented to facilitate closure of the remaining ponds by the CCR Rule's regulatory deadlines with application for extensions if necessary. The ponds will be closed through excavation and beneficial use of materials or through disposal in the on-site industrial Class 3 solid waste landfills.

Two additional ponds (Winyah Slurry Pond 2 and the Cross Gypsum Pond) are also subject to the CCR Rule and have already completed closure in accordance with DHEC's requirements. Volumetric calculations have been conducted by the Authority to determine estimated volumes to be removed. Cost estimates are applied to the volumes to estimate the asset retirement obligation as presented in the table below.

The asset retirement obligation ("ARO") is adjusted each period for any liabilities incurred or settled during the period, accretion expense and any revisions made to the estimated cash flows. The following table summarizes the Authority's transactions:

Years Ended December 31,	**2023**			2022		
	Nuclear	**Ash Ponds**	**Total**	Nuclear	Ash Ponds	Total
			(Millions)			
Reconciliation of ARO Liability:						
Balance as of January 1,	**$ 451.9**	**$ 178.6**	**$ 630.5**	$ 439.5	$ 229.9	$ 669.4
Accretion expense	**12.8**	**3.3**	**16.1**	12.4	4.3	16.7
Adjustments/Removals/Settlements	**(60.7)**	**(27.1)**	**(87.8)**	0	(55.6)	(55.6)
Balance as of December 31,	**$ 404.0**	**$ 154.8**	**$ 558.8**	$ 451.9	$ 178.6	$ 630.5
Asset Retirement Cost (ARC):	**$ 96.5**	**$ 170.4**	**$ 266.9**	$ 96.5	$ 170.4	$ 266.9
Regulatory Asset - ARO	**$ 403.8**	**$ 153.4**	**$ 557.2**	$ 461.7	$ 177.0	$ 638.7

J – Closure and Post Closure Care Costs - The Authority follows the guidance of GASB 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*, in accounting for the closure and post-closure care costs associated with Cross and Winyah Generating Stations landfills (the "landfills"). State and federal laws and regulations require the Authority to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The landfill closure and post-closure expenses at December 31, 2023 and 2022 were $22.6 million and $17.0 million, respectively, which are included as part of electric operating expenses, and represent a cumulative amount reported to date based on the use of 21% of the total permitted capacity of the Cross Landfill Area 1B, 76% of the total permitted capacity of the Winyah Landfill Area 1, and 15% of Winyah Landfill Area 2. The Authority will recognize the remaining estimated cost of closure and post-closure care for these landfill areas of $51.9 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2023. The landfill closure and post-closure care liabilities at December 31, 2023 and 2022 were $16.5 million and $10.9 million. Based on current fill rates, the Authority expects to close the existing Cross landfill cell in 2058. Future, already permitted landfill cells will be constructed, operated, and then closed on an on-going basis, as needed for the life of the plant. The Authority plans to close the Winyah Landfill Area 1 in 2024. Winyah Landfill Area 2 is expected to close by 2035 once pond closure activities are complete and the Winyah units are retired. Actual closure costs may be higher due to inflation, changes in technology, or changes in regulations.

In 2023, the Authority has met the requirements of a local government financial test that is one option under State and federal laws and regulations to help determine if a unit is financially able to meet closure and post closure care requirements.

K - Reporting Impairment Losses - The Authority follows the guidance of GASB 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, in determining if a capital asset has been impaired and the accounting treatment of such impairment. An impairment is a significant, unexpected decline in the service utility of a capital asset. Events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used are reclassified from plant balances and CWIP to another asset category and reported at the lower of carrying value or fair value.

There were no new impairment losses for 2023 or 2022.

L- Other Regulatory Items - In accordance with GASB 62's guidance on regulated operations, regulated accounting rules may be applied to business type activities that have regulated operations if certain criteria are met. GASB 65, paragraph 29, further clarified regulatory accounting rules under GASB 62. Under regulatory accounting a regulated utility may defer recognition of expenses or revenues if certain criteria are met and the revenues and expenses will be included in future rates. Significant regulatory items are presented as follows:

Regulatory Assets - Summer Nuclear Units 2 and 3
On December 11, 2017, the Board approved the use of regulatory accounting for a portion of the nuclear post-suspension interest balance of $37.1 million. Accordingly, $386,000 and $33,000 was amortized in 2023 and 2022. The remaining balance outstanding at December 31, 2023 was $36.7 million.

On January 22, 2018, the Board approved the use of regulatory accounting for costs incurred related to the impairment of Summer Nuclear Units 2 and 3. The Board gave approval to write-off the total asset balance of $4.211 billion and use regulatory accounting to align with the debt service collected in rates. Accordingly, $32.1 million and $55.5 million was amortized in 2023 and 2022, respectively. The remaining balance outstanding at December 31, 2023 was $3.610 billion.

Deferred Inflows of Resources – Toshiba Settlement
On December 11, 2017, the Board approved use of regulatory accounting to defer recognition of income from the Toshiba Settlement Agreement. As a result, the Authority recorded a regulatory deferred inflow of $898.2 million. The deferred inflow will be amortized to align with the manner in which debt service is reduced as a result of using the proceeds. During 2023 and 2022 $8.9 million and $9.1 million, respectively was amortized. The remaining balance outstanding at December 31, 2023 was $233.1 million.

Regulatory Asset - Cook Settlement Exceptions
On June 27, 2022, the Board authorized the use of regulatory accounting for the 2020 & 2021 Cook Rate Freeze Exceptions Costs (See Note 5 - *Cook Settlement as to Rates*) identified in the Authority's 2020 & 2021 Annual Cook Compliance Reports allowing the Authority to create a regulatory asset (the "Cook Settlement Exceptions Regulatory Asset") and to defer recognition on its Statement of Revenues, Expenses and Changes in Net Position of the expenses associated with those exceptions that qualify for such regulatory accounting treatment, including any future adjustments to the amount of such expenses (the "Cook Deferred Expenses"). In addition, on August 28, 2023, the Board authorized the use of regulatory accounting for the 2022 Cook Rate Freeze Exceptions for new Exceptions that were not previously approved on June 27, 2022. As of December 31, 2023, the Authority recorded a total of $625.1 million of Cook Deferred Expenses in the regulatory account associated with the Cook Settlement Exception Regulatory Asset.

Regulatory Asset - OPEB
On October 13, 2017, the Board approved the use of regulatory accounting to offset the initial unfunded OPEB liability resulting from implementation of GASB 75. As a result, the Authority recorded a regulatory asset of $165.2 million. The regulatory asset is being amortized to expense in accordance with a Level Dollar, 30-year closed amortization period funding schedule provided by the Actuary. The remaining balance outstanding at December 31, 2023 was $149.7 million.

M - Investment in Associated Companies - The Authority is a member (17.65%) of The Energy Authority ("TEA"). The other members are City Utilities of Springfield (Missouri), Gainesville Regional Utilities (Florida), American Municipal Power (Ohio), JEA (Florida), MEAG Power (Georgia) and Nebraska Public Power District (Nebraska).

TEA markets wholesale power and coordinates the operation of the generation assets of its members to maximize the efficient use of electrical energy resources, reduce operating costs and increase operating revenues of the members. It is expected to accomplish the foregoing without impacting the safety and reliability of the electric system of each member. TEA does not engage in the construction or ownership of generation or transmission assets. In addition, it assists members with fuel hedging activities and acts as an agent in the execution of forward transactions. The Authority accounts for its investment in TEA under the equity method of accounting.

All of TEA's revenues and costs are allocated to the members. The following table summarizes the transactions applicable to the Authority:

Years Ended December 31,		**2023**		2022
		(Thousands)		
TEA Investment:				
Balance as of January 1,	**$**	**25,935**	$	21,834
Reduction to power costs and increases in electric revenues		**51,409**		253,150
Less: Distributions from TEA		**48,647**		249,049
Balance as of December 31,	**$**	**28,697**	$	25,935
Due To/Due From TEA:				
Payable to	**$**	**35,097**	$	104,645
Receivable from	**$**	**3,623**	$	21,581

The Authority's exposure relating to TEA is limited to the Authority's capital investment, any accounts receivable and trade guarantees provided by the Authority. Upon the Authority making any payments under its electric guarantee, it has certain contribution rights with the other members in order that payments made under the TEA member guarantees would be equalized ratably, based upon each member's equity ownership interest. After such contributions have been affected, the Authority would only have recourse against TEA to recover amounts paid under the guarantee. The term of this guarantee is generally indefinite, but the Authority has the ability to terminate its guarantee obligations by providing advance notice to the beneficiaries thereof. Such termination of its guarantee obligations only applies to TEA transactions not yet entered into at the time the termination takes effect. The Authority's support of TEA's trading activities is limited based on the formula derived from the forward value of TEA's trading positions at a point in time. The formula was approved by the Authority's Board**.** At December 31, 2023, the trade guarantees are an amount not to exceed Santee Cooper's share of approximately $128.4 million.

N - Deferred Outflows / Deferred Inflows of Resources - In addition to assets, the Statements of Net Position report a separate section for Deferred Outflows of Resources. These items represent a consumption of net position that applies to a future period and until that time will not be recognized as an expense or expenditure. The Authority has five items meeting this criterion: (1) deferred outflows – pension; (2) deferred outflows – OPEB; (3) Regulatory – asset retirement obligation; (4) accumulated decrease in fair value of hedging derivatives; and (5) unamortized loss on refunded and defeased debt.

In addition to liabilities, the Statements of Net Position also reports a separate section for Deferred Inflows of Resources. These items represent an acquisition of net position that applies to a future period and until that time will not be recognized as revenue. The Authority has five items meeting this criterion: (1) deferred inflows – pension; (2) deferred inflows – OPEB; (3) accumulated increase in fair value of hedging derivatives; (4) nuclear decommissioning costs; and (5) Regulatory inflows - Toshiba settlement.

The following table summarizes the Authority's total deferred items:

Years Ended December 31,	**2023**	2022
	(Thousands)	
Deferred outflows of resources	**$ 829,286**	$ 976,711
Deferred inflows of resources	**$ 569,951**	$ 723,093

O - Accounting for Derivative Instruments - In compliance with GASB 53 and 64, the annual changes in the fair value of effective hedging derivative instruments are required to be deferred (reported as deferred outflows of resources and deferred inflows of resources on the Statements of Net Position). Deferral of changes in fair value generally lasts until the transaction involving the hedged item ends.

Core business commodity inputs for the Authority have historically been hedged in an effort to mitigate volatility and cost risk and improve cost effectiveness. Natural gas is a direct input and heating oil is used as a proxy for retail diesel fuel because it is used to power the coal trains. Unrealized gains and losses related to such activity are deferred in a regulatory account and recognized in earnings as fuel costs are incurred in the production cycle.

A summary of the Authority's derivative activity for years ended December 31, 2023 and 2022 is below:

The Authority measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

The Authority's cash flow hedges are categorized as Level 1.

Cash Flow Hedges and Summary of Activity

Years Ended December 31,			**2023**		2022
	Account Classification		(Millions)		
Fair Value					
Natural Gas	Regulatory Assets/ Liabilities	**$**	**32.0**	$	151.9
Heating Oil	Regulatory Assets/ Liabilities		**3.5**		29.9
Changes in Fair Value					
Natural Gas	Regulatory Assets/ Liabilities	**$**	**(119.9)**	$	60.8
Heating Oil	Regulatory Assets/ Liabilities		**(26.5)**		14.1
Recognized Net Gains (Losses)					
Natural Gas	Operating Expense - Fuel	**$**	**(50.4)**	$	119.2
Heating Oil	Operating Expense - Fuel		**9.7**		14.6
Realized But Not Recognized Net Gains (Losses)					
Natural Gas	Regulatory Assets/ Liabilities	**$**	**(1.2)**	$	1.3
Heating Oil	Regulatory Assets/ Liabilities		**0.1**		1.1
Notional					
			MMBTUs		
Natural Gas			**87,314**		130,132
			Gallons (000s)		
Heating Oil			**17,220**		26,208
Maturities					
Natural Gas			**Jan 2024 - Dec 2026**		Jan 2023 - Dec 2026
Heating Oil			**Jan 2024 - Dec 2025**		Jan 2023 - Dec 2025

P - Revenue Recognition and Fuel Costs - Substantially all wholesale and industrial revenues are billed and recorded at the end of each month. Revenues for electricity delivered to retail customers but not billed are accrued monthly. Accrued revenue for retail customers totaled $13.8 million in 2023 and $13.3 million in 2022.

Fuel costs are reflected in operating expenses as fuel is consumed. All customers are billed utilizing rates and contracts that include fuel cost recovery components. Currently most municipal and retail fuel adjustments are under the rate freeze schedules (See Note 10 - Legal Matters*,* Recently Settled Litigation Matters*, Jessica S. Cook et al. v. The Authority* on page, 81 for additional information). Once the rate freeze is completed, most fuel adjustment provisions will be based on either the accrued costs for the previous month or the actual weighted average costs for the previous three-month period.

Rates to Central are determined in accordance with the cost of service methodology contained in the Coordination Agreement. Under this agreement, Central initially pays monthly based on estimated rates and actual loads. The charges are then adjusted to reflect actual costs and loads, on a monthly basis for fuel and an annual basis for all other costs, and Central is charged or credited with the difference.

The Authority and Central have resolved certain matters relating to the nuclear project through the execution of the Cook Settlement Agreement and continue to conduct business pursuant to the terms of the Settlement and the Coordination Agreement. Rates to Central and above provisions are impacted by the Cook Settlement Agreement (See Note 5 – *Cook Settlement as to Rates)***.**

Q- Bond Issuance Costs and Refunding Activity - GASB 65 requires that debt issuance costs, other than prepaid insurance, be expensed in the period incurred. In order to align the impact of this pronouncement with the Authority's rate making process, in October 2012, the Board authorized the use of regulatory accounting to allow continuation of prior accounting treatment with regard to these costs.

Unamortized debt discounts and premiums are amortized to income over the terms of the related debt issues. Gains or losses on refunded and extinguished debt are amortized to earnings over the shorter of the remaining life of the refunded debt or the life of the new debt.

R- Distribution to the State - Any and all net earnings of the Authority not necessary for the prudent conduct and operation of its business in the best interests of the Authority or to pay the principal of and interest on its bonds, notes, or other evidences of indebtedness or other obligations, or to fulfill the terms and provisions of any agreements made with the purchasers or holders thereof or others must be paid over semiannually to the State Treasurer for the general funds of the State. Nothing shall prohibit the Authority from paying to the State each year up to one percent of its projected operating revenues, as such revenues would be determined on an accrual basis, from the combined electric and water systems. (Code of Laws of South Carolina, as amended Section 58-31-110).

Distributions made to the State in 2023 and 2022 totaled approximately $19.0 million and $17.7 million, respectively.

S - New Accounting Standards –

STATEMENT NO. & ISSUE DATE	TITLE/SUMMARY	SUMMARY OF ACTION BY THE AUTHORITY
Statement No. GASB 94	**Public-Private and Public-Public Partnerships and Availability Payment Arrangements**	Reviewed and deemed not applicable
Issue Date: March 2020	Effective for periods beginning after June 15, 2022	
Description:	The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.	
Statement No. GASB 96	**Subscription-Based Information Technology Arrangements**	Reviewed and effect deemed immaterial
Issue Date: May 2020	Effective for periods beginning after June 15, 2022	
Description:	This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.	
Statement No. GASB 99	**Omnibus 2022**	Reviewed and deemed not applicable
Issue Date: June 2022	Effective date: The requirements of this Statement are effective as follows: • The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. • The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. • The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter	

Description: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements,* related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

Statement No. GASB 100 **Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62** Under review

Issue Date: June 2022 Effective for periods beginning after June 15, 2023

Description: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

Statement No. GASB 101	**Compensated Absences**	Under review
Issue Date: June 2022	Effective for periods beginning after December 15, 2023	
Description:	The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences —including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used	
Statement No. GASB 102	Certain Risk Disclosures	Under review
Issue Date: December 2023	Effective for periods beginning after June 15,2024	
Description:	State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact.	

Note 2 – Costs to be Recovered From Future Revenue (CTBR)

The Authority's rates are established based upon debt service and operating fund requirements. Depreciation is not considered in the cost of service calculation used to design rates. In accordance with GASB 62, the differences between debt principal maturities (adjusted for the effects of premiums, discounts, expenses and amortization of deferred gains and losses) and depreciation on debt financed assets are recognized as CTBR. The recovery of outstanding amounts recorded as CTBR will coincide with the repayment of the applicable outstanding debt. The Authority's summary of CTBR activity is recapped below:

Years Ended December 31,	**2023**	2022
	(Millions)	
CTBR regulatory asset:		
Balance	**$ 213.5**	$ 222.0
CTBR expense/(reduction to expense):		
Net Expense	**$ 8.4**	$ 1.0

Note 3 – Capital Assets

Capital asset activity for the years ended December 31, 2023 and 2022 was as follows:

	Beginning Balances	**Increases**	**Decreases**	**Ending Balances**
		Year 2023 (Thousands)		
Utility Plant [1]	**$ 9,120,952**	**$ 184,701**	**$ (42,065)**	**$ 9,263,588**
Long lived assets-asset retirement cost	**266,981**	**0**	**0**	**266,981**
Accumulated depreciation	**(4,619,865)**	**(311,317)**	**39,521**	**(4,891,661)**
Total utility plant-net	**4,768,068**	**(126,616)**	**(2,544)**	**4,638,908**
Construction work in progress	**214,373**	**372,966**	**(156,137)**	**431,202**
Other Physical property-net	**25,722**	**580**	**(800)**	**25,502**
Totals	**$ 5,008,163**	**$ 246,930**	**$ (159,481)**	**$ 5,095,612**

	Beginning Balances	Increases	Decreases	Ending Balances
		Year 2022 (Thousands)		
Utility Plant [1]	$ 8,906,481	$ 301,304	$ (86,833)	$ 9,120,952
Long lived assets-asset retirement cost	266,981	0	0	266,981
Accumulated depreciation	(4,422,072)	(273,647)	75,854	(4,619,865)
Total utility plant-net	4,751,390	27,657	(10,979)	4,768,068
Construction work in progress	331,065	171,228	(287,920)	214,373
Other Physical property-net	26,492	0	(770)	25,722
Totals	$ 5,108,947	$ 198,885	$ (299,669)	$ 5,008,163

[1] Utility Plant includes $113 million for nuclear fuel in 2023 and $101 million in 2022.

Note 4 – Cash and Investments Held by Trustee and Fund Details

All cash and investments of the Authority are held and maintained by custodians and trustees. The use of unexpended proceeds from sale of bonds, debt service funds and other sources is designated in accordance with applicable provisions of various bond resolutions, the Enabling Act included in the South Carolina Code of Laws (the "Enabling Act") or by management directive. Restricted funds have constraints placed on their use (see Note 1 - D – "Restricted Assets"). The use of unrestricted funds may be either designated for a specific use by management directive or undesignated but are available to provide liquidity for operations as needed.

Following are the details of the Authority's funds which are classified in the accompanying financial statements as unrestricted and restricted cash, cash equivalents and investments:

Years Ended December 31,	**2023**			2022		
Funds	**Cash & Cash Equivalents**	**Investments**	**Total**	Cash & Cash Equivalents	Investments	Total
			(Thousands)			
Current Unrestricted:						
Capital Improvement	**$ 67,710**	**$ 32,064**	**$ 99,774**	$ 58,773	$ 10,997	$ 69,770
Debt Reduction	**10,760**	**6,890**	**17,650**	2,463	12,867	15,330
Funds from Taxable Borrowings	**1,129**	**33,978**	**35,107**	23,215	35,911	59,126
General Improvement	**4**	**0**	**4**	3	0	3
Internal Nuclear Decommissioning Fund	**887**	**83,966**	**84,853**	93	79,204	79,297
Nuclear Fuel	**14,707**	**0**	**14,707**	993	0	993
Revenue and Operating	**96,098**	**250**	**96,348**	179,983	250	180,233
Special Reserve and Other	**45,407**	**21,242**	**66,649**	33,761	24,338	58,099
Total	**$ 236,702**	**$ 178,390**	**$ 415,092**	$ 299,284	$ 163,567	$ 462,851
Current Restricted:						
Debt Service Funds	**$ 22,646**	**$ 28,307**	**$ 50,953**	$ 34,440	$ 26,713	$ 61,153
Funds from Tax-exempt Borrowings	**10,358**	**209,651**	**220,009**	15,835	408,342	424,177
Special Reserve and Other	**2,900**	**26,629**	**29,529**	2,900	24,462	27,362
Total	**$ 35,904**	**$ 264,587**	**$ 300,491**	$ 53,175	$ 459,517	$ 512,692
Noncurrent Restricted:						
External Nuclear Decommissioning Trust	**$ 336**	**$ 130,709**	**$ 131,045**	$ 373	$ 123,778	$ 124,151
Total	**$ 336**	**$ 130,709**	**$ 131,045**	$ 373	$ 123,778	$ 124,151
TOTAL FUNDS	**$ 272,942**	**$ 573,686**	**$ 846,628**	$ 352,832	$ 746,862	$ 1,099,694
Cash and investments as of December 31, consisted of the following:						
Cash/Deposits			**$ 22,350**			$ 32,187
Investments			**824,278**			1,067,507
Total cash and investments			**$ 846,628**			$ 1,099,694

Current Unrestricted Funds - These funds are used for operating activities for the Authority's respective systems. Although funds are segregated per management directive based on their intended use, since no restrictions apply, the funds are available to provide additional liquidity for operations. Included in this category is the internal Nuclear Decommissioning Fund, intended by management to be used to offset future nuclear decommissioning costs and represents amounts in excess of the mandated Nuclear Regulatory Commission ("NRC") decommissioning requirement, which is funded and separately held in an external Nuclear Decommissioning Trust. Also included are funds from taxable borrowings intended to be used for both capital construction costs and for working capital purposes, as expected at the time proceeds are borrowed.

Current Restricted Funds - These funds are restricted in their allowed use. Debt service funds are restricted for payment of principal and interest debt service on outstanding debt. Funds from tax-exempt borrowings are intended to be used for capital construction costs as expected at the time proceeds are borrowed and are restricted pursuant to sections of both the U.S. Treasury Regulations and the Internal Revenue Code that govern the use of tax-exempt debt. Other funds are restricted for other special purposes.

Noncurrent Restricted Funds - These funds are restricted as to their specific use. The external Nuclear Decommissioning Trust is restricted for future nuclear decommissioning costs and represents the mandated NRC funding requirements.

The Authority's investments are authorized by the Enabling Act, the Authority's investment policy and the Revenue Obligation Resolution. Authorized investment types include Federal Agency Securities, State of South Carolina General Obligation Bonds and U.S. Treasury Obligations, all of which are limited to a 10-year maximum maturity in all portfolios, except the decommissioning funds. Certificates of Deposit and Repurchase Agreements are also authorized with a maximum maturity of one year.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the gains and losses in fair value are reflected as a component of non-operating income in the Statements of Revenues, Expenses and Changes in Net Position.

The Authority's investment activity in all fund categories is summarized as follows:

Years Ended December 31,		**2023**		2022
Total Portfolio		(Billions)		
Total investments	**$**	**0.8**	$	1.1
Purchases		**26.9**		28.5
Sales		**27.2**		28.3
Nuclear Decommissioning Portfolios		(Millions)		
Total investments	**$**	**215.6**	$	203.1
Purchases		**242.0**		140.7
Sales		**235.7**		133.6
Unrealized holding gain/(loss)		**6.1**		(48.7)
Repurchase Agreements[1]		(Millions)		
Balance at December 31	**$**	**100.0**	$	100.0

[1] Securities underlying repurchase agreements must have a market value of at least 102 percent of the cost of the repurchase agreement and are delivered by broker/dealers to the Authority's custodial agents.

Common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk are as follows:

Risk Type	Exposure
Credit Risk - Risk that an issuer of an investment will not fulfill its obligation to the holder of the investments. Measured by the assignment of rating by a nationally recognized statistical rating organization.	As of December 31, 2023 and 2022, all of the agency securities held by the Authority were rated AAA by Fitch Ratings, Aaa by Moody's Investors Service, Inc. and AA+ by Standard & Poor's Rating Services.
Custodial Credit Risk-Investments - Risk that, in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party.	As of December 31, 2023 and 2022, all of the Authority's investment securities are held by the Trustee or Agent of the Authority and therefore, there is no custodial risk for investment securities.
Custodial Credit Risk-Deposits - Risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.	At December 31, 2023 and 2022, the Authority had no exposure to custodial credit risk for deposits that were uninsured and/or collateral that was held by the bank's agent not in the Authority's name.
Concentration of Credit Risk - The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer.	Investments in any one issuer (other than U. S. Treasury securities) that represent five percent or more of total Authority investments at December 31, 2023 and 2022 were as follows:

Security Type / Issuer	**Fair Value**	
	2023	2022
Federal Agency Fixed Income Securities	(Thousands)	
Federal Home Loan Bank	**$ 119,744**	$ 187,998
Federal National Mortgage Association	**Less than 5%**	Less than 5%
Federal Farm Credit Bank	**97,236**	122,721
Federal Home Loan Mortgage Corp	**58,018**	Less than 5%

Interest Rate Risk - Risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Authority manages its exposure to interest rate risk by investing in securities that mature as necessary to provide the cash flow and liquidity needed for operations. The following table shows the distribution of the Authority's investments by maturity as of December 31, 2023 and 2022:

		Investment Maturities as of December 31, 2023			
Security Type	**Fair Value**	**Less than 1 Year**	**1 - 5**	**6 - 10**	**More than 10 Years**
		(Thousands)			
Collateralized Deposits	**$ 97,567**	**$ 97,567**	**$ 0**	**$ 0**	**$ 0**
Repurchase Agreements	**100,000**	**100,000**	**0**	**0**	**0**
Federal Agency Discount Notes	**15,142**	**15,142**	**0**	**0**	**0**
Federal Agency Securities	**289,586**	**74,224**	**68,331**	**78,925**	**68,106**
US Treasury Bills, Notes and Strips	**321,983**	**245,169**	**57,048**	**7,135**	**12,631**
	$ 824,278	**$ 532,102**	**$125,379**	**$ 86,060**	**$ 80,737**

		Investment Maturities as of December 31, 2022			
Security Type	Fair Value	Less than 1 Year	1 - 5	6 - 10	More than 10 Years
		(Thousands)			
Collateralized Deposits	$ 143,793	$ 143,543	$ 250	$ 0	$ 0
Repurchase Agreements	100,000	100,000	0	0	0
Federal Agency Discount Notes	112,492	112,492	0	0	0
Federal Agency Securities	237,561	62,684	30,945	56,989	86,943
US Treasury Bills, Notes and Strips	473,661	232,186	222,339	6,851	12,285
	$1,067,507	$ 650,905	$253,534	$ 63,840	$ 99,228

The Authority holds zero coupon bonds which are highly sensitive to interest rate fluctuations in both the external Nuclear Decommissioning Trust and internal Nuclear Decommissioning Fund. Together these accounts hold $31.0 million par in U.S. Treasury Strips ranging in maturity from August 15, 2029 to May 15, 2039. The accounts also hold $9.2 million par in government agency zero coupon securities in the two portfolios ranging in maturity from May 15, 2024 to April 15, 2030. Zero coupon bonds or U.S. Treasury Strips are subject to wider swings in their market value than coupon bonds. These portfolios are structured to hold these securities to maturity or early redemption. The Authority has a buy and hold strategy for these. Based on the Authority's current decommissioning assumptions, it is anticipated that none of the invested decommissioning funds will be needed prior to 2062. The Authority has no other investments that are highly sensitive to interest rate fluctuations.

Foreign Currency Risk - Risk exists when there is a possibility that changes in exchange rates could adversely affect investment or deposit fair market value.

The Authority is not authorized to invest in foreign currency and therefore has no exposure.

Fair Value of Investments

The Authority measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

The Authority had the following recurring fair value measurements as of December 31, 2023 and 2022:

		Level		
2023	**Total**	**1**	**2**	**3**
		(Thousands)		
Collateralized Deposits	**$ 97,567**	**$ 0**	**$ 97,567**	**$ 0**
Repurchase Agreements	**100,000**	**0**	**100,000**	**0**
Federal Agency Discount Notes	**15,142**	**0**	**15,142**	**0**
Federal Agency Securities	**289,586**	**0**	**289,586**	**0**
US Treasury Bills, Notes and Strips	**321,983**	**0**	**321,983**	**0**
	$ 824,278	**$ 0**	**$ 824,278**	**$ 0**

		Level		
2022	Total	1	2	3
		(Thousands)		
Collateralized Deposits	$ 143,793	$ 0	$ 143,793	$ 0
Repurchase Agreements	100,000	0	100,000	0
Federal Agency Discount Notes	112,492	0	112,492	0
Federal Agency Securities	237,561	0	237,561	0
US Treasury Bills, Notes and Strips	473,661	0	473,661	0
	$ 1,067,507	$ 0	$ 1,067,507	$ 0

Collateralized Deposit and Repurchase Agreements classified in Level 2 are valued using pricing based on the securities' relationship to benchmark quoted prices.

Fiduciary Funds – Prior to 2010, the Authority used the unfunded pay-as-you-go option (or cash disbursement) method pursuant to GASB 45 to record the net OPEB obligations. During 2010, the Authority elected to adopt an advanced or pre-funding policy and established an irrevocable trust with Synovus Trust Company. In 2018 with the implementation of GASB 75, the Authority established a formal funding plan and elected to fund the OPEB obligation over a 30-year closed period. This method of funding results in a lower OPEB liability and establishes a method of amortizing of the regulatory asset as funding occurs.

For the OPEB Trust, the common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk are as follows:

Risk Type	Exposure
Credit Risk - Risk that an issuer of an investment will not fulfill its obligation to the holder of the investments. Measured by the assignment of rating by a nationally recognized statistical rating organization.	As of December 31, 2023 and 2022, all of the agency securities held by the OPEB Trust were rated AAA by Fitch Ratings, Aaa by Moody's Investors Service, Inc. and AA+ by Standard & Poor's Rating Services.
Custodial Credit Risk-Investments - Risk that, in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party.	As of December 31, 2023 and 2022, all of the OPEB Trust's investment securities are held by the Trustee or Agent of the OPEB Trust and therefore, there is no custodial risk for investment securities.
Custodial Credit Risk-Deposits - Risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.	At December 31, 2023 and 2022, the OPEB Trust had no exposure to custodial credit risk for deposits that were uninsured and/or collateral that was held by the bank's agent not in the Authority's name.
Concentration of Credit Risk - The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer.	Investments in any one issuer (other than U. S. Treasury securities) that represent five percent or more of total OPEB Trust investments at December 31, 2023 and 2022 were as follows:

Security Type / Issuer	Fair Value	
	2023	2022
Federal Agency Fixed Income Securities	(Thousands)	
Federal Home Loan Bank	**$ 23,438**	$ 20,813
Federal National Mortgage Association	**Less than 5%**	Less than 5%
Federal Farm Credit Bank	**33,498**	29,008
Federal Home Loan Mortgage Corp	**17,036**	12,954

Interest Rate Risk - Risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The following table shows the distribution of the OPEB Trust's investments by maturity as of December 31, 2023 and 2022:

		Investment Maturities as of December 31, 2023			
Security Type	**Fair Value**	**Less than 1 Year**	**1 - 5**	**6 - 10**	**More than 10 Years**
		(Thousands)			
Federal Agency Securities	**79,067**	**0**	**3,682**	**10,369**	**65,016**
Government Securities	**24,239**	**0**	**16**	**0**	**24,223**
	$ 103,306	**$ 0**	**$ 3,698**	**$ 10,369**	**$ 89,239**

		Investment Maturities as of December 31, 2022			
Security Type	Fair Value	Less than 1 Year	1 - 5	6 - 10	More than 10 Years
		(Thousands)			
Federal Agency Securities	65,811	0	999	0	64,812
Government Securities	19,426	0	0	0	19,426
	$ 85,237	$ 0	$ 999	$ 0	$ 84,238

Foreign Currency Risk - Risk exists when there is a possibility that changes in exchange rates could adversely affect investment or deposit fair market value.

The OPEB Trust is not authorized to invest in foreign currency and therefore has no exposure.

Fair Value of Investments

The Authority measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

The OPEB Trust had the following recurring fair value measurements as of December 31, 2023 and 2022:

2023	**Total**	**Level 1**	**Level 2**	**Level 3**
		(Thousands)		
Federal Agency Securities	**79,067**	**0**	**79,067**	**0**
Government Securities	**24,239**	**0**	**24,239**	**0**
	$ 103,306	**$ 0**	**$ 103,306**	**$ 0**

2022	Total	Level 1	Level 2	Level 3
		(Thousands)		
Federal Agency Securities	65,811	0	65,811	0
Government Securities	19,426	0	19,426	0
	$ 85,237	$ 0	$ 85,237	$ 0

Note 5 – Cook Settlement as to Rates

On July 31, 2020, the Board authorized management to implement the terms of the Cook Settlement Agreement which provides, in part, for Settlement Rates (defined below) that are effective beginning in August of 2020 and continuing (i) for the customers other than Central Electric Power Cooperative, Inc. ("Central") whose rates are subject to the Rate Freeze, through all bills rendered on or before January 15, 2025, and (ii) for Central, through service rendered on or before December 31, 2024. The respective periods are referred to as the "Rate Freeze Period."

The rate freeze agreed to by the Authority is consistent with rates and the rate stabilization period that was set forth in the Authority's original plan for reform, restructuring, and changes in operations submitted to the South Carolina Department of Administration ("DOA") in November 2019 as part of the State's evaluation of whether or not to sell some or all of the Authority. The Authority's plan was subsequently modified by the Authority following discussions with the DOA and Central. On January 24, 2020, the Authority submitted its plan dated January 3, 2020 to the South Carolina General Assembly pursuant to Act No. 95 of 2019 (the "2019 Reform Plan"). The 2019 Reform Plan identified a series of changes to the Authority's generation and transmission systems as well as expense management and other initiatives intended to achieve cost savings and optimize efficient operations.

The 2019 Reform Plan also included a financial forecast that projected future revenue and expenses. The forecast projected three major "adjustments" to the primary rate components (energy and demand charges) impacting most customers: (1) the fuel adjustment, (2) demand sales adjustment, and (3) economic development sales adjustment. The purpose of these adjustments is to "true up" their values to "actual" base rates. Under normal conditions these values are calculated and then applied to customer bills monthly. As part of the Cook Settlement Agreement, however, these values for the impacted customers are fixed through the Rate Freeze Period.

In accordance with the terms of the Cook Settlement Agreement, the Board authorized management to freeze certain rate schedules and suspend the existing variable rate components of select rates and replace them with those established in the Cook Settlement Agreement during the Rate Freeze Period (the "Settlement Rates"). The Settlement Rates impact a majority of the Authority's customers and freeze the majority of Central's rate components to those established in Schedule A of the Cook Settlement Agreement, and most variable rate components for the majority of the Authority's non-Central customers to those projected in Schedule B of the Cook Settlement Agreement. The Settlement Rates suspend the variability of the fuel adjustment, demand sales adjustment, and economic development sales adjustment for customers with rate codes designated on Schedule B of the Cook Settlement Agreement. This results in rates being frozen for almost all residential and commercial customers participating in the Settlement Rates, as well as industrial customers served under the Schedule L rate and the Interruptible and Economy Power Optional riders. The Settlement Rates under Schedule B also apply to customers with contractual rates based on the Municipal Light and Power rate (ML), the cities of Bamberg, Georgetown, and Seneca.

As part of the Cook Settlement Agreement, the Authority agreed not to defer any costs and expenses incurred or otherwise appropriately attributable to any year during the Rate Freeze Period to any other year or years during or after the Rate Freeze Period, provided, however, that the Authority may defer to rates charged in years after the Rate Freeze Period just and reasonable costs and expenses incurred during the Rate Freeze Period directly resulting from the specific circumstances or events as enumerated in the Agreement (the "Cook Rate Freeze Exceptions"). The Authority must identify any Cook Rate Freeze Exceptions in annual reports provided by the Authority to the Court of Common Pleas for the Thirteenth Judicial Circuit.

In April 2021, the Authority filed its first Annual Cook Compliance Report which identifies three categories of costs and expense occurring during 2020 that qualify as Cook Rate Freeze Exceptions, including (i) $5.2 million resulting from a change in law due to the COVID-19 pandemic, (ii) $1.2 million resulting from named storm Hurricane Isaias; and (iii) $13.3 million attributed to Central Load Deviations.

In April 2022, the Authority filed its second Annual Cook Compliance Report which identifies eight situations that fall within four categories of costs and expenses occurring during 2021 that qualify as Cook Rate Freeze Exceptions. The four categories include (i) $11.9 million resulting from various changes in law; (ii) $175,000 resulting from named Tropical Storm Elsa; (iii) $43.4 million resulting from the coal mine fire and subsequent change in law that required the mine to remain closed ($37.8 million) and the fire and failure of equipment at Virgil C. Summer Nuclear Generating Station Unit 1 ($5.6 million); and (iv) $15.4 million attributable to Central Load Deviations (collectively, the "2021 Cook Rate Freeze Exceptions").

On June 27, 2022, the Board authorized the use of regulatory accounting for the 2020 & 2021 Cook Rate Freeze Exceptions Costs identified in the Authority's 2020 & 2021 Annual Cook Compliance Reports allowing the Authority to create a regulatory asset and to defer recognition on its Statement of Revenues, Expenses and Changes in Net Position of the expenses associated with those exceptions that qualify for such regulatory accounting treatment, including any future adjustments to the amount of such expenses. In addition, on August 28, 2023, the Board authorized the use of regulatory accounting for the 2022 Cook Rate Freeze Exceptions for new Exceptions that were not previously approved on June 27, 2022.

The Authority filed its 2022 Annual Compliance Report covering the period from January 1, 2022 through December 31, 2022 (the "2022 Reporting Period") on April 28, 2023, demonstrating the Authority's compliance with the Cook Settlement Agreement. The 2022 Annual Compliance Report identified 11 situations falling within four categories of costs and expenses as Rate Freeze Exceptions. The four categories include (1) approximately $7.6 million resulting from various changes in law; (2) approximately $297 million resulting from fires; (3) approximately $77 million resulting from public enemy (Russian invasion of Ukraine); and (4) approximately $21 million resulting from named storms (collectively, the "2022 Cook Rate Freeze Exceptions"). The 2022 Annual Compliance Report also identified approx. $2.5 million in debt costs directly resulting from the Cook Exceptions Regulatory Asset and adjusted two claimed 2021 Exceptions resulting in a credit of approximately $6.5 million.

The following reflects the Cook Deferred Expenses recorded as the Cook Exceptions Regulatory Asset as of December 31, 2023:

Year Ending December 31:	**2023**	2022
Load Exception – Certain deviations in Central's actual loads	**$ 13,169,774**	$ 13,169,774
Load Exception Interest – Certain deviation in Central's actual loads	**8,398,351**	8,398,351
Interest	**23,257,810**	0
Foresight Local Mine Fire – Subsequent change in law that required the mine to stay closed	**455,550,969**	318,533,013
Change in Law	**100,321,871**	12,920,563
VCS 1 Fire	**4,824,460**	4,824,460
Named Storm Events – Hurricane Isaias, Ian and Tropical Storm Elsa, Jasper, and Izzy	**2,345,211**	759,218
Winter Storm - Elliott	**17,241,983**	0
Total Regulatory Asset	**$625,110,429**	$358,605,379

Note 6 – Long -Term Debt

Debt Outstanding

The Authority's long-term debt at December 31, 2023 and 2022 consisted of the following:

	2023	2022	Interest Rate(s) [1]	Call Price [2]
	(Thousands)		(%)	(%)
Revenue Obligations: (mature through 2056)				
2009 Taxable Series C	**1,305**	1,575	6.224	P&I Plus Make-Whole Premium
2009 Taxable Series F	**100,000**	100,000	5.740	P&I Plus Make-Whole Premium
2010 Series C (Build America Bonds) [3]	**360,000**	360,000	6.454	P&I Plus Make-Whole Premium
2012 Taxable Series E	**159,837**	183,378	4.122-4.551	P&I Plus Make-Whole Premium
2013 Tax-exempt Series A	**107,560**	107,560	5.000-5.500	100
2013 Tax-exempt Refunding Series B	**224,525**	224,525	5.000-5.1250	100
2013 Taxable Series C	**250,000**	250,000	5.784	P&I Plus Make-Whole Premium
2013 Tax-exempt Series E	**275,730**	275,730	5.000-5.500	100
2014 Tax-exempt Series A	**294,970**	294,970	5.000-5.500	100
2014 Tax-exempt Refunding Series B	**22,380**	22,380	5.000	100
2014 Tax-exempt Refunding Series C	**351,625**	351,625	3.000-5.500	100
2014 Taxable Refunding Series D	**16,890**	24,970	3.406-3.606	P&I Plus Make-Whole Premium
2015 Tax-exempt Refunding Series A	**353,110**	363,410	3.000-5.000	100
2015 Tax-exempt Refunding Series B	**0**	23,725	5.000	Non-callable
2015 Taxable Series D	**169,657**	169,657	4.770	P&I Plus Make-Whole Premium
2015 Tax-exempt Series E	**108,125**	108,125	5.250	100
2016 Tax-exempt Refunding Series A	**459,115**	459,115	3.125-5.000	100
2016 Tax-exempt Refunding Series B	**408,705**	408,705	2.750-5.250	100
2016 Tax-exempt Refunding Series C	**48,220**	50,360	3.000-5.000	100
2019 Tax-exempt Refunding Series A [4]	**124,795**	143,200	VRD	100
2020 Tax-exempt Refunding Series A	**333,540**	333,710	3.000-5.000	100
2020 Taxable Refunding Series B	**299,725**	299,725	1.485-2.659	P&I Plus Make-Whole Premium
2021 Tax-exempt Refunding Series A	**144,225**	144,995	4.000-5.000	100
2021 Tax-exempt Series B	**280,170**	280,170	4.000-5.000	100
2022 Tax-exempt Refunding Series A	**929,595**	930,990	4.000-5.000	100
2022 Tax-exempt Refunding Series B	**352,201**	352,201	3.000-5.000	100
2022 Tax-exempt Refunding Series C	**34,470**	36,640	5.000-5.500	100
2022 Taxable Refunding Series D	**127,735**	134,850	5.913-6.436	P&I Plus Make-Whole Premium
2022 Tax-exempt Series E	**386,370**	390,000	5.000-5.750	100
2022 Taxable Series F	**59,505**	60,000	5.913-6.447	P&I Plus Make-Whole Premium
Total Revenue Obligations	**6,784,085**	6,886,291		
Direct Placement Long-Term Revolving Credit Agreement: (matures through 2029)	**402,466**	219,460	N/A	N/A
Less: Current Portion - Long-term Debt	**56,585**	39,525		
Total Long-term Debt - (Net of current portion)	**$7,129,966**	$7,066,226		

[1] Interest Rates apply only to bonds outstanding as of December 31, 2023.

[2] Call Price may only apply to certain maturities outstanding at December 31, 2023.

[3] These bonds were issued as "Build America Bonds" under the American Recovery and Reinvestment Act of 2009 and are eligible to receive an interest subsidy payment from the United States Department of Treasury in an amount up to 35% of interest payable on the bonds.

[4] Interest is based on a weekly rate.

Changes in Long-Term Debt

Long-term debt (LTD) activity for the years ended December 31, 2023 and 2022 was as follows:

	Gross LTD Beginning Balances	Increases	Decreases	Gross LTD Ending Balances	Current Portion LTD	Total LTD (Net of Current Portion)	Unamortized Debt Discounts and Premiums	LTD-Net Ending Balances
				YEAR 2023 (Thousands)				
Revenue Obligations	**$ 6,886,291**	**$ 0**	**$ (102,206)**	**$6,784,085**	**$56,585**	**$6,727,500**	**$ 475,585**	**$7,203,085**
Direct Placement Long-Term Revolving Credit Agreement	**219,460**	**185,000**	**(600)**	**403,860**	**1,394**	**402,466**	**0**	**402,466**
Totals	**$ 7,105,751**	**$ 185,000**	**$ (102,806)**	**$7,187,945**	**$57,979**	**$7,129,966**	**$ 475,585**	**$7,605,551**
				YEAR 2022 (Thousands)				
Revenue Obligations	$ 6,642,817	$1,904,681	$(1,661,207)	$6,886,291	$39,525	$6,846,766	$ 507,324	$7,354,090
Direct Placement Long-Term Revolving Credit Agreement	22,211	219,460	(22,211)	219,460	0	219,460	0	219,460
Totals	$ 6,665,028	$2,124,141	$(1,683,418)	$7,105,751	$39,525	$7,066,226	$ 507,324	$7,573,550

Summary of Long-Term Principal and Interest

Maturities and projected interest payments of long-term debt are as follows:

	Revenue Obligations	Long-Term Revolving Credit Agreements	Total Principal	Total Interest [1]	Total
Year Ending December 31,			(Thousands)		
2024	$ 56,585	$ 870	$ 57,455	$ 344,254	$ 401,709
2025	129,905	385,575	515,480	341,067	856,547
2026	151,747	2,029	153,776	316,841	470,617
2027	151,101	1,930	153,031	309,851	462,882
2028	175,705	1,952	177,657	303,289	480,946
2029-2033	1,011,057	8,649	1,019,706	1,388,585	2,408,291
2034-2038	1,150,070	2,855	1,152,925	1,136,996	2,289,921
2039-2043	1,121,661	0	1,121,661	865,683	1,987,344
2044-2048	1,249,689	0	1,249,689	570,746	1,820,435
2049-2053	1,251,796	0	1,251,796	256,078	1,507,874
2054-2056	334,769	0	334,769	24,801	359,570
Total	$ 6,784,085	$ 403,860	$ 7,187,945	$ 5,858,191	$ 13,046,136

(1) Does not reflect impact of subsidy interest payments on 2010 Taxable C (Build America Bonds).

Summary of Refunded and Defeased Debt and Unamortized Losses

Refunded and defeased debt, original loss on refunding and the unamortized loss at December 31, 2023 are as follows:

Refunding Description	Outstanding	Original Loss	Unamortized Loss
		(Thousands)	
Feb 2012 Defeasance	$ 0	$749	$301
2013 Refunding Series B	0	14,446	5,131
2013 Refunding Series C	0	4,601	2,381
2014 Refunding Series C & Taxable Refunding Series D	0	32,936	9,879
2015 Refunding Series A	0	21,487	3,389
2015 Series E	0	89	25
2016 Refunding Series A	0	56,068	27,967
2016 Refunding Series B	0	12,873	8,404
2019 Refunding Series A	0	1,747	478
2020 Refunding Series A	0	77	1
2021 CP Partial Redemption	0	846	660
2021 Refunding Series A	0	344	278
2022 Refunding Series A & B	0	124,366	114,185
Total	$ 0	$ 270,629	$ 173,079

Summary of In-Substance Defeasance of Debt Using Only Existing Resources

Defeased debt, cash placed in escrow, and defeased debt outstanding at December 31, 2023 are as follows:

Description of Transaction	Defeased Debt		Cash Placed in Escrow	Defeased Debt Outstanding
			(Thousands)	
12/2022 Cash Defeasance	$ 23,541	2012 Series E		
	24,915	2014 Refunding Series C		
	2,000	2014 Refunding Series D		
	17,720	2015 Refunding Series A		
	20,505	2015 Refunding Series B		
	580	2020 Refunding Series A	$ 190	$ 190
12/2023 Cash Defeasance	$ 23,541	2012 Series E		
	5,155	2014 Refunding Series D		
	10,300	2015 Refunding Series A		
	23,725	2015 Refunding Series B	$ 62,406	$ 62,681
Total			$ 62,596	$ 62,871

Analysis of Prior Year Current Portion of Long-term Debt

As a part of its long-term capital structure plan, the Authority will be involved in a multi-year refinancing plan. As a result, each year certain maturities classified as current portion of long-term debt may be refinanced in the subsequent year prior to the maturity date.

Below is an analysis of the 2022 current portion of long-term debt showing the amounts paid as debt service in 2023.

Analysis of December 31, 2022 Current Portion of Long-term Debt:	(Thousands)
Principal debt service paid from Revenues	$ 39,525
2022 maturities defeased	0
Total	$ 39,525

Reconciliations of Interest Charges

Years Ended December 31,	**2023**	2022
	(Thousands)	
Reconciliation of interest cost to interest		
Total interest cost	**$ 327,034**	$ 302,680
Interest charged to fuel expense	**0**	0
Total interest expense on long-term debt	**$ 327,034**	$ 302,680
Reconciliation of interest cost to interest		
Total interest cost	**$ 327,034**	$ 302,680
Accrued interest - current year	**(38,770)**	(40,456)
Accrued interest - prior year	**40,456**	38,324
Interest released by refundings	**(101)**	(17,202)
Cook Exceptions Regulatory Asset	**17,297**	8,398
Year-end manual accrual	**(255)**	(186)
Total interest payments on long term debt	**$ 345,661**	$ 291,558

Debt Service Coverage

Years Ended December 31,	2023	2022
	(Thousands)	
Operating revenues	**$ 1,850,603**	$ 1,949,050
Interest and investment revenue	**16,939**	6,751
Total revenues and income	**1,867,542**	1,955,801
Operating expenses [1]	**(1,429,528)**	(1,670,010)
Depreciation	**272,161**	269,073
Total expenses	**(1,157,367)**	(1,400,937)
Funds available for debt service prior to distribution to the State	**710,175**	554,864
Distribution to the State	**(18,961)**	(17,675)
Funds available for debt service after distribution to the State	**$ 691,214**	$ 537,189
Debt Service on Accrual Basis:		
Principal on long-term debt	**$ 36,431**	$ 125,746
Interest on long-term debt [2]	**327,034**	302,680
Long-term debt service paid from Revenues	**363,465**	428,426
Commercial paper and other principal and interest [3]	**8,994**	9,208
Total debt service paid from Revenues	**$ 372,459**	$ 437,634
Debt Service Coverage Ratio:		
Excluding commercial paper and other:		
Prior to distribution to the State, including Cook Deferred Expenses	**1.95**	1.29
After distribution to the State, including Cook Deferred Expenses	**1.90**	1.25
After distribution to the State, excluding Cook Deferred Expenses	**1.17**	0.42
Including commercial paper and other:		
Prior to distribution to the State, including Cook Deferred Expenses	**1.90**	1.26
After distribution to the State, including Cook Deferred Expenses	**1.85**	1.22
After distribution to the State, excluding Cook Deferred Expenses	**1.13**	0.41

[1] Operating expenses were reduced by $243.2 million in 2023 and $350.3 million in 2022 due to the deferral of the Cook Deferred Expenses to the Cook Exceptions Regulatory Asset.

[2] Interest on long-term debt was reduced by $17.3 million in 2023 and $8.4 million in 2022 due to the deferral of the Cook Deferred Expenses to the Cook Exceptions Regulatory Asset.

[3] Interest on commercial paper was reduced by $6.0 million in 2023 due to the deferral of the Cook Deferred Expenses to the Cook Exceptions Regulatory Asset.

Bond Market Transactions

There were no bond issuances for the year ended December 31, 2023.

Debt Covenant Compliance

As of December 31, 2023, and 2022, management believes the Authority was in compliance with all debt covenants. The Authority's bond indentures provide for certain restrictions, the most significant of which are:

(1) the Authority covenants to establish rates sufficient to pay all debt service, required lease payments, capital improvement fund requirements and all costs of operation and maintenance of the Authority's Electric and Water Systems and all necessary repairs, replacements and renewals thereof; and
(2) the Authority is restricted from issuing additional parity bonds unless certain conditions are met.

All Authority debt (Electric and Water Systems) issued pursuant to the Revenue Obligation Resolution is payable solely from and secured by a lien upon and pledge of the applicable Electric and Water Revenues of the Authority. Revenue Obligations are senior to:

(1) payment of expenses for operating and maintaining the Systems;
(2) payments for debt service on commercial paper;
(3) payments made into the Capital Improvement Fund.

As of December 31,	**2023**	2022
Outstanding Revenue Obligations	**$6.8 Billion**	$6.9 Billion
Estimated remaining interest payments	**$5.8 Billion**	$6.1 Billion
Issuance years (inclusive)	**2009 through 2022**	2009 through 2022
Maturity years (inclusive)	**2024 through 2056**	2023 through 2056

Note: Proceeds from these bonds were/will be used to fund a portion of the Authority's ongoing capital program or retire or refund certain outstanding debt of the Authority.

The Authority has outstanding indebtedness subject to the terms of its Master Revenue Obligation Resolution dated April 26, 1999 (Master Resolution), which contains a provision permitting the acceleration of all principal and interest on revenue obligations should there be an Event of Default.

Note 7 – Variable Rate Debt

The Board has authorized the issuance of variable rate debt issued under the Notes Resolution not to exceed twenty percent of the aggregate Authority debt outstanding (including commercial paper) as of the last day of the most recent fiscal year for which audited financial statements of the Authority are available. As of December 31, 2023, 10% of the Authority's aggregate debt outstanding was variable rate (this includes $125 million of the 2019A variable rate bonds that are not subject to the Board approved cap since they are issued under the Master Bond Resolution). The lien and pledge of Revenues securing variable rate debt issued as Revenue Obligations is senior to that securing commercial paper.

Commercial paper is issued for valid corporate purposes with a term not to exceed 120 days. The information related to commercial paper was as follows:

Years Ended December 31,	**2023**	2022
Commercial paper outstanding (000's)	**$ 183,363**	$ 118,246
Effective interest rate (at December 31)	**5.46%**	4.43%
Average annual amount outstanding (000's)	**$ 156,256**	$ 120,086
Average maturity	**50 Days**	47 Days
Average annual effective interest rate	**5.25%**	1.76%

The Authority currently maintains two reimbursement agreements and four revolving credit agreements. The information related to these agreements was as follows:

Years Ended December 31,	**2023**			2022		
	Capacity	**Unused Capacity**	**Expiration**	Capacity	Unused Capacity	Expiration
			(Thousands)			
Irrevocable Direct Pay Letters of Credit and Reimbursement Agreements:						
	$ 100,000	**$ 96,622**	**September 6, 2024**	$ 100,000	$ 50,691	September 6, 2024
	200,000	**20,015**	**February 28, 2025**	200,000	131,063	February 28, 2025
Revolving Credit Agreements:						
	100,000	**11,900**	**March 25, 2025**	100,000	36,900	March 25, 2025
	200,000	**34,400**	**March 20, 2026**	200,000	121,900	March 20, 2026
	250,000	**99,840**	**March 31, 2026**	200,000	121,740	December 27, 2024
	200,000	**200,000**	**June 28, 2024**	200,000	200,000	June 28, 2024
Total	**$1,050,000**	**$ 462,777**		$1,000,000	$ 662,294	

The Authority also has debt outstanding under Revolving Credit Agreements (RCAs) and Reimbursement Agreements with various bank facilities. The RCAs contain provisions permitting, by written notice, the acceleration of outstanding debt and accrued interest upon the occurrence of an event of default and automatically accelerating debt outstanding under the RCAs without such notice upon the occurrence of an event of default relating to certain acts of bankruptcy or insolvency relating to the Authority (unless such automatic acceleration is waived by the applicable lender). The RCAs also contain provisions permitting the applicable lender upon an event of default to terminate its agreement and refuse to advance further funds and providing that such termination of its agreement will automatically occur upon the occurrence of an Event of Default relating to certain acts of bankruptcy or insolvency relating to the Authority (unless such automatic termination is waived by the applicable lender).

The Reimbursement Agreements similarly contain provisions permitting, by written notice, the acceleration of debt outstanding under the Agreements upon the occurrence of an event of default and automatically accelerating debt outstanding under the Agreements without such notice upon the occurrence of an event of default relating to certain acts of bankruptcy or insolvency relating to the Authority. Each Reimbursement Agreement also contains provisions that permit the Bank upon an event of default to deliver a Final Drawing Notice stating that an event of default has occurred under such Agreement, directing that no additional Series A/AA Notes or Series B/BB Notes, as applicable, be issued and stating that the Letter of Credit for the Series A/AA Notes or Series B/BB Notes, as applicable, will terminate on the earlier of (i) the tenth day following the delivery of such notice and (ii) the date on which the drawing on the applicable Letter of Credit resulting from the delivery of such Final Drawing Notice is honored by the Bank.

In addition, in connection with a letter of credit provided by a bank facility in support of the Authority's Variable Rate Revenue Obligations, 2019 Tax-Exempt Refunding Series A, the Authority has entered into a reimbursement agreement. The Authority's payment obligations to the bank facility under the 2019A Reimbursement Agreement are secured by a lien upon and pledge of Revenues on parity with the pledge securing the Revenue Obligations. The agreement was entered into on November 21, 2019 and expires April 21, 2025.

Note 8 – Summer Nuclear Station

Summer Nuclear Unit 1

The Authority and DESC are parties to a joint ownership agreement providing that the Authority and DESC shall own Unit 1 at the Summer Nuclear Station ("Summer Nuclear Unit 1") with undivided interests of 33 1/3 percent and 66 2/3 percent, respectively. DESC is solely responsible for the design, construction, budgeting, management, operation, maintenance and decommissioning of Summer Nuclear Unit 1 and the Authority is obligated to pay its ownership share of all costs relating thereto. The Authority receives 33 1/3 percent of the net electricity generated**.** In 2004, the NRC granted a twenty-year extension to the operating license for Summer Nuclear Unit 1, extending it to August 6, 2042. On August 17, 2023, DESC filed a license renewal application with the NRC on behalf of itself and the Authority to extend the operating license from August 2042 to August 2062.

Authority's Share of Summer Nuclear - Unit 1

Years Ended December 31,	**2023**	2022
	(Millions)	
Plant balances before depreciation	**$ 805.8**	$ 792.5
Accumulated depreciation	**331.0**	323.1
Operation & maintenance expense	**91.2**	75.6

Nuclear fuel costs are being amortized based on energy expended using the unit-of-production method. This amortization is included in fuel expense and recovered through the Authority's rates.

DESC contracted with various outside parties to build a licensed Independent Spent Fuel Storage Installation ("ISFSI"), which was completed and commenced receiving fuel in 2016. Because of the Department of Energy's ("DOE") failure to meet its obligation to dispose of spent fuel, DESC and the Authority are being reimbursed by DOE for a portion of ISFSI project costs. The DOE reimbursements to date equal approximately 75% of the total project costs, and the remaining reimbursement remains under dispute between DESC and the DOE.

The NRC requires a licensee of a nuclear reactor to provide minimum financial assurance of its ability to decommission its nuclear facilities. In compliance with the applicable regulations, the Authority established an external trust fund and began making deposits into this fund in September 1990. In addition to providing for the minimum requirements imposed by the NRC, the Authority makes deposits into an internal fund in the amount necessary to fund the difference between a site-specific decommissioning study completed in 2020 and the NRC's imposed minimum requirement. Based on these estimates and assuming a SAFSTOR (delayed) decommissioning and an eighty year plant life, the Authority's one-third share of the estimated decommissioning costs of Summer Nuclear Unit 1 equals approximately $439.5 million in 2021 dollars.

As deposits are made, the Authority debits FERC account 532 – Maintenance of Nuclear Plant, an amount equal to the deposits made to the internal and external trust funds. These costs are recovered through the Authority's rates.

Based on current decommissioning cost estimates assuming a SAFSTOR scenario and eighty year plant life, these funds, which total approximately $215.6 million (adjusted to market) at December 31, 2023, along with investment earnings, additional contributions, and credits from future DOE reimbursements for spent fuel storage, are estimated to provide enough funds for the Authority's one-third share of the total decommissioning cost for Summer Nuclear Unit 1.

Events Relative to Summer Nuclear Units 2 and 3

In January of 2008, the Authority approved a generation resource plan that included the development of two new 1,117 MW nuclear generating units (individually, "Summer Nuclear Unit 2" and "Summer Nuclear Unit 3" and together, "Summer Nuclear Units 2 and 3") at the V.C. Summer Nuclear Generating Station. Summer Nuclear Units 2 and 3 would be jointly-owned by the Authority (45% ownership interest) and, at the time, SCE&G (SCANA's subsidiary; SCANA was acquired by Dominion Energy on January 1, 2019 and established Dominion Energy South Carolina (DESC) as a wholly owned subsidiary of SCANA) (55% ownership interest) (together, the "Owners").

On July 31, 2017, the Authority approved the wind-down and suspension of construction of the Summer Nuclear Units 2 and 3 at the Virgil C. Summer Nuclear Generating Station and the preservation and protection of the site and related components and equipment. The Authority had spent approximately $4.7 billion in construction and interest costs. Upon suspending construction, and in accordance with GASB No. 62, the Authority ceased capitalizing interest expense on the debt incurred to fund Summer Nuclear Units 2 and 3 as of July 31, 2017. With the exception of certain assets to be repurposed at Summer Nuclear Unit 1 or used to enhance the Authority's transmission system, the fuel assets and non-fuel assets comprising Summer Nuclear Units 2 and 3 were determined in accordance with GASB No. 42 to be impaired.

Impairment and Sale of Summer Nuclear Units 2 and 3 Assets

After suspending construction, the Authority sought additional project partners or financial support for Summer Nuclear Units 2 and 3. Finding none, the Authority looked to whether or not it could sell the fuel assets and non-fuel assets comprising Summer Nuclear Units 2 and 3 equipment and commodities. With the exception of certain assets to be repurposed at Summer Nuclear Unit 1 or used to enhance the Authority's transmission system, the assets were determined in accordance with GASB 42 to be impaired.

Regulatory Accounting for Summer Nuclear Units 2 and 3. Based on the results of a fair value determination of the assets, the write-off of the construction costs and fuel for Summer Nuclear Units 2 and 3 for the year ended December 31, 2017 totaled $4.211 billion. In January of 2018, the Authority approved the use of regulatory accounting for the $4.211 billion impairment write-off. The majority of Summer Nuclear Units 2 and 3 was financed with borrowed funds and for rate-making purposes, the Authority includes the debt service on these borrowed funds in its rates. Therefore, the impairment will be recorded as a regulatory asset and amortized through November 2056 to align with the principal payments on the associated indebtedness.

In December of 2017, the Authority approved the use of regulatory accounting to defer (i) a portion of post-suspension capitalized interest in the amount of $37.1 million to be amortized through November 2056 in order to align with the principal payments on the debt used to pay the interest and (ii) the recognition of income from the settlement agreement with the Toshiba Corporation ("Toshiba") relating to Toshiba's guaranty of certain payment obligations in respect of Summer Nuclear Units 2 and 3 (the "Toshiba Settlement Agreement") in the amount of $898.2 million, to be amortized over time to align with the manner in which the settlement proceeds are used to reduce debt service payments.

The following table summarizes the nuclear-related regulatory items:

Regulatory Item	Classification	Original Amount	2018 - 2023 Amortization	2018 - 2023 Changes	2023 Ending Balance
Nuclear impairment	Asset	$ 4.211 billion	($561.3 million)	($40.2 million)	$ 3.610 billion
Nuclear post-suspension interest	Asset	$ 37.1 million	$ (419,000)		$ 36.7 million
Toshiba Settlement Agreement	Deferred Inflow	$ 898.2 million	($678.9 million)	$13.8 million	$ 233.1 million

Sales of Summer Nuclear Units 2 and 3 Assets. During calendar years 2018 - 2023, the Authority sold certain equipment and commodities to third parties. *The Authority expects to use the net proceeds received from the sale of nuclear-related equipment to pay down a portion of its outstanding debt, avoid issuing additional debt as well as for other corporate purposes.* Through December 31, 2023, $89.9 million of materials have been sold.

Note 9 – Contracts with Electric Power Cooperatives

Central is a generation and transmission cooperative that provides wholesale electric service to each of the 19 distribution cooperatives which are members of Central. Power supply and transmission services are provided to Central in accordance with a power system coordination and integration agreement (the "Coordination Agreement"). Under the Coordination Agreement, the Authority is the predominant supplier of energy needs for Central, excluding amounts supplied by Duke to the Upstate Load (Blue Ridge Electric Cooperative, Inc., Broad River Electric Cooperative, Inc., Laurens Electric Cooperative, Inc., Little River Electric Cooperative, Inc. and York Electric Cooperative, Inc.), energy Central receives from the Southeastern Power Administration ("SEPA") and negligible amounts generated and purchased from others. In 2023, revenues pursuant to the Coordination Agreement were 58% of total sales of electricity, consistent with 55% in 2022.

Central, under the terms of the Coordination Agreement, has the right to audit costs billed to it. Any differences found as a result of this process are accrued if they are probable and estimable. To the extent that differences arise, prospective adjustments are made to the cost of service and are reflected in operating revenues in the accompanying Statements of Revenues, Expenses and Changes in Net Position. In 2023, operating revenues were reduced by $6.6 million related to prior years Central audit issues.

In 2013 the Central and Authority Boards approved an Amendment to the Coordination Agreement. As part of this, Central agreed to extend it's right to terminate the agreement until December 31, 2058. The Coordination Agreement includes a 10-year rolling notice provision. For a termination date of December 31, 2058, a party must give notice of termination no later than December 31, 2048. The Coordination Agreement provides for closer cooperation on planning of future resources, gives Central the ability to "opt-out" of future generation resources, and provides for cost recovery of all resources completed or under construction as of the amendment effective date, including Summer Nuclear Units 2 and 3. The Authority and Central have resolved certain matters relating to the nuclear project through the execution of the Cook Settlement Agreement (See Note 5 – *Cook Settlement as to Rates*) and continue to conduct business pursuant to the terms of the Settlement and the Coordination Agreement.

The Authority and Central coordinate on joint planning for future resources and identify future resources that may become a Proposed Shared Resource (PSR). Under the terms of the contract with Central, Central can elect to opt-out of a PSR. If Central elects to opt-out of a PSR, both Central and the Authority are then each obligated to provide their respective pro rata share (load ratio share) of the capabilities and capacity the PSR would have provided by each providing a Non-Shared Resource(s) (NSR) to the system. Neither party shares in the cost of the other party's NSR.

In 2020, the Authority and Central jointly conducted a solicitation for solar resources, resulting in 425 MW of Purchase Power Agreements (PPAs) for five solar projects with four counterparties. These purchases were collectively considered a PSR and Central opted out. As a result, both parties entered into separate contracts for their respective share of the output of the projects. Each party's contracts are considered their respective NSR. Santee Cooper is entitled to 27.5% of the capabilities and output of the PPAs and Central is entitled to the remaining 72.5%.

In 2022, the Authority proposed a 1,083 MW natural gas combined cycle unit PSR. Central opted out of this resource and is required to bring an NSR to the system in the minimum amount of 820 MW; Santee Cooper is required to bring an NSR to the system in the minimum amount of 372 MW.

Note 10 – Commitments and Contingencies

Purchase Commitments - The Authority has contracted for long-term coal purchases under contracts with estimated outstanding minimum obligations after December 31, 2023. The disclosure of contract obligations shown below is based on the Authority's contract rates and represents management's best estimate of future expenditures under current long-term arrangements. Additional arrangements are expected to meet the Authority's full demand.

Years Ending December 31,	Total Volumes with Options [1]	Contract Volumes [2]
	(Thousands)	
2024	$ 215,937	$ 204,537
2025	62,215	62,215
2026	60,000	60,000
2027	30,500	30,500
2028	31,500	31,500
Total	$ 400,152	$ 388,752

[1] Includes tons which the Authority has the option to receive.

[2] Includes tons which the Authority must receive.

The Authority has the following outstanding obligations under existing long-term capacity and purchased power contracts as of December 31, 2023:

Contracts with Power Receipt and Payment Obligations [1]

Number of Contracts	Delivery Beginning	Remaining Term	Obligations (Millions)
1	2010	2 Years	39.7
2	2013	20 Years	414.1
1	2013	10 Years	4.5
1	2023	4 Years	24.1
1	2021	2 Years	10.7
1	2023	4 Years	20.7
1	2023	5 Years	14.3
1	2024	5 Years	20.25
1	2024	5 Years	79.8

[1] Payment required upon receipt of power. Assumes no change in indices or escalation.

The Authority purchases network integration transmission service through transmission agreements with DESC, SOCO and Duke. This network transmission service is used to serve wholesale customers who are not in the Authority's direct-served territory; the Authority is obligated for costs associated with these transmission agreements. The table below shows the transmission obligations in 2024 and the total transmission obligations for 2025-2034. The wholesale customer obligations below represent projected transmission amounts through the term of the current contracts.

Transmission Obligations

	2024	2025-2034
	(Thousands)	
Other Customers	$ 5,459	$ 53,456
Total	$ 5,459	$ 53,456

The Authority purchased point to point transmission service through transmission agreements with Southern Company and Duke Energy. This point to point transmission service allows the Authority to import forward purchase power commitments and economically purchase power from the market. The table below shows the transmission obligations in 2024 and the total transmission obligations for 2025-2028 based on projected transmission rates.

Transmission Purchase Obligations

	2024	2025-2028
	(Thousands)	
Duke	$ 3,500	$ 25,777
SOCO	$ 21,580	$ 125,451
Total	$ 25,080	$ 151,228

Santee Cooper has executed four purchase power agreements with 5-year terms under the Public Utilities Regulatory Policies Act of 1978 (PURPA). Four projects associated with these agreements have reached commercial operation. The project associated with Centerfield Solar, LLC, effective April 18, 2019, reached commercial operation in December 2020; the project associated with Gunsight Solar, LLC, effective April 30, 2019, reached commercial operation in December 2022; and the project associated with Allora Solar, LLC, effective May 19, 2020, reached commercial operation in February 2022 . All three projects have a nameplate capacity of 75 MW.
The project associated with Landrace Holdings, LLC, effective May 19, 2020, with a nameplate capacity of 55 MW, reached commercial operation on December 1, 2023.

In 2020, Santee Cooper issued a Request for Proposals for providing up to 500 MW of solar capacity and energy. Five contracts with terms ranging from 15-20 years were awarded, totaling 425 MW. Santee Cooper and Central each entered into separate purchased power agreements for their respective share of the output. In 2022, one of these purchase power agreements, totaling 75 MW, was terminated. In 2023, an additional purchase power agreement, totaling 75 MW, was terminated.

CSX Transportation, Inc. ("CSX") provides substantially all rail transportation service for the Authority's Cross and Winyah coal-fired generating stations. The Authority also interchanges with some short line railroads via CSX for the movement of coal as well. The CSX contract, effective January 1, 2011, and extended per amendment through June 30, 2025, effective July 1, 2020, continues to apply a price per ton of coal moved, along with a mileage-based fuel surcharge and minimum tonnage obligation.

The Authority has commitments for nuclear fuel, nuclear fuel conversion, enrichment and fabrication contracts for Summer Nuclear Unit 1. As of December 31, 2023, these contracts total approximately $83.9 million over the next 9 years.

The Authority successfully negotiated a Contractual Service Agreement with General Electric, effective March 2016, that covers all units at Rainey Generating Station. The Contractual Service Agreement provides unplanned maintenance coverage, rotor replacement and auxiliary parts replacement in addition to a Contract Performance Manager (“CPM”), initial spare parts, parts and services for specified planned maintenance outages, remote monitoring and diagnostics of the turbine generators and combustion tuning for the gas turbines. Based on the latest approved fuel forecast, the contract term extends through 2027 and the Authority’s estimated remaining commitment on the contract is $37.1 million, including escalation.

Effective November 1, 2000, the Authority contracted with Transcontinental Gas Pipeline Corporation to supply gas transportation needs for its Rainey Generating Station. The service agreement is for 80,000 dekatherms per day of firm capacity and extends through November 1, 2031. The Authority works with Transco to determine future additional requirements.

Byproducts - Coal combustion products ("CCP"), which include fly ash, bottom ash, and flue gas desulfurization products such as gypsum, are produced when coal is burned to generate electricity. The Authority has entered into contracts for the beneficial use of CCPs and continually looks for new markets and customers for the use of CCPs. The Authority supplies and delivers drywall quality gypsum to American Gypsum (“AG”) in Georgetown, South Carolina under a long-term contract that includes minimum and maximum supply volumes. The gypsum is primarily sourced from synthetic gypsum produced at the Cross Generating Station (“CGS”) and Winyah Generating Station (“WGS”). Currently and under projected dispatch assumptions, gypsum produced at CGS and WGS does not meet required minimum contract volumes, and shortfalls are obtained from several external sources of both natural and synthetic gypsum. Sources may vary based on availability and cost. Natural gypsum is currently purchased and delivered from International Materials Inc. Synthetic gypsum is currently purchased from Cameron Ag Products, LLC (“Cam Ag”). Cam Ag provides this source via rail from various sources in the Southeast to the Authority’s Jefferies Station, from where it is delivered to AG. Additionally, ponded ash is reclaimed from the Authority's ash ponds for use in the cement and concrete industry. This pond ash is sold to multiple cement plants as a replacement for silica and alumina in their process. Dry fly ash is recovered directly from the operating units for use in the concrete industry, and bottom ash is beneficially used by concrete block manufacturers to produce lightweight concrete block. The Authority has multiple beneficial use agreements to facilitate beneficial use activities, one of which is the staged turbulent air reactor (“STAR”) Processed Fly Ash Operating and Sales Agreement between the Authority and The SEFA Group, Inc. (“SEFA”). Pursuant to this Agreement, the Authority supplies dry fly ash and/or ponded ash from the Winyah Station to SEFA who processes it in their STAR unit to produce a high-quality fly ash which they market to the concrete industry. In addition, ponded gypsum, which does not meet wallboard specifications, is reclaimed from the Authority’s slurry ponds for use in the agriculture and cement industries.

Risk Management - The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; and errors and omissions. The Authority purchases commercial insurance to cover these risks, subject to coverage limits and various exclusions. Settled claims resulting from these risks did not exceed commercial insurance coverage in 2023. Policies are subject to deductibles ranging from $500 to $2.0 million, except for named storm losses which carry deductibles from $2.0 million up to $50.0 million. Also, a $1.4 million general liability self-insured layer exists between the Authority’s primary and excess liability policies. During 2023, there were minimal payments made for general liability claims.

The Authority is self-insured for auto, worker’s compensation and environmental incidents that do not arise out of an insured event. The Authority purchases commercial insurance, subject to coverage limits and various exclusions, to cover automotive exposure in excess of $2.0 million per incident. Estimated exposure for worker’s compensation is based on an annual actuarial study using loss and exposure information valued as of June 30, 2023. In addition, there have been no third-party claims regarding environmental damages for 2023 or 2022.

Claim expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The amount of the self-insurance liabilities for auto, dental, worker's compensation and environmental remediation is based on the best estimate available. Changes in the reported liability were as follows:

Years Ended December 31,	**2023**	2022
	(Thousands)	
Unpaid claims and claim expense at beginning of year	**$ 2,684**	$ 1,589
Incurred claims and claim adjustment expenses:		
Add: Provision for current year events	**1,066**	1,501
Less: Payments for current and prior years	**1,013**	406
Total unpaid claims and claim expenses at end	**$ 2,737**	$ 2,684

The Authority pays insurance premiums to certain other State agencies to cover risks that may occur in normal operations. The insurers promise to pay to, or on behalf of, the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. The State assumes all risks for the following:

(1) claims of covered employees for health benefits covered through South Carolina Public Employee Benefit Authority ("PEBA") Insurance Benefits; and not applicable for worker's compensation injuries; and
(2) claims of covered employees for basic long-term disability and group life insurance benefits (PEBA Insurance Benefits and PEBA Retirement Benefits).

Employees elect health coverage through the State's self-insured plans except for employee dental insurance for which the Authority is self-insured. Risk exposure for the dental plan is limited by plan provisions. Additional group life and long-term disability premiums are remitted to commercial carriers. The Authority assumes the risk for claims of employees for unemployment compensation benefits and pays claims through the State's self-insured plan.

Nuclear Insurance - The maximum liability for public claims arising from any nuclear incident has been established at $16.263 billion by the Price-Anderson Indemnification Act. This $16.263 billion would be covered by nuclear liability insurance of $500.0 million per reactor unit, with potential retrospective assessments of up to $165.9 million per licensee for each nuclear incident occurring at any reactor in the United States (payable at a rate not to exceed $24.7 million per incident, per year). Based on its one-third interest in Summer Nuclear Unit 1, the Authority could be responsible for the maximum assessment of $55.3 million, not to exceed approximately $8.2 million per incident, per year. This amount is subject to further increases to reflect the effect of (i) inflation, (ii) the licensing for operation of additional nuclear reactors and (iii) any increase in the amount of commercial liability insurance required to be maintained by the NRC. Additionally, DESC and the Authority maintain, with Nuclear Electric Insurance Limited ("NEIL"), $1.060 billion primary property and decontamination insurance to cover the costs of cleanup of the facility in the event of an accident. DESC and the Authority also maintain accidental outage insurance to cover replacement power costs (within policy limits) associated with an insured property loss. In addition to the premiums paid on these policies, DESC and the Authority could also be assessed a retrospective premium, not to exceed ten times the annual premium of each policy, in the event of property damage to any nuclear generating facility covered by NEIL. Based on current annual premiums and the Authority's one-third interest, the Authority's maximum retrospective premium would be approximately $6.0 million for the primary policy and $1.5 million for the accidental outage policy.

The Authority is self-insured for any retrospective premium assessments, claims in excess of stated coverage or cost increases due to the purchase of replacement power associated with an uninsured event. Management does not expect any retrospective assessments, claims in excess of stated coverage or cost increases for any periods through December 31, 2023.

Clean Air Act - The Authority endeavors to ensure that its facilities comply with all applicable environmental regulations and standards under the Clean Air Act ("CAA"). The Authority continues to review proposed greenhouse gas regulations and legislation to assess potential impacts to its operations. The latest rulemaking occurred on June 24, 2019, when the EPA issued the final Affordable Clean Energy ("ACE") Rule following the repeal of the Clean Power Plan ("CPP"). The ACE Rule, which established heat rate improvement ("HRI") measures as the best system of emissions reduction ("BSER") for CO_2 emissions from existing coal-fired Electric Generating Units (EGUs), was vacated and remanded by the D.C. Circuit Court of Appeals on January 19, 2021.
On June 30, 2022, the U.S. Supreme Court issued a landmark decision in West Virginia vs. EPA, which reversed the D.C. Circuit and held that Congress did not give the EPA authority under the CAA to regulate CO_2 emissions based on generation shifting (outside the fence).

On May 11, 2023, the EPA issued proposed replacement rules to establish New Source Performance Standard ("NSPS"). These rules will regulate CO_2 emissions from both existing coal-fired EGUs and from natural gas and oil-fired EGUs. For coal-fired EGUs, the rules establish limits based on four operating subcategories and set BSER for each. BSER for each subcategory is based on permanent closure date and capacity factor of the unit, with increasingly stricter requirements for longer and more frequently run units. BSER begins with co-firing natural gas in the interim and eventually becomes carbon capture and sequestration ("CCS") by January 1, 2040. For natural gas and oil-fired EGUs greater than 300 MW with an annual capacity factor above 50%, BSER is set at either CCS by January 1, 2035, or a phase-in of hydrogen co-fire to 96% by volume by January 1, 2038.

On October 23, 2015, the EPA finalized the NSPS for CO_2 emissions from new, reconstructed, and modified power plants, setting BSER for natural gas-fired and coal-fired EGUs. This rule required CCS for coal-fired EGUs, effectively ending new construction of these units. On December 6, 2018, the EPA signed a proposed revision to the rule to set BSER for coal-fired EGUs to most efficient demonstrated steam cycle in combination with best operating practices, and removed the requirement for CCS. On May 11, 2023, the EPA issued a proposed replacement rule to regulate modified coal-fired EGUs. BSER for these units is proposed to be CCS. The EPA issued a separate proposed rule to regulate new and reconstructed combustion turbines. The rule establishes limits based on three operating subcategories based on capacity factor, with increasingly stricter emission limits for units that operate more frequently. BSER for intermediate and base load subcategories is either CCS or co-firing with hydrogen.

On April 4, 2023, the EPA proposed revisions to the Mercury and Air Toxics Standard (MATS), specifically related to the 2020 residual risk and technology review of this regulation conducted by the Agency. The EPA is currently considering tightening of this standard based on findings of this review. The EPA described these actions as a "non-rulemaking" intended to collect public input in advance of the EPA's commencement of a formal rulemaking process. The Authority cannot currently predict the outcome or future scope, timing, and costs associated with any CO_2 emissions requirements or MATS revisions.

Safe Drinking Water Act - The Authority continues to monitor regulatory issues impacting drinking water systems at the Authority's regional water systems, generating stations, substations, and other auxiliary facilities. DHEC has regulatory authority of potable water systems in South Carolina under The State Primary Drinking Water Regulation, R.61-58; the Authority endeavors to manage its potable water systems in compliance with R.61-58.

On the federal level, the EPA has announced its intention to implement a national program to evaluate and regulate a category of organic contaminants known as per- and polyfluoroalkyl substances ("PFAS"). The Authority does not anticipate significant implications for its power-related facilities but does anticipate new requirements for its Regional Water Systems because the first new requirements appear to be related to drinking water. Specifically, the Strategic Roadmap 2021-2024 announced by the EPA on October 18, 2021 states that public water systems will be required to participate in a nationwide monitoring program for PFAS in drinking water during a 12-month period sometime between the beginning of 2023 and the end of 2025. The EPA issued a final rule on December 27, 2021 for additional monitoring of public water systems that require monitoring of such systems for 29 PFAS as unregulated contaminants. On March 14, 2023, the EPA announced a proposed rule to establish national drinking water standards for six PFAS known to occur in drinking water. A final rule is expected in 2024. The Authority will comply with any applicable new standards that are issued.

In addition, the EPA's Revised Lead and Copper Rule (86 FR 4198) became effective on December 16, 2021, with a compliance date of October 16, 2024. This rule is expected to have only a minimal impact on the Authority's Regional Water Systems as the Authority's transmission system is completely constructed from cement lined ductile iron pipe. Changes in requirements for monitoring frequency, corrosion control treatment, and sampling procedure will be the primary effects to the Regional Water Systems. The Cross Generating Station includes a Non-Transient Non-Community Water System and is required to conduct an inventory of on-site drinking water pipes.

Clean Water Act - The Clean Water Act ("CWA") prohibits the discharge of pollutants, including heat, from point sources into waters of the United States, except as authorized in the National Pollutant Discharge Elimination System ("NPDES") permit program. DHEC has been delegated NPDES permitting authority by the EPA and administers the NPDES permit program for the State. Wastewater discharges from the generating stations and the regional water plants are governed by NPDES permits issued by DHEC. Further, the storm water from the generating stations must be managed in accordance with the State's NPDES Industrial General Permit for storm water discharges. Storm water from construction activities must also be managed under the State's NPDES General Permit for storm water discharges from construction activity. The Authority endeavors to operate in compliance with these permits.

The EPA issued their final rule regarding Section 316(b) of the CWA on August 15, 2014. The rule establishes requirements for cooling water intake structures ("CWISs") at existing facilities. Section 316(b) of the CWA requires that the location, design, construction, and capacity of CWISs reflect the best technology available (BTA) for minimizing adverse environmental impacts. The Authority will continue to work with the regulatory agencies on implementation as required. The Authority believes compliance costs are not significant.

The EPA regulates oil spills prevention and preparedness under the CWA, Spill Prevention Control and Countermeasures ("SPCC"). These regulations require that applicable facilities, which include generating stations, substations, and auxiliary facilities, maintain SPCC plans to meet certain standards. The Authority continually works to be in compliance with these regulations. In addition to the SPCC requirements, the Myrtle Beach and Hilton Head Gas Turbine sites are subject to 40 CFR 112.20 and 112.21 requirements for Facility Response Plans (FRP).

A revision to the NPDES Steam Electric Effluent Limitation Guidelines ("ELG") rule became effective on November 1, 2020.

On October 13, 2020, the EPA published a revised ELG rule with lower mercury limits for Flue Gas Desulfurization ("FGD") wastewater along with some revisions related to bottom ash transport water. The 2020 rule also established a number of new subcategories. Beyond the standard best available technology (BAT) compliance option, subcategories potentially applicable for the Authority include those for retiring units and for facilities opting to comply via the voluntary incentive program (VIP) – each of these two alternate subcategories allow for an 8-year compliance schedule. Construction on many of the treatment systems and equipment required to comply with the 2020 rule is complete and the Authority expects the remaining cost of compliance at Cross and Winyah to be approximately $155 million and $150 million, respectively, for FGD wastewater treatment construction, using the rule's BAT approach (physical-chemical and biological treatment).
Previously, the Authority's board voted to retire Winyah and utilize the retirement exemption in the ELG rule; however on February 8, 2023, the Authority and Central Electric Cooperative signed a Memorandum of Understanding documenting an agreement to pursue the BAT technology as the primary compliance strategy for Winyah.

ELG requirements under the 2020 rule, along with any new state-defined limits, will be included in the final revised NPDES discharge permits that are currently being finalized by DHEC. While not final, draft permits for Cross and Winyah were put on public notice by DHEC in November and December 2023, respectively.

These draft permits contain schedules for implementation of FGD wastewater treatment at Cross and Winyah. The ability to switch to other compliance strategies for FGD wastewater is also not precluded. The Authority has submitted a notice of planned participation ("NOPP") for the voluntary incentive program (VIP) for Cross, based on treatment via membrane technology, and has requested parallel compliance paths in its permit.

This is intended to allow the BAT approach at Cross, while allowing the option to change to the VIP approach if that develops as a preferred option. The Authority also submitted a NOPP for retirement at Winyah, which would allow an automatic transfer to the VIP option under the rule; in addition, the Authority has requested that language addressing automatic transfer to the VIP option be included in the final permit.

While the 2020 rule remains in force at this time, the EPA announced a new rulemaking initiative in the Federal Register ("FR") on August 3, 2021, stating its intention to reevaluate FGD wastewater and bottom ash transport water limits and compliance alternatives in a new rule. The FR statement announced the EPA's intention that permittees and state permitting authorities follow the 2020 rule until the new rule is published. EPA released a pre-publication version of a new proposed rule on March 8, 2023, which, if it were to be finalized without alteration, would require aggressive new treatment requirements similar to the 2020 rule's VIP subcategory. Santee Cooper is thoroughly analyzing this proposed rule and will take action to comply with the final rule, which is currently anticipated in April 2024. At this time, it is not possible to identify a method of compliance or associated costs with the pending new rulemaking.

On June 9, 2021, the Army Corps of Engineers and EPA announced its intention to initiate a new rulemaking process that "restores the protections in place" prior to the 2015 Waters of the U.S. ("WOTUS") rule and to develop a more durable definition. The final rule published in the Federal Register on January 18, 2023 establishes a broader scope of jurisdiction under the Clean Water Act, resulting in more jurisdictional wetlands and fewer non-jurisdictional wetlands; the waste treatment exclusion was maintained. In addition to these regulatory actions, on May 25, 2023 the U.S. Supreme Court issued a decision on a lower court ruling (Sackett v. EPA) that limits CWA jurisdiction. The court's opinion essentially adopts the *Rapanos et al. v The United States* plurality's "continuous surface connection" standard authored by Justice Scalia, rejecting the "significant nexus" test described in Justice Kennedy's concurring opinion in *Rapanos*. On September 8, 2023, EPA published a new rule codifying the Sackett decision; however, in South Carolina the pre-2015 regulatory regime is in place due to ongoing litigation challenging the 2023 WOTUS Rule. At this time, it is not possible to determine the outcome of these various regulatory actions or to predict the changes that may occur as a result of the continued litigation. The primary risk to the Authority is that obtaining wetlands and WOTUS-related permits may require additional time and cost for new construction.

Hazardous and Non-Hazardous Substances, Solid Wastes and Coal Combustion Byproducts -

Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") and Superfund Amendments and Reauthorization Act ("SARA"), the Authority could be held responsible for damages and remedial action at hazardous waste disposal facilities utilized by it, if such facilities become part of a Superfund effort. Moreover, under SARA, the Authority must comply with a program of emergency planning and a "Community Right-To-Know" program designed to inform the public about more routine chemical hazards present at the facilities. Both programs have stringent enforcement provisions. Section 311 of the CWA imposes substantial penalties for spills of Federal EPA-listed hazardous substances into water and for failure to report such spills. CERCLA provides for the reporting requirements to cover the release of hazardous substances into the environment.

The Authority endeavors to comply with the applicable provisions of TSCA, CERCLA and SARA, but it is not possible to determine if some liability may be imposed in the future for past waste disposal or compliance with new regulatory requirements. The Authority strives to comply with all aspects of the Resource Conservation and Recovery Act ("RCRA") regarding appropriate disposal of hazardous wastes. The Authority's corporate policy titled Solid, Universal and Hazardous Waste (Policy Number 2-42-02) and the Corporate Waste Management Guidance Document provide guidance for the proper management and monitoring of solid, universal, and hazardous waste for environmental and regulatory compliance. Additionally, the EPA regulations under the Toxic Substances Control Act ("TSCA") impose stringent requirements for labeling, handling, storing, and disposing of polychlorinated biphenyls ("PCBs") and associated equipment.
The Authority's corporate policy titled PCB Management (Policy Number 5-23-04) and the PCB Management Plan provide guidance for the proper management and monitoring of PCBs for environmental and regulatory compliance.

The Solid Waste Disposal Act and Energy Policy Act give the EPA authority to regulate Underground Storage Tanks ("USTs"). EPA regulations concerning USTs are contained in 40 CFR Parts 280-282. DHEC was granted state program approval in 2002 and regulates USTs under R. 61-92, Part 280. This regulation provides requirements for the design, installation, operation, closure, release detection, reporting and corrective action and financial responsibility. The Authority's corporate policy titled Underground Storage Tanks (Policy Number 2-11-03) provides guidance for the proper management and monitoring of USTs for environmental and regulatory compliance.

The Authority generates solid waste associated with the combustion of coal, the vast majority of which is fly ash, bottom ash, scrubber sludge and gypsum. These wastes, known as Coal Combustion Residuals ("CCRs"), are exempt from hazardous waste regulation under the RCRA. On April 17, 2015, the EPA published the CCR Rule establishing comprehensive requirements for the management and disposal of CCRs. The rule regulates CCRs as a RCRA Subtitle D, nonhazardous waste and had an effective date of October 19, 2015. The Authority continues to comply with the CCR Rule through groundwater monitoring, assessment of corrective measures and internet postings of CCR Rule reports. Long-term compliance plans to address groundwater include pond closures and utilization of Class 3 landfills at the Cross and Winyah Generating Stations for disposal of CCRs. Beneficial use of ash and gypsum results in removal of CCRs from ponds to support closure and fewer CCRs being disposed of in the on-site landfills. The Class 3 landfill at Winyah Generating Station has been in operation since November 2018 with the latest and last expansion receiving approval to operate from DHEC in December 2022. The Cross Generating Station's Class 3 landfill continues in operation, and an expansion is currently under construction. These two Class 3 landfills are subject to the CCR Rule. The surface impoundments subject to the CCR Rule are located at the Cross and Winyah Generating Stations. These CCR impoundments have triggered closure because they are unlined and do not meet the aquifer location standard. Additionally, a subset of these CCR impoundments do not meet the groundwater protection standards for one or more constituents and are thus in a Corrective Action program. As of the April 11, 2021 CCR rule deadline, all ponds subject to the CCR Rule are no longer receiving any CCR or non-CCR waste streams.

Other CCR rulemakings are pending and will be monitored to address any requirements that impact the Authority. The EPA has issued a proposed rulemaking regarding regulating legacy impoundments and the final rule is expected in April 2024. Under this rulemaking, other ponds could become subject to the CCR Rule, including the Jefferies Generating Station ash pond and possibly the Grainger Generating Station ash ponds, even though the Grainger ash ponds have completed closure in accordance with DHEC's requirements. Additional CCR management units may also become subject to this rule. Other rulemakings which are expected to be issued in the near future include a Federal CCR Permit Program (expected March 2026) with procedures for CCR units to obtain permits in non-participating states, which currently includes South Carolina, and an additional closure option for units that are closing by removal of CCR but cannot complete groundwater corrective action within the rule's prescribed closure timeframes (expected October 2024). The CCR regulations and the EPA's interpretation of them have changed frequently and are expected to change in the ways described above. The Authority cannot predict other changes that the EPA may impose or the impacts upon the Authority's operations and financial results of these regulatory and interpretive changes until they are finalized and their impacts upon the Authority can be evaluated.

Closure plans for the Jefferies Generating Station Ash Pond and for the Winyah West Ash Pond have been approved by DHEC and closure is in progress, with regulatory deadlines of 2030. These ponds are not currently subject to the CCR Rule. However, as noted above, pending CCR rulemakings could regulate these impoundments. The Cross Bottom Ash Pond and the remaining ponds at the Winyah Generating Station (A Ash Pond, B Ash Pond, South Ash Pond, and Units 3 & 4 Slurry Pond) are subject to both the CCR Rule's closure requirements and to DHEC closure regulations. Closure is in progress on all ponds and plans are being developed and implemented to facilitate closure of these remaining ponds by the deadlines established by the state and by the CCR Rule with applicable extensions if necessary. The ponds will be closed through excavation and beneficial use of materials or through disposal in the industrial Class 3 solid waste landfills on-site at Cross and Winyah. For ponds subject to corrective action under the CCR Rule, closure by removal is the selected closure strategy and monitored natural attenuation is the selected groundwater remedy so that it meets groundwater protection standards. Four ponds (Winyah Slurry Pond 2, Grainger Ash Pond 1, Grainger Ash Pond 2, and the Cross Gypsum Pond) have already completed closure in accordance with DHEC's requirements. Pond closure activities are expected to continue at least through 2031 and estimates of remaining costs are projected to be approximately $197 million between 2024 and 2031. This amount does not include possible groundwater corrective action for the Cross Gypsum Pond being conducted under the CCR Rule, for which additional costs, if any, are not yet known. These costs are also part of the asset retirement obligation.

Wildlife – The Authority's operations have the potential to impact threatened and endangered species, birds, and other wildlife protected by the Endangered Species Act ("ESA"), Migratory Bird Treaty Act ("MBTA"), National Environmental Policy Act ("NEPA"), and additional state and federal requirements. Penalties for violations can be substantial and include criminal liability. The Authority endeavors to ensure that its facilities, operations, and projects comply with all applicable wildlife protection requirements.

Pollution Remediation Obligations – The Authority follows GASB 49, which addresses standards for pollution (including contamination) remediation obligations for activities such as site assessments and cleanups. GASB 49 does not include standards for pollution remediation obligations that are addressed elsewhere. Examples of obligations addressed in other standards include pollution prevention and control obligations for remediation activities required upon the retirement of an asset, such as ash pond closure and post-closure care and nuclear power plant decommissioning.

On December 31, 2020, the Authority was notified by DHEC that the Authority was required to submit a Site-Specific Work Plan ("SSWP") for an Initial Ground Water Assessment ("IGWA") under the South Carolina Pollution Control Act (SC Code Ann. § 48-1-50(6), § 48-1-50(20), and § 48-1-50(21)) at the Hidden Cove Marina, a property within the Authority's FERC project boundaries that is currently occupied by a commercial lessee. An underground pipe on the property was damaged by employees of a telecommunications company during installation of underground wiring and an estimated 800 gallons of gasoline leaked into the surrounding soil. DHEC informed the Authority that DHEC considers the Authority responsible for any necessary remediation activities, although the Authority reached a cost sharing agreement with the telecommunications company and lessee. After the IGWA results were received and indicated groundwater contamination, DHEC requested a Tier II assessment SSWP for additional soil and groundwater sampling. The Tier II results were submitted to DHEC on September 14, 2021. Subsequent activity resulted in DHEC approving an Excavation Corrective Action Plan and a Well Installation Plan on November 18, 2021. The Corrective Action Plan activities were completed in 2023 and the Authority received a Conditional No Further Action decision from DHEC on July 18, 2023.

A separate property exists within the Authority's FERC project boundaries that is currently occupied by a commercial lessee, Packs Landing Marina. As part of a proposed South Carolina Department of Transportation (SCDOT) right-of-way project, ARM Environmental reported a release at Packs Landing Marina on May 20, 2002 by submitting a Limited Phase II Subsurface Assessment for SCDOT Project #99-188D. The assessment found that a UST had been removed, there was an AST with dispensers, and subsurface hydrocarbon contamination (both soil and groundwater) was identified. Based on that information, DHEC began working with the lessee to get the contamination addressed on this site, identified as Site ID# 01935. DHEC was not successful in getting the contamination addressed with the lessee and contacted the Authority as the owner of the property. On February 26, 2014, the Authority was notified by DHEC that based on the groundwater monitoring report received August 29, 2013, the submittal of a Tier II Assessment Plan was required under the South Carolina Pollution Control Act (SC Code Ann. § 48-1-50(6), § 48-1-50(20), and § 48-1-50(21). The Authority agreed to monitor the progress of the environmental work and assist with financing the cost of environmental assessment for the lessee. Work has been conducted on the site since 2013 through DHEC approved workplans. On March 17, 2021, DHEC issued a directive to Packs Landing Marina for a SSWP to conduct additional testing for creosote found in results for the site, and the Authority entered into a Responsible Party Voluntary Cleanup Contract ("VCC") with DHEC on March 18, 2022. The VCC addresses the Authority and DHEC's cooperative plan for remediation of the creosote on the property. The Authority has submitted its Work Plan for the VCC process, which DHEC has accepted, and work has begun under that agreement, while the hydrocarbon component continues independent of the VCC.

The Authority's asset retirement obligation liabilities for ash ponds recorded for the years ended December 31, 2023 and 2022 were $154.8 million and $178.6 million, respectively.

FERC Hydroelectric License - The Authority operates the Santee Cooper Project (FERC P-199), including its Jefferies Hydro Station and certain other property, including the Pinopolis Dam on the Cooper River and the Santee Dam on the Santee River, which are major parts of the Authority's integrated hydroelectric complex, under a license issued by the FERC pursuant to the Federal Power Act ("FPA"). The project recently completed a multi-decade relicensing effort and was issued a 50-year license order by the FERC on January 20, 2023. The license is effective through January 1, 2073.

The Authority initiated license order compliance efforts upon receipt of the new license, including creation and implementation of various threatened and endangered species protection plans, a nuisance and invasive aquatic plant management plan, an operations and flow monitoring plan, a recreation management plan, a historic properties management plan, study plans focused on diadromous fish species, and plans for capital upgrades required to safely pass the required increased minimum flows into the Santee River at the Santee Dam. Total implementation costs for new requirements associated with the terms and conditions of the license order are estimated to be between $84 million and $179 million. The Authority has recorded approximately $350,000 in capital assets for the FERC Hydroelectric license through December 31, 2023.

Legal Matters - Except as noted below, there are no actions, suits, or governmental proceedings pending or, to the knowledge of the Authority, threatened before any court, administrative agency, arbitrator or governmental body which would, if determined adversely to the Authority, have a material adverse effect on the Authority's financial condition, or the Authority's ability to transact its business or meet its obligations under the Revenue Obligation Resolution. The Authority is vigorously defending any liability in all pending litigation; however, the cases may be subject to trial by a jury, judge, or arbitrator(s), which serves as the final trial trier of facts and awards. Alternatively, the Authority may decide to enter settlement negotiations to resolve such disputes. The Authority is unable to predict the outcome of the matters described below. Adverse decisions or determinations could delay or impede the Authority's operation or construction of its existing or planned projects, and/or require the Authority to incur substantial additional costs. Such results could materially adversely affect the Authority's revenues and, in turn, the Authority's ability to pay debt service on its bonds.

Recently Settled Litigation Matters

Jessica S. Cook et al. v. the Authority, the Authority's Board of Directors (certain former and current Directors named), SCE&G, SCANA Corporation, SCANA Services, Inc., Palmetto Elec. Coop., & Central Elec. Pwr. Coop.

Plaintiffs filed this putative class action in the Hampton County Court of Common Pleas on August 22, 2017, in connection with the Authority's decision to suspend construction of Summer Nuclear Units 2 and 3. Numerous amended complaints, responsive pleadings, and cross-claims were filed, up to and including a Fifth Amended Complaint. Plaintiffs' claims generally sought on behalf of a class of members the repayment of amounts paid by ratepayers attributable to Summer Nuclear Units 2 and 3 under statutory, contract, tort, and equitable theories. Plaintiffs also asserted claims against Palmetto, Central, SCANA, SCE&G, and SCANA Services. As detailed below, the case was resolved at mediation and an Amended Order Approving Settlement was entered on July 31, 2020, which approved the terms of the settlement reached by the parties resolving this matter and *Timothy Glibowski et al. v. SCANA, SCE&G, the Authority, et al.*

In addition to resolving Cook, the Cook Settlement Agreement resolved this putative class action filed in the Beaufort Division of the United States District Court for the District of South Carolina on January 31, 2018. The Plaintiffs filed an amended complaint on April 23, 2018 adding the Authority as a defendant. As against the Authority, Plaintiffs' claims arose from decisions to suspend construction of Summer Nuclear Units 2 and 3. The action was brought on behalf of a putative class of persons comprised of SCANA customers, Authority customers, and Central customers who paid advance charges for costs associated with the construction of the units from 2007 to 2019. Amended pleadings were filed, up to and including a Third Amended Complaint filed on July 30, 2019. The Third Amended Complaint asserted RICO and RICO Conspiracy claims against SCANA, SCE&G, SCANA's officers, the Authority and three now retired employees of the Authority as well as a takings claim against the Authority. Plaintiffs sought actual damages, treble damages under RICO, and attorneys' fees. As the claims in this matter were fully resolved as part of the Cook matter described above, the Court entered an order dismissing this matter on May 15, 2020.

The Cook Settlement Agreement generally provides for the dismissal and the release of all claims belonging to the class members against the Defendants, including those against the Authority. The class members are defined as all customers of the Authority that paid utility bills, during the time period from January 1, 2007 to January 31, 2020, with rates that were calculated in part to pay costs of Summer Nuclear Units 2 and 3 (the "Class Members"). In exchange for dismissal and release of the claims, SCE&G (n/k/a) DESC and the Authority agreed to make certain payments to a Common Benefit Fund (the "Fund") to be paid to Class Members. The Authority's portion of the payments to the Fund is $200 million, which were paid in three annual installments in the third quarters of 2020, 2021, and 2022, in the amount of $65 million, $65 million, and $70 million, respectively. In addition, the Authority agreed to a freeze on its rates consistent with rates projected in the Reform Plan beginning in 2020 through the end of 2024, subject to certain exceptions like costs arising from named storm events or changes in the law. The description here in this paragraph of the Cook Settlement Agreement is a general summary of the major provisions. A copy of the agreement can be found at http://www.santeecooperclassaction.com/Content/Documents/Settlement%20Agreement.pdf.

The Authority submits a compliance report to the Court annually through 2030.

Pending Litigation

(a) *Central Agreement Audit Dispute*

Following an annual audit of the Authority's records as permitted under the Central Agreement, Central has taken issue with the Authority's treatment of the Summer Nuclear Units 2 and 3 associated regulatory asset under the Central Agreement's cost of service model. Central's treatment of the regulatory asset, if applied, would result in the return to Central of over $76 million for fiscal years 2017, 2018, 2019, and January – July 2020 and a reduction in future contributions from Central in a yet undetermined amount. The Authority responded to Central, noting its disagreement with Central's position. The parties will proceed with determining a means for resolving the dispute.

(b) *Central Arbitration Notice*

On September 23, 2021, Central tendered a Notice of Arbitration, as permitted under the Central Agreement, presenting questions related to the Authority's accounting for gypsum expenses and revenues in conjunction with the Authority's contract with American Gypsum. The Authority submitted a response denying the allegations on October 15, 2021. A full arbitration Tribunal was selected, but the parties reached a tentative agreement contingent on future events. If the agreement is not finalized or the contingent events do not occur, it is likely an arbitration will occur. Court proceedings may follow the Tribunal's decision pursuant to the terms of the Central Agreement.

(c) *South Carolina Public Service Authority v. U.S. Army Corps of Engineers (COE)*

The Authority filed a claim on October 2, 2015 against the COE seeking a determination that the Rediversion Contract between the Authority and the COE does not require the Authority to credit the COE for a capacity value surcharge. The Rediversion Contract governs the operation of the St. Stephen Hydro Plant and the obligations of the parties related to the Plant's operations. The COE denied the claim and asserted the Authority was required to pay the COE based on a calculation which is in dispute. The Authority appealed the decision to the Armed Services Board of Contract Appeals ("ASBCA") and the COE counterclaimed. The parties asked the ASBCA to determine the rights under the contract.

On July 22, 2020, the ASBCA denied the Authority's appeals and remanded to the parties to negotiate the value of the additional capacity for the final 20 years of the contract performance period based on the contract. Negotiations are ongoing.

Note 11 – Retirement Plans

The South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board (restructured into the Department of Administration on July 1, 2015), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement System ("SCRS") and serves as a co-trustee of the Systems in conducting that review.

PEBA issues an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the State.

Plan Description - Substantially all Authority regular employees must participate in one of the components of the SCRS, a cost sharing, multiple-employer public employee retirement system, which was established by Section 9-1-20 of the South Carolina Code of Laws.

Benefit Provided - Vested employees ("Class Two Members") who retire at age 65 or with 28 years of service at any age are entitled to a retirement benefit, payable monthly for life. Vested employees ("Class Three Members") who retire at age 65 or meet the "rule of 90 requirements" (i.e., the total of the member's age and the member's creditable service equals at least 90 years), are entitled to a retirement benefit, payable monthly for life. The annual benefit amount is equal to 1.82 percent of their average final compensation times years of service. Benefits fully vest on reaching five years of service for Class Two Members and eight years for Class Three Members. Reduced retirement benefits are payable as early as age 60 with vested service or 55 with 25 years of service for Class Two Members. The SCRS also provides death and disability benefits. Benefits are established by State statute.

Article X, Section 16 of the South Carolina Constitution requires that all State-operated retirement plans be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws (as amended) prescribes requirements relating to membership, benefits and employee/employer contributions.

Effective July 1, 2002, new employees have a choice of the type of retirement plan in which to enroll. The State Optional Retirement Plan ("State ORP") which is a defined contribution plan is an alternative to the SCRS retirement plan which is a defined benefit plan. The contribution amounts are the same, (9.00 percent employee cost and 18.41 percent employer cost); however, under the State ORP, 5.00 percent of the employer amount is directed to the vendor chosen by the employee and the remaining 13.41 percent is contributed to the SCRS. As of December 31, 2023, the Authority had 111 employees participating in the State ORP and consequently the related payments are not material.

Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 (the "Act") increased employer retirement contribution rates by 2 percent to 13.56 percent for SCRS. The employer contribution rate for the State ORP was increased to 13.56 percent, with 5 percent of the employer contribution being remitted directly to the participant's State ORP investment provider. The employer rate will continue to increase annually by 1 percent through July 1, 2023, with the ultimate employer rate reaching 18.41 percent. Employee rates for SCRS and the State ORP increased to and are capped at 9 percent. Employer and employee contribution rates may be decreased in equal amounts once the system is 85 percent funded. The employee contribution rate may not be less than ½ of the normal cost for the system. The Act also reduced the funding period for unfunded liabilities from 30 to 20 years over the next 10 years as well as lowered the current assumed annual rate of return from 7.5 percent to 7.25 percent. The assumed annual rate of return expired July 1, 2021 and will every four years thereafter. PEBA must propose an annual rate of return every four years, which will become effective if the General Assembly fails to enact a rate of return.

Contributions - All employees are required by State statute to contribute to the SCRS at the prevailing rate, currently 9.00 percent. The Authority contributed 18.41 percent of the total payroll for SCRS retirement. For 2023, the Authority also contributed an additional 0.15 percent of total payroll for group life.

Liabilities, Expense and Deferred Outflows (Inflows) of Resources Related to Pensions - At December 31, 2023, the Authority reported a liability of $302.5 million. This includes its share of the net pension liability from SCRS as well as pension liabilities associated with the supplemental executive retirement plans ("SERP") noted under post-employment benefits, which were immaterial. The SCRS net pension liability was measured as of June 30, 2023 and determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the total net pension liability was based on the ratio of our actual contributions of $25.1 million paid to SCRS for the year ended June 30, 2023 relative to the actual contributions of $2.1 billion from all participating employers. The schedule of the Authority's proportionate share of the net pension liability for the years ended June 30, 2023 and 2022 are as follows:

	June 30, 2023	June 30, 2022
Authority's proportion of the net pension liability (%)	**1.19%**	1.21%
Authority's proportion of the net pension liability (millions)	**$290.2**	$295.2
Authority's covered payroll (millions)	**$143.9**	$148.9
Authority's proportion of the net pension liability as a percentage of its covered payroll	**202%**	198%
Plan fiduciary net position as a percentage of the total pension liability	**58.60%**	57.10%

For the year ended December 31, 2023, the Authority recognized a pension expense of $19.4 million, the Authority's proportionate share of the total pension expense. At December 31, 2023, the Authority reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
	(Thousands)	
Differences between expected and actual experience	**$ 5,077**	**$ 817**
Changes of assumptions	**4,455**	**0**
Net difference between projected and actual earnings on pension plan investments	**0**	**398**
Changes in proportion and differences between Authority's contributions and proportionate share of plan contributions	**365**	**10,845**
Authority's contributions subsequent to the measurement date	**12,706**	**0**
Total	**$ 22,603**	**$ 12,060**

The Authority reported $12.7 million as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the Authority's proportional share of the net balance of remaining deferred outflows (inflows) of resources at December 31, 2023. Average remaining service lives of all employees provided with pensions through the pension plans at July 1, 2023, was 3.678 years for SCRS.

Year Ending December 31:	
	(Thousands)
2024	**$ 140**
2025	**(9,927)**
2026	**7,795**
2027	**(171)**
Total	**$ (2,163)**

For the year ended December 31, 2022, the Authority recognized a pension expense of $12.4 million, the Authority's proportionate share of the total pension expense. At December 31, 2022, the Authority reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(Thousands)	
Differences between expected and actual experience	$ 2,576	$ 1,309
Changes of assumptions	9,481	0
Net difference between projected and actual earnings on pension plan investments	43,528	43,071
Changes in proportion and differences between Authority's contributions and proportionate share of plan contributions	771	16,455
Authority's contributions subsequent to the measurement date	11,346	0
Total	$ 67,702	$ 60,835

The Authority reported $11.3 million as deferred outflows of resources related to contributions subsequent to the measurement date which was recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the Authority's proportional share of the net balance of remaining deferred outflows (inflows) of resources at December 31, 2022. Average remaining service lives of all employees provided with pensions through the pension plans at July 1, 2022, was 3.767 years for SCRS.

Year Ending December 31:	
	(Thousands)
2023	$ (1,630)
2024	(170)
2025	(10,395)
2026	7,717
Total	$ (4,478)

Actuarial Assumptions - Actuarial valuations of the Authority involve estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Significant actuarial assumptions and other inputs used to measure the total pension liability as of December 31, 2023:

- **Measurement Date** — **June 30, 2023**
- **Valuation Date** — **July 1, 2022**
- **Expected Return on Investments** — **7.00%**
- **Inflation** — **2.25%**
- **Future Salary Increases** — **3.00% plus step-rate increases for members with less than 21 years of service**
- **Mortality Assumption** — **2020 Mortality Table projected at SCALE UMP from year 2020**

  2020 Males multiplied by 97%. Females multiplied by 107%

Significant actuarial assumptions and other inputs used to measure the total pension liability as of December 31, 2022:

- Measurement Date — June 30, 2022
- Valuation Date — July 1, 2021
- Expected Return on Investments — 7.25%
- Inflation — 2.25%
- Future Salary Increases — 3.00% to 12.50% (varies by service)
- Mortality Assumption — 2016 Mortality Table set back projected at SCALE AA from 2016 Males multiplied by 100%. Females multiplied by 111%

Discount Rate - The discount used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return - For the measurement date as of June 30, 2023, the long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page.
For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity			
Public Equity	**46.00%**	**6.62%**	**3.04%**
Private Equity	**9.00%**	**10.91%**	**0.98%**
Real Assets			
Real Estate	**9.00%**	**6.41%**	**0.58%**
Infrastructure	**3.00%**	**6.62%**	**0.20%**
Diversified Credit			
Bonds	**26.00%**	**0.31%**	**0.08%**
Private Debt	**7.00%**	**6.16%**	**0.43%**
Total Expected Real Return	**100.0%**		**5.31%**
Inflation for Actuarial Purposes			**2.25%**
Total Expected Nominal Return			**7.56%**

For the measurement date as of June 30, 2022, the long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.00 percent assumed annual investment rate of return (as prescribed by South Carolina Code Section 9-16-335) used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity			
Public Equity	46.00%	6.79%	3.12%
Private Equity	9.00%	8.75%	0.79%
Real Assets			
Real Estate	9.00%	4.12%	0.37%
Infrastructure	3.00%	5.88%	0.18%
Diversified Credit			
Bonds	26.00%	(0.35%)	0.09%
Private Debt	7.00%	6.00%	0.42%
Total Expected Real Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.04%

Sensitivity Analysis - For the measurement date as of June 30, 2023, the following table presents the Authority's collective net pension liability calculated using the Authority's discount rate of 7.00% as well as SERP discount rates of 4.25% for both the pre-2007 and non-qualified benefits for what the Authority's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1.00% Decrease	**Current Discount Rate**	**1.00% Increase**
		(Thousands)	
Authority's proportionate share of the net pension liability	**$ 388,018**	**$ 302,480**	**$ 231,335**

For the measurement date as of June 30, 2021, the following table presents the Authority's collective net pension liability calculated using the Authority's discount rate of 7.00% as well as SERP discount rates of 2.25% for both the pre-2007 and non-qualified benefits for what the Authority's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1.00% Decrease	Current Discount Rate	1.00% Increase
		(Thousands)	
Authority's proportionate share of the net pension liability	$ 392,700	$ 308,585	$ 238,582

Other Retirement Benefits - The Authority also provides retirement benefits to certain employees designated by management and the Board under SERP. Benefits are established and may be amended by management and the Authority's Board and include retirement benefit payments for a specified number of years and death benefits. The cost of these benefits is actuarially determined annually. Beginning in 2006, these plans were segregated into internal and external funds. The qualified benefits are funded externally with the annual cost set aside in a trust administered by a third party. The pre-2007 retiree benefits and the non-qualified benefits are funded internally with the annual cost set aside and managed by the Authority. Effective February 23, 2018, entry into the plan is closed and no employee shall become a participant on or after this date. At December 31, 2023, the Authority reported an asset of $3.6 million and a liability of $12.5 million associated with the three plans as well as deferred outflows and inflows as follows:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
	(Thousands)	
Differences between expected and actual experience	**$ 5**	**$ 170**
Changes of assumptions	**0**	**0**
Net difference between projected and actual earnings on pension plan investments	**811**	**0**
Authority's contributions subsequent to the measurement date	**193**	**0**
Total	**$ 1,009**	**$ 170**

The Authority reported $193,000 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years.

The following schedule reflects the amortization of the Authority's proportional share of the net balance of remaining deferred outflows (inflows) of resources at December 31, 2023.

Year Ending December 31:	
	(Thousands)
2024	**$ 12**
2025	**239**
2026	**384**
2027	**11**
2028	**0**
Total	**$ 646**

At December 31, 2022, the Authority reported an asset of $3.5 million and a liability of $13.3 million associated with the three plans as well as deferred outflows and inflows as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(Thousands)	
Differences between expected and actual experience	$ 14	$ 371
Changes of assumptions	5	0
Net difference between projected and actual earnings on pension plan investments	1,492	642
Authority's contributions subsequent to the measurement date	188	0
Total	$ 1,699	$ 1,013

The Authority reported $188,000 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years.

The following schedule reflects the amortization of the Authority's proportional share of the net balance of remaining deferred outflows (inflows) of resources at December 31, 2022.

Year Ending December 31:		
	(Thousands)	
2023	$	(122)
2024		19
2025		227
2026		373
2027		0
Total	$	497

Summer Nuclear Unit 1 Retirement - The Authority and DESC are parties to a joint ownership agreement for Summer Nuclear Unit 1 at the Summer Nuclear Station. As such, the Authority is responsible for funding its share of pension requirements for the nuclear station personnel. Any earnings generated from the established pension plan are shared proportionately and used to reduce the allocated funding.

As of December 31, 2023, and 2022, the Authority had a pension liability of $8.3 million and $6.7 million, respectively. The Authority has a regulatory asset balance of approximately $10.5 million and $5.9 million for the unfunded portion of pension benefits at December 31, 2023 and 2022, respectively. Additional information may be obtained by reference to DESC. Annual Report on Form 10K as filed with the Securities Exchange Commission as of December 31, 2023.

Note 12 – Other Postemployment Benefits (OPEB)

Vacation / Sick Leave - Full-time employees earn 10 days of vacation leave for service under five years and 15 days of vacation leave for service greater than 5 years but less than 11 years. Employees earn an additional day of vacation leave for each year of service over 10 until they reach the maximum of 25 days per year. Employees earn two hours per pay period, plus 20 additional hours at year-end for sick leave.

Employees may accumulate up to 45 days of vacation leave and 180 days of sick leave. Upon termination, the Authority pays employees for unused vacation leave at the pay rate then in effect. In addition, the Authority pays employees upon retirement 20 percent of their sick leave at the pay rate then in effect.

Plan Description - The Authority participates in an agent multiple-employer defined benefit healthcare plan whereby PEBA Insurance Benefits provides certain health, dental and life insurance benefits for eligible retired employees of the Authority. The retirement insurance benefits available are defined by PEBA Insurance Benefits and substantially all of the Authority's employees may become eligible for these benefits if they meet retirement eligibility with a minimum of 10 years of earned service or upon reaching age 60 after leaving employment with at least 20 years of service. Currently, approximately 1,169 retirees meet these requirements.

For employees hired May 2, 2008 or thereafter, the number of years of earned service necessary to qualify for funded retiree insurance is 15 years for a one-half contribution, and 25 years for a full contribution. PEBA Insurance Benefits may be contacted at: PO Box 11661, Columbia, S.C. 29211-1661 and PEBA Retirement Benefits may be contacted at PO Box 11660, Columbia, S.C. 29211-1960.

As of the measurement date, June 30, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,192
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	1,501
Total Plan Members	**2,693**

As of the measurement date, June 30, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,146
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	1,509
Total Plan Members	2,655

Funding Policy - Prior to 2010, the Authority used the unfunded pay-as-you-go option (or cash disbursement) method pursuant to GASB 45 to record the net OPEB obligations. During 2010, the Authority elected to adopt an advanced or pre-funding policy and established an irrevocable trust with Synovus Trust Company. In 2018 with the implementation of GASB 75, the Authority established a formal funding plan and elected to fund the OPEB obligation over a 30-year closed period. This method of funding results in a lower OPEB liability and established a method for amortizing the regulatory asset as funding occurs.

Net OPEB Liability - The components of the net OPEB liability at June 30, 2023 were as follows:

		(Thousands)
Total OPEB Liability	$	247,327
Plan fiduciary net position		97,290
Authority's net OPEB liability	$	150,037
Plan fiduciary net position as a percentage of the total OPEB liability		39.34%

The components of the net OPEB liability at June 30, 2022 were as follows:

		(Thousands)
Total OPEB Liability	$	299,066
Plan fiduciary net position		95,249
Authority's net OPEB liability	$	203,817
Plan fiduciary net position as a percentage of the total OPEB liability		31.85%

Actuarial Methods and Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Methods and Assumptions

Actuarial Cost Method	Individual Entry-Age
Amortization Method	Level dollar
Amortization Period	Closed period; 24 years remaining as of the beginning of FYE23
Asset Valuation	Market Value
Investment Rate of Return	4.00%, net of investment expenses, including inflation
Inflation	2.25%
Salary Increases	3.00% to 9.50%, including inflation
Demographic Assumptions	Based on the experience study covering the five year period ending June 30, 2019 as conducted for the South Carolina Retirement Systems (SCRS)
Mortality	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections using 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Participation Rates	Rates of 95% for fully funded retirees, 60% for partially funded retirees, and 20% for retirees not eligible for any explicit subsidy.
Healthcare Cost Trend Rates	Initial rate of 5.30% declining to an ultimate rate of 3.7% after 15 years.

Investments - The investments of the Authority must follow the general guidelines set by the Enabling Legislation. The Authority is required to invest without limitation its revenues in obligations the interest and principal of which are guaranteed or are fully secured by contracts with the United States of America; in obligations of any agency, instrumentality or corporation which has been or may hereafter be created by or pursuant to an act of Congress; direct and general obligations of the State of South Carolina; and certificates of deposit issued by any bank, trust company or national banking association which do business in South Carolina.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.40%	0.12%
Fixed Income	97.60%	4.86%
Total Blended Average	**100.0%**	**4.98%**

Asset Allocation at June 30, 2023

The rate of return for 2023 on the Trust was 2.09%.

Discount rate. A Single Discount Rate of 4.00% was used to measure the total OPEB liability. The expected rate of return on OPEB plan investments is 4.00%. The municipal bond rate is 3.86% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”); and the resulting Single Discount Rate is 4.00%.

Schedule of Changes in Net OPEB Liability and Related Ratios
Fiscal Year Ended December 31, 2023

Measurement period ending June 30	**2023**	2022
	(Thousands)	
Service Cost	**$ 6,052**	$ 7,098
Interest on the total OPEB liability	**8,910**	8,755
Difference between expected and actual experience	**(40,154)**	177
Changes of Assumptions	**(16,422)**	(260)
Benefit payments	**(10,125)**	(10,013)
Net change in total OPEB liability	**(51,739)**	5,757
Total OPEB liability - beginning	**299,066**	293,309
Total OPEB liability - ending (a)	**$ 247,327**	$ 299,066
Plan fiduciary net position		
Employer contributions	**$ 19,243**	$ 20,283
OPEB plan net investment income	**(6,923)**	(20,631)
Benefit payments	**(10,125)**	(10,013)
OPEB plan administrative expense	**(154)**	(171)
Net change in plan fiduciary net position	**2,041**	(10,532)
Plan fiduciary net position - beginning	**95,249**	105,781
Plan fiduciary net position - ending (b)	**$ 97,290**	$ 95,249
Net OPEB liability - ending (a) - (b)	**$ 150,037**	$ 203,817
Plan fiduciary net position as a percentage of total OPEB liability	**39.34%**	31.85%
Covered-employee payroll (dollars)	**$159,216,510**	$146,304,252
Net OPEB liability as a percentage of covered-employee payroll	**94.23 %**	139.31 %

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the net OPEB liability of the Authority calculated using the Authority's discount rate of 4.00% and for what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate as of June 30, 2023.

	1.00% Decrease	**Current Discount Rate**	**1.00% Increase**
		(Thousands)	
Net OPEB liability	$ 189,360	$ 150,037	$ 118,262

The following presents the net OPEB liability of the Authority calculated using the Authority's discount rate of 3.00% and for what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate as of June 30, 2022.

	1.00% Decrease	**Current Discount Rate**	**1.00% Increase**
		(Thousands)	
Net OPEB liability	$ 254,294	$ 203,817	$ 163,311

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the net OPEB liability of the Authority calculated using the assumed healthcare trend rates and for what the Authority's net OPEB liability would be if it were calculated using a trend rate that is 1.00% lower or 1.00% higher than the current trend rate as of June 30, 2023.

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
		(Thousands)	
Net OPEB liability	$ 112,361	$ 150,037	$ 198,229

The following presents the net OPEB liability of the Authority calculated using the assumed healthcare trend rates and for what the Authority's net OPEB liability would be if it were calculated using a trend rate that is 1.00% lower or 1.00% higher than the current trend rate as of June 30, 2022.

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
		(Thousands)	
Net OPEB liability	$ 152,719	$ 203,817	$ 270,319

OPEB Expense and Deferred Outflows (Inflows) of Resources Related to OPEB - For the year ended December 31, 2023, the Authority recognized OPEB expense of $15.9 million. At December 31, 2023, the Authority reported deferred outflows (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(Thousands)	
Differences between expected and actual experience	**$ 4,579**	**$ 37,517**
Changes of assumptions	**14,877**	**15,181**
Net difference between projected and actual earnings on OPEB plan investments	**23,900**	**0**
Authority's contributions subsequent to the measurement date	**12,652**	**0**
Total	**$ 56,008**	**$ 52,698**

The Authority reported $12.6 million as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows (inflows) of resources will be recognized in OPEB expense in future years.

The following schedule reflects the amortization of the Authority's balance of remaining deferred outflows (inflows) of resources at December 31, 2023.

Year Ending December 31:	
	(Thousands)
2024	$ 4,251
2025	4,691
2026	(792)
2027	(5,396)
2028	(8,907)
Thereafter,	(3,190)
Total	$ (9,343)

For the year ended December 31, 2022, the Authority recognized OPEB expense of $23.9 million. At December 31, 2022, the Authority reported deferred outflows (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(Thousands)	
Differences between expected and actual experience	$ 5,754	$ 5,564
Changes of assumptions	21,855	1,770
Net difference between projected and actual earnings on OPEB plan investments	20,817	0
Authority's contributions subsequent to the measurement date	9,113	0
Total	$ 57,539	$ 7,334

The Authority reported $9.1 million as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows (inflows) of resources will be recognized in OPEB expense in future years.

The following schedule reflects the amortization of the Authority's balance of remaining deferred outflows (inflows) of resources at December 31, 2022.

Year Ending December 31:	
	(Thousands)
2023	$ 10,687
2024	11,166
2025	11,605
2026	6,123
2027	1,519
Thereafter,	(9)
Total	$ 41,091

Summer Nuclear OPEB - The Authority is responsible for funding its share of OPEB costs for nuclear station employees. The Authority's liability balances as of December 31, 2023 and 2022 were both approximately $13.2 million and $12.8 million, respectively.

The Authority recorded a regulatory liability of approximately $2.9 million at December 31, 2023. Additional information may be obtained by reference to the DESC. Annual Report on Form 10K as filed with the Securities Exchange Commission as of December 31, 2023.

Note 13 – Credit Risk and Major Customers

In 2023 and 2022, the Authority had one customer that accounted for more than 10 percent of the Authority's sales:

Customer:	2023	2022
	(Millions)	
Central	**$ 1,050**	$ 1,059

The Authority maintains an allowance for uncollectible accounts based upon the expected collectability of all accounts receivable. The allowance at each year ended December 31, 2023 and 2022 was $2.4 million and $2.5 million, respectively.

Note 14 – Impact of Novel Coronavirus (COVID-19) Pandemic

In early 2023, FEMA announced the incident period for the COVID-19 pandemic would end on May 11, 2023. The Authority did not incur any costs associated with Protective Measures in 2023.

The Authority captured all costs associated with the Protective Measures incurred in 2022 and 2021. The amounts were approximately $900 thousand and $3.5 million, respectively.

The Authority continues to monitor the COVID-19 Pandemic and all costs associated with the global event for any financial impact but does not expect the costs associated with this event to have measurable long-term impact on its operations of the production and delivery of electricity to its customers. Through December 31, 2023, the Authority has been reimbursed $70,992 from FEMA for prior COVID-19 costs and has recognized a regulatory asset of approximately $9.5 million for unreimbursed COVID-19 costs (see Note 5- *Cook Settlement as to Rates*).

Note 15 – Cherokee Acquisition

On October 31, 2023, the Authority completed the purchase of Cherokee Cogeneration Partners LLC, including a natural gas-generating facility in Cherokee County for approximately $17 million. This facility added nearly 100 megawatts to the Authority's combined electric system. This facility has been operating since 1998 and is connected to an existing natural gas supply pipeline. The purchase was approved by the Public Service Commission in September 2023, and the land transaction was approved by the state's Joint Bond Review Committee in October 2023.

Note 16 – Subsequent Events

In January 2024, Santee Cooper executed a Precedent Agreement with the natural gas pipeline company, Transco, to be a pipeline capacity holder of the Southeast Supply Enhancement expansion project. This pipeline project has a target in service date of November 2027. The pipeline project stretches from the Mountain Valley Pipeline and Transco interconnect in Pittsylvania County, Virginia to Transco's delivery points in the southeastern US. Santee Cooper would utilize the added capacity of 80,000-MMBtu/day for the Rainey and Cherokee natural gas stations and potentially a new natural gas generating station. The project must be approved by FERC. Santee Cooper is responsible for it's proportionate share of project costs (incurred and committed to as of that date) if Santee Cooper terminates for any reason.

REQUIRED SUPPLEMENTAL FINANCIAL DATA (UNAUDITED):

Schedule of Proportionate Share of the Net Pension Liability
Required Supplementary Information

Years Ended in June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability (%)	**1.19%**	1.21%	1.28%	1.28%	1.35%	1.43%	1.43%	1.45%	1.44%	1.45%
Authority's proportion of the net pension liability (millions)	**$290.2**	$295.2	$278.9	$327.9	$309.7	$321.8	$323.1	$309.7	$273.6	$249.7
Authority's covered payroll (millions)	**$143.9**	$148.9	$152.7	$149.7	$151.1	$156.5	$153.7	$147.7	$140.7	$135.0
Authority's proportion of the net pension liability as a percentage of its covered payroll	**202%**	198%	183%	219%	205%	206%	210%	210%	194%	184%
Plan fiduciary net position as a percentage of the total pension liability	**58.6%**	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	56.9%	59.9%	59.9%

Schedule of Pension Plan Contributions
Required Supplementary Information
(Millions)

Years Ended December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Required Contributions:										
From the Authority	**25.60**	$23.20	$22.10	$22.10	$20.60	$19.80	$17.70	$15.60	$14.80	$13.90
From employees	**12.80**	12.30	12.50	12.90	12.40	12.80	12.60	11.80	11.00	10.20
Contributions in relation to the required contributions:										
From the Authority	**25.60**	$23.20	$22.10	$22.10	$20.60	$19.80	$17.70	$15.60	$14.80	$13.90
From employees	**12.80**	12.30	12.50	12.90	12.40	12.80	12.60	11.80	11.00	10.20
Contribution deficiency (excess)	**0**	0	0	0	0	0	0	0	0	0
Authority's covered payroll	**142.80**	137.20	138.30	143.60	138.20	142.30	142.70	140.10	136.40	131.50
Authority's contributions as a percentage of covered payroll	**18.00%**	17.00%	16.00%	15.40%	14.90%	13.90%	12.40%	11.10%	10.90%	10.50%

Schedule of Changes in Net OPEB Liability and Related Ratios
Required Supplementary Information
(Thousands)

Measurement period ending June 30,	**2023**	**2022**	**2021**	2020	2019	2018[1]
Service Cost	**$ 6,052**	**$ 7,098**	**$ 6,899**	$ 6,821	$ 4,641	$ 5,405
Interest on the total OPEB liability	**$ 8,910**	**8,755**	**9,573**	9,425	10,375	10,073
Difference between expected and actual experience	**$ (40,154)**	**177**	**7,692**	242	(12,859)	(291)
Changes of Assumptions	**$ (16,422)**	**(260)**	**3,975**	(2,717)	44,641	0
Benefit payments	**$ (10,125)**	**(10,013)**	**(9,813)**	(9,351)	(8,937)	(7,253)
Net change in total OPEB liability	**$ (51,739)**	**5,757**	**18,326**	4,420	37,861	7,934
Total OPEB liability - beginning	**$ 299,066**	**293,309**	**274,983**	270,563	232,702	224,768
Total OPEB liability - ending (a)	**$ 247,327**	**$ 299,066**	**$ 293,309**	$ 274,983	$ 270,563	$ 232,702
Plan fiduciary net position						
Employer contributions	**19,243**	**$ 20,283**	**$ 18,573**	$ 18,812	$ 27,483	$ 14,455
OPEB plan net investment income	**(6,923)**	**(20,631)**	**(1,686)**	5,717	5,501	(120)
Benefit payments	**(10,125)**	**(10,013)**	**(9,813)**	(9,351)	(8,937)	(7,253)
OPEB plan administrative expense	**(154)**	**(171)**	**(167)**	(153)	(126)	(104)
Net change in plan fiduciary net position	**2,041**	**(10,532)**	**6,907**	15,025	23,921	6,978
Plan fiduciary net position - beginning	**95,249**	**105,781**	**98,874**	83,849	59,928	52,950
Plan fiduciary net position - ending (b)	**97,290**	**$ 95,249**	**$ 105,781**	$ 98,874	$ 83,849	$ 59,928
Net OPEB liability - ending (a) - (b)	**150,037**	**$ 203,817**	**$ 187,528**	$ 176,109	$ 186,715	$ 172,774
Plan fiduciary net position as a percentage of total OPEB liability	**39.34%**	**31.85%**	**36.06%**	35.96%	30.99%	25.75%
Covered-employee payroll	**$ 159,216,510**	**$ 146,304,252**	**$ 148,938,030**	$ 149,128,347	$ 149,862,640	156,058,022
Net OPEB liability as a percentage of covered-employee payroll	**94.23%**	**139.31%**	**125.91%**	118.09%	124.59%	110.71%

[1] Information is not available for years prior to 2018.

Schedule of OPEB Contributions
Required Supplementary Information
(Thousands)

For December	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual as a % of Covered Payroll
2023	**$ 18,088**	**$ 23,282**	**$ (5,194)**	**$ 158,618**	**14.68%**
2022	17,867	18,133	(266)	145,554	12.46%
2021	18,224	19,606	(1,382)	149,053	13.15%
2020	18,012	18,898	(886)	155,676	12.14%
2019	15,515	17,262	(1,747)	154,791	11.15%
2018	15,364	14,455	909	156,059	9.26%

Notes to Schedule:
Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following is the discount rate used in this period:

Fiscal Year Ending	Rate
2023	**4.00%**
2022	3.00%
2021	3.50%
2020	3.50%
2019	4.50%

Schedule of Investment Returns
Required Supplementary Information

	2023	2022	2021	2020	2019	2018[1]
Annual money-weighted rate of return, net of investment expenses	**2.09%**	(25.89)%	(1.63)%	6.46%	7.96%	(0.21)%

[1] Information is not available for years prior to 2018.

Board of Directors

Peter M. McCoy Jr.
Chairman
Charleston, South Carolina

Chairman McCoy is an attorney and the sole proprietor of McCoy Law Group LLC, a firm located in Charleston, and a former U.S. Attorney for the District of South Carolina.

Stephen H. Mudge
1st Vice Chairman
At-Large
Clemson, South Carolina

Director Mudge is the cofounder, president and CEO of Serrus Capital Partners Inc., a Greenville, S.C.-based real estate investment firm.

David F. Singleton
2nd Vice Chairman
Horry County
Myrtle Beach, South Carolina.

Director Singleton is president of Singleton Properties, a real estate investment and sales firm.

Charles Samuel “Sam” Bennett II
1st Congressional District
Hilton Head Island, South Carolina.

Director Bennett is the President of Sea Pines Community Services Association and former Santee Cooper Vice President of Administration.

Kristofer D. Clark
3rd Congressional District
Easley, South Carolina

Director Clark is a broker with Easlan Capital and owner of Pristine Properties LLC.

Charles E. Dalton
4th Congressional District
Greenville, South Carolina

Director Dalton is a retired President and CEO for Blue Ridge Electric Cooperative.

Merrell W Floyd
7th Congressional District
Conway, South Carolina

Director Floyd is a retired staff coordinator for Horry Electric Cooperative.

J. Calhoun Land IV
6th Congressional District
Manning, South Carolina

Director Land is a partner in Land, Parker & Welch, a general practice firm in Manning.

Charles H. “Herb” Leaird
5th Congressional District Sumter,
South Carolina

Director Leaird is the former CEO of Black River Electric Cooperative and also served as CEO of Lynches River Electric Cooperative.

Dan J. Ray
Georgetown County
Georgetown, South Carolina

Director Ray is president of DR Capital Group, a Pawleys Island-based financial advisory and investment company.

Stacy K. Taylor
2nd Congressional District
Chapin, South Carolina.

Director Taylor is an attorney in Chapin.

John S. West
Berkeley County
Moncks Corner, South Carolina.

Director West is an attorney with West Law Firm in Moncks Corner and a former Santee Cooper General Counsel.

Robert G. Ardis III
Ex Officio, Central Electric Power Cooperative Inc.
Kingstree, South Carolina

Director Ardis is a member of the Central Electric Power Cooperative Inc. Board of Trustees and the President and CEO of Santee Electric Cooperative.

E. Paul Basha
Ex Officio, Central Electric Power Cooperative Inc.
York, South Carolina

Director Basha is the Chairman and a member of the Executive Committee of the Central Electric Cooperative Inc. Board of Trustees and the President and CEO of York Electric Cooperative.

Notes:

Stephen H. Mudge assumed the role of First Vice Chairman, effective Jan. 23, 2023.

Charles Samual "Sam" Bennett II was appointed to represent the 1st Congressional District, a seat previously held by William A. Finn. Director Bennett's term began June 14, 2023.

Stacy K. Taylor was appointed to represent the 2nd Congressional District, which was a vacant seat. Director Taylor's term began June 14, 2023.

John S. West was appointed to represent Berkeley County, a seat previously held by Peggy H. Pinnell. Director West's term began June 14, 2023.

On May 20, 2023, E. Paul Basha assumed the Ex Officio Board Member role previously held by Rob Hochstetler.

Alyssa Leigh Richardson of North Charleston, South Carolina, was appointed to the 6th Congressional District, a seat held in 2023 by J. Calhoun Land IV. Director Richardson's term began Jan. 1, 2024.

Advisory Board

Henry D. McMaster	Governor
Alan Wilson	Attorney General
Mark Hammond	Secretary of State
Brian J. Gaines	Comptroller General
Curtis M. Loftis Jr.	State Treasurer

Notes:

Brian J. Gaines was appointed Comptroller General on May 12, 2023, by South Carolina Governor Henry D. McMaster. The position was previously held by Richard Eckstrom.

Leadership

Jimmy D. Staton	President and Chief Executive Officer
Victoria N. Budreau	Chief Customer Officer
Rahul Dembla	Chief Planning Officer
Michael J. Finissi	Chief Operations Officer
Kenneth W. Lott III	Chief Financial and Administration Officer
Monique L. Washington	Chief Audit and Risk Officer
J. Martine "Marty" Watson	Chief Commercial Officer
Pamela J. Williams	Chief Public Affairs Officer and General Counsel

Other Officers

Traci J. Grant	Director of Corporate Services and Corporate Secretary
Dominick G. Maddalone	Senior Director of Innovation and Chief Information Officer
Daniel T. Manes	Controller
Suzanne H. Ritter	Treasurer and Director of Financial Planning

Notes:

J. Martine "Marty" Watson's position changed from Chief Power Supply Officer to Chief Commercial Officer on April 1, 2023.

Michael J. Finissi was named Chief Operations Officer as of April 1, 2023.

Traci Grant was named Director of Inclusive Strategies on January 16, 2024, and will continue her role as Corporate Secretary.

Office Locations

MONCKS CORNER OFFICE

Santee Cooper Headquarters
1 Riverwood Drive
Moncks Corner, SC 29461
843-761-8000
843-761-4122 (fax)

MYRTLE BEACH OFFICE

1703 Oak St.
Myrtle Beach, SC 29577
843-448-2411
843-626-1923 (fax)

SUMMARY OF CERTAIN PROVISIONS OF THE REVENUE OBLIGATION RESOLUTION

The following statements are summaries of certain provisions of the Revenue Obligation Resolution. Except as otherwise provided in this Official Statement, terms used under this caption which are defined in the Revenue Obligation Resolution, including, but not limited to those defined hereinafter, are used herein as so defined. Certain other provisions of the Revenue Obligation Resolution are summarized under the caption "SECURITY FOR THE 2025 BONDS."

Definitions of Certain Terms Used in Revenue Obligation Resolution

The following words and phrases are defined in the Revenue Obligation Resolution as hereinafter set forth.

"Capital Costs" shall mean the Authority's costs of (i) physical construction of or acquisition of real or personal property or interests therein for any project, together with incidental costs (including legal, administrative, engineering, consulting and technical services, insurance and financing costs), working capital and reserves deemed necessary or desirable by the Authority (including but not limited to costs of supplies, fuel, fuel assemblies and components or interests therein), and other costs properly attributable thereto; (ii) all capital improvements or additions, including but not limited to, renewals or replacements of or repairs, additions, improvements, modifications or betterments to or for any project; (iii) the acquisition of any other property (tangible or intangible), capital improvements or additions, or interests therein, deemed necessary or desirable by the Authority for the conduct of its business; (iv) any other purpose for which bonds, notes or other obligations of the Authority may be issued under the Enabling Act or under other applicable State statutory provisions (whether or not also classifiable as an operating expense); and (v) the payment of principal, interest, and redemption, tender or purchase price of (a) any Obligations, Commercial Paper or other indebtedness issued by the Authority for the payment of any of the costs specified above, including capitalized interest on such indebtedness, or (b) any indebtedness issued by the Authority to refund any indebtedness described in the preceding clause (a).

"Event of Default" shall mean one or more of the events set forth herein under "Events of Default and Remedies Under the Revenue Obligation Resolution."

"Government Obligations" shall mean direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Investment Securities" shall mean any of the following which at the time are legal investments under the laws of the State of South Carolina for the moneys held hereunder then proposed to be invested therein: (1) Government Obligations; (2) certificates which evidence ownership of the rights to payment of the principal of or interest on Government Obligations; (3) bonds, debentures, notes or participation certificates issued by the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Export-Import Bank of the United States, Federal Land Bank, the Federal National Mortgage Association, the Tennessee Valley Authority, or any other agency or corporation which is or may hereafter be created by or pursuant to an Act of Congress of the United States as an agency or instrumentality thereof; (4) obligations of state and local government municipal bond issuers, provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of non-callable obligations described in (1), (2), or (3) of this subparagraph, the maturing principal of and interest on which when due and payable, shall provide sufficient funds to pay the principal of and interest on such obligations of state and local government municipal bond issuers (5) Public Housing Bonds, or Project Notes, fully secured by contracts with the United States; (6) repurchase agreements with banks that are members of the federal reserve system or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York that are secured by securities described in (1) and (3) above having a current market value at least equal to one hundred two per cent (102%) of the amount of the repurchase agreement; (7) obligations of the State of South Carolina, (8) obligations of other states and investment contracts which obligations or investment contracts are rated at the time of purchase by each rating agency then maintaining a rating on the Obligations at the request of the Authority (each, a "Rating Agency") in one of the three highest rating categories (as determined without regard to any refinement or graduation of such rating by a numerical modifier or otherwise, a "Rating Category") of such Rating Agency; (9) deposits in interest bearing deposits or certificates of deposit or similar arrangements issued by any bank or national banking association (including the Trustee), which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by Government Obligations or obligations described in clauses (2), (3), (4) or (7) of this paragraph, having a current market value (exclusive of accrued interest) at least equal to one hundred five percent (105%) of the amount of such deposits, which Government Obligations or obligations described in clauses (2), (3), (4) or (7) of this paragraph shall have been deposited in trust by such bank or national association with the trust department of the Trustee or with a federal reserve bank or branch or, with the written approval of the Authority

and the Trustee, with another bank, trust company or national banking association for the benefit of the Authority and the appropriate fund or account as collateral security for such deposits; (10) corporate securities, including commercial paper and fixed income obligations, which are, at the time of purchase, rated by a Rating Agency in one of its three highest Rating Categories for comparable types of obligations; and (11) such other investments from time to time allowed under applicable law.

"Obligations" shall mean any obligations, issued in any form of debt, authorized by a supplemental resolution, including but not limited to bonds, notes, bond anticipation notes, and Qualified Swaps, which are delivered under the Revenue Obligation Resolution.

"Operation and Maintenance Expenses" shall mean the Authority's expenses of operating the System, including, but not limited to, all costs of purchased power, operation, maintenance, generation, production, transmission, distribution, repairs, replacements, engineering, transportation, administration and general, audit, legal, financial, pension, retirement, health, hospitalization, insurance, taxes and any other expenses actually paid or accrued, of the Authority applicable to the System, as recorded on its books pursuant to generally accepted accounting principles, subject to the limitations with respect to take or pay contracts as set forth under "Take or Pay Contracts." Operation and Maintenance Expenses shall not include (1) any costs or expenses for new construction, (2) charges for depreciation, (3) voluntary payments in lieu of taxes or (4) any taxes or tax payments now or hereafter required to be made to the State or any political subdivisions only out of surplus revenues, for example, payments required by Code Sections 58-31-90, 58-31-100 (2) and (3), and 58-31-110, Code of Laws of South Carolina 1976.

"Outstanding" shall mean, as of any date, Obligations issued pursuant to the Revenue Obligation Resolution, except: (1) any Obligations cancelled or paid at or prior to such date; (2) Obligations in lieu of or in substitution for which other Obligations have been delivered pursuant to the Revenue Obligation Resolution; and (3) Obligations the payment of the principal of and interest on which has been made or provided for in compliance with the defeasance provisions of the Revenue Obligation Resolution so as to cancel the lien of the Revenue Obligation Resolution.

"Permitted Investments" shall mean the obligations referred to in (1), (2), (3) and (4) of the definition of the term "Investment Securities".

"Qualified Swap" shall mean, to the extent from time to time permitted by law, with respect to Obligations, any financial arrangement (i) which is entered into by the Authority with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Obligations of the Authority as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Obligations); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, executed by the Authority for the purpose of moderating interest rate fluctuations or otherwise, and (iii) which has been designated in writing to the Trustee by the Authority as a Qualified Swap with respect to such Obligations.

"Qualified Swap Provider" shall mean an entity whose senior long term obligations, other senior unsecured long term obligations or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability, are rated either (i) at least as high as the third highest Rating Category of each Rating Agency, but in no event lower than any Rating Category designated by each such Rating Agency for the Obligations subject to such Qualified Swap, or (ii) any such lower rating categories which each such Rating Agency indicates in writing to the Authority and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Obligations subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

"Revenues" shall mean all the revenues, income, profits, tolls, rents, charges and returns of the Authority derived from its ownership or operation of the System, including the proceeds of any insurance covering business interruption loss relating to the System, but excluding other insurance proceeds and customer deposits.

System

The Authority's System, as defined in the Revenue Obligation Resolution, consists generally of (a) facilities for the purpose of acquiring, controlling, storing, preserving, treating, distributing and selling water for (i) navigation, power, irrigation or reclamation, and (b) plants, works, structures, facilities and equipment for the generation, manufacture, transmission or distribution of water power and electric power and energy, and of any other forms of power and energy when authorized by the

Enabling Act. The System shall not include separate projects established by the Authority for any corporate purpose of the Authority other than those projects and purposes described hereinabove, nor separate systems described under "Separate Systems."

Revenue Fund

The Revenue Obligation Resolution continues, for so long as any of the Obligations are Outstanding, the Revenue Fund. The Revenue Fund shall be held in trust and administered by the Authority. The Authority covenants and agrees in the Revenue Obligation Resolution to pay into the Revenue Fund, as promptly as practical after the receipt thereof, all Revenues.

Funds and Accounts

For the purpose of providing for the payment of the principal of, premium, if any, and interest on the Obligations, the Revenue Obligation Resolution creates a Revenue Obligation Fund. Payments into the Revenue Obligation Fund shall be made prior to the payments required to be made from, or retained in, the Revenue Fund to cover the cost of operation and maintenance of the System and the payments required to be made into the Capital Improvement Fund.

Order of Payments From Revenue Fund

Under the Revenue Obligation Resolution, moneys shall be disbursed by the Authority from the Revenue Fund in the following order:

1. *Revenue Obligation Fund*: To pay when due to the Trustee the Revenue Obligation Fund Payments.

2. *Operating and Maintenance*: To pay expense of operation and maintenance.

3. *Subordinated Debt*: To pay, when due, amounts due and owing with respect to the payment of principal and interest on amounts issued under the Note Resolution (See "Junior Lien Obligations" below), including Commercial Paper Notes and the Authority's payment obligations under the CP Reimbursement Agreements and the Revolving Credit Agreements (as such terms are defined in the Official Statement).

4. *Capital Improvement Fund*: To pay during each Fiscal Year into the Capital Improvement Fund amounts at least equal to the Minimum Capital Improvement Requirement.

Any moneys remaining in the Revenue Fund each month after making the payments referenced above may be used by the Authority for any corporate purpose of the Authority.

Certain Moneys Not Required to be Deposited in Revenue Fund

The Revenue Obligation Resolution does not require the deposit into the Revenue Fund of any of the revenues, income, receipts, profits or other moneys of the Authority derived by the Authority through the ownership or operation of any separate system described under the section "Separate Systems" or through the ownership or operation of any separate project referred to under the section "System".

Authorization of Obligations

At any time one or more series of Obligations may be issued pursuant to the Revenue Obligation Resolution, upon the terms set forth in a Series Resolution, for any corporate purpose of the Authority, including the refunding or purchase of Obligations, provided there is no default under the Revenue Obligation Resolution.

Separate Systems

The System shall not include (i) any facilities for the purpose of providing water for sale to residential, commercial, agricultural or industrial customers or other governmental entities, or (ii) any facilities for the generation of any form of power and energy, or for the transmission and distribution of any form of power and energy, and any incidental properties constructed, acquired or leased in connection therewith, constructed or acquired by the Authority as a separate system, and if constructed or acquired with the proceeds of sale of bonds or other evidences of indebtedness, which bonds or other evidences of indebtedness are payable solely from the revenues or other income derived from the ownership or operation of such separate utility system,

and may be further secured by a pledge of Revenues junior and subordinate to the pledge securing the Obligations and payable therefrom, but only after the revenues and other income derived from the ownership or operation of such separate utility system and pledged to the payment of such bonds or other indebtedness are so applied in accordance with the proceedings providing for the issuance of such bonds or other indebtedness.

Junior Lien Obligations

The Authority adopted a resolution on March 20, 2017, and as further amended, modified, restated or supplemented from time to time in accordance with its terms and the terms hereof, (the "Note Resolution") for the issuance of bonds, notes, bond anticipation notes, warrants, certificates or other obligations or evidences of indebtedness the payment of which shall be made from Revenues and such payment shall be junior and subordinate to the payment of the Obligations.

Insurance

The Revenue Obligation Resolution requires the Authority to insure such of its various properties as are usually insured by utilities owning like properties in similar amounts and coverages, with insurance companies, and to carry liability insurance in reasonable amounts.

Sale, Lease or Other Disposition of Properties

Subject to the next sentence, the Authority may sell, lease, or otherwise dispose of any part of its properties on such terms and conditions as may be prescribed by its Board of Directors. The Authority shall not take any action described in the preceding sentence unless, in the judgment of the Authority's Board of Directors, such action is desirable in the conduct of the Authority's business and does not materially impair the Authority's ability to comply with the rate covenant provisions of the Revenue Obligation Resolution.

Take or Pay Contracts

The Revenue Obligation Resolution does not prohibit the Authority from entering into take or pay contracts, including take or pay contracts with a separate system described under section "Separate Systems," to purchase power under conditions whereby payments the Authority is required to make may be calculated, in whole or in part, on the basis of power which the Authority does not purchase, require or obtain for whatever reasons. However, payments made by the Authority under such a take or pay contract for power not available for any reason other than an emergency or forced outage lasting not more than one year or normal and regularly scheduled maintenance outage may not be treated as Operation and Maintenance Expenses.

Capital Improvement Fund

The Revenue Obligation Resolution requires the deposit annually into the Capital Improvement Fund of an amount at least equal to the Minimum Capital Improvement Requirement defined as follows: an amount, which, together with the amounts deposited in the Capital Improvement Fund in the two immediately preceding Fiscal Years, will be at least equal to 8% of the revenues required by the Revenue Obligation Resolution to be paid into the Revenue Fund in the three immediately preceding Fiscal Years. Certain payments not made into the Capital Improvement Fund may be considered as a payment towards fulfillment of the Minimum Capital Improvement Requirement.

The moneys on deposit in the Capital Improvement Fund shall be used solely to pay Capital Costs.

Events of Default and Remedies Under the Revenue Obligation Resolution

A happening of one or more of the following constitutes an Event of Default under the Revenue Obligation Resolution:

(a) default in the due and punctual payment of any interest on any Obligation which shall continue for a period of 30 days; or

(b) default in the due and punctual payment of the principal of any Obligation, whether at the stated maturity thereof, at the mandatory redemption date, at the redemption date or upon declaration of acceleration; or

(c) the Authority shall violate or fail to perform any of its covenants or agreements contained in the Revenue Obligation Resolution for 90 days after written notice of default is given to it by the Trustee or by the holder of any Obligation; or

(d) a default shall have occurred in respect of any bond, debenture, note or other evidence of indebtedness of the Authority, or in respect of any obligations of the Authority under any financing lease, whether now outstanding or existing or issued or otherwise undertaken hereafter, or under any indenture, resolution, lease or other agreement or instrument under which any such bond, debenture, note or other evidence of indebtedness or any such lease obligation has been or may be issued or by which any of the foregoing is or may be governed or evidenced, which default shall have resulted in the principal amount of such bond, debenture, note or other evidence of indebtedness or lease obligation becoming due and payable prior to its stated maturity or which default shall have been a default in the payment of principal when due and payable; or

(e) a decree or order by a court having jurisdiction in the premises shall have been entered judging the Authority as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of the Authority under the Federal bankruptcy laws or any similar applicable Federal or South Carolina law, and such decree or order shall have continued undischarged or unstayed for a period of forty (40) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Authority or any of its property, or for the winding-up or liquidation of the Authority or any of its property, shall have been undischarged and unstayed for a period of sixty (60) days; or

(f) the Authority shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the Federal bankruptcy laws or any similar applicable Federal or South Carolina law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Authority or of any of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its insolvency or inability to pay its debts generally as they become due, or any action shall be taken by the Authority in furtherance of any of the foregoing aforesaid purposes.

Remedies

If an Event of Default has occurred, and shall not have been remedied, the Trustee or the holders of not less than 25% in principal amount of the Obligations then outstanding may declare the principal of all Obligations and the interest accrued thereon to be immediately due and payable, but such declaration may be rescinded under certain circumstances. The right of the Trustee or of the holders of not less than 25% in principal amount of the Obligations to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but (i) before any judgment or decree for the payment of moneys due shall have been obtained or entered and has been discharged, (ii) before possession and control of the business and properties of the System have been taken pursuant to the Revenue Obligation Resolution, and (iii) before the Obligations shall have matured by their terms, all overdue installments of interest upon the Obligations, together with the reasonable and proper charges, expenses and liabilities of the Trustee and the holders of Obligations and their respective agents and attorneys and all other sums then payable by the Authority under the Revenue Obligation Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall either be paid by or for the account of the Authority or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Obligations or under the Revenue Obligation Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the holders of 25% in principal amount of the Obligations then Outstanding, by written notice to the Authority and to the Trustee, may rescind such declaration and annul such default in its entirety, or if the Trustee shall have acted without a direction from the holders of not less than a majority in principal amount of the Obligations Outstanding at the time of such request, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the holders of not less than a majority in principal amount of the Obligations then Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default and its consequences shall ipso facto be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority will account, as a trustee of an express trust, for all Revenues and other moneys, securities and funds pledged under the Revenue Obligation Resolution.

Inspection of Authority's Books and Records

The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and accounts of the Authority shall at all times be subject to the inspection and use of the Trustee and any persons holding at least twenty-five per cent 25% of the principal amount of Obligations Outstanding and of their respective agents and attorneys.

Payment of Funds to Trustee; Application of Revenues

The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over to the Trustee, all moneys, securities and funds then held by the Authority.During the continuance of an Event of Default, the Revenues received by the Trustee, or Owners' Committee, as the case may be, whether pursuant to the provisions of the preceding paragraph or any other provision of the Revenue Obligation Resolution, or as the result of taking possession of the business and properties of the System, shall be applied by the Trustee or Owners' Committee, as the case may be, first to the payment of the reasonable and proper charges, expenses and liabilities paid or incurred by the Trustee or Owners' Committee, as the case may be (including the cost of securing the services of any engineer or firm of engineers selected for the purpose of rendering advice with respect to the operation, maintenance, repair and replacement of the System necessary to prevent any loss of Revenues, and with respect to the sufficiency of the rates and charges for power and energy sold, furnished or supplied by the System), and thereafter to the payment of the reasonable and necessary cost of operation, maintenance, repair and replacement of the System.

In the event that at any time the funds held by the Trustee and the Paying Agents for the Obligations shall be insufficient for the payment of the principal of and premium, if any, and interest then due on the Obligations, such funds (other than funds held for the payment or redemption of particular Obligations which have theretofore become due at maturity or by call for redemption) and all Revenues and other moneys received or collected for the benefit or for the account of holders of the Obligations by the Trustee shall be applied as follows:

Unless the principal of all of the Obligations shall have become or have been declared due and payable,

First, to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, earliest maturities first, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second, to the payment to the persons entitled thereto of the unpaid principal and premium, if any, of any Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, earliest maturities first, and if the amount available shall not be sufficient to pay in full all the Obligations due on any date, then to the payment thereof ratably, according to the amounts of principal and premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

If the principal of all of the Obligations shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Obligations without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligations, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

If and whenever all overdue installments of interest on all Obligations, together with the reasonable and proper charges, expenses and liabilities of the Trustee and the holders of Obligations, their respective agents and attorneys, and all other sums payable by the Authority under the Revenue Obligation Resolution including the principal and premium, if any, of and accrued unpaid interest on all Obligations which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Revenue Obligation Resolution or the Obligations shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities, funds and Revenues then remaining unexpended in the hands of the Trustee (except moneys, securities, funds or Revenues deposited or pledged, or required by the terms of the Revenue Obligation Resolution to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Revenue Obligation Resolution. No such payment over to the Authority by the Trustee shall extend to or affect any subsequent default under the Revenue Obligation Resolution or impair any right consequent thereon.

Suits at Law or in Equity; Direction of Actions by Owners; Possession of System; Receivership

If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, either in its own name or as trustee of an express trust, or as attorney-in-fact for the holders of the Obligations, or in any one or more of such capacities, by its agents and attorneys, shall be entitled and empowered to proceed forthwith and upon the written request of the holders of not less than 25% of the Obligations then Outstanding shall proceed forthwith to institute such suits, actions and proceedings at law or in equity for the collection of all sums due in connection with the Obligations and to protect and enforce its rights and the rights of the holders of the Obligations under the Revenue Obligation Resolution for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights, or to perform any of its duties under the Revenue Obligation Resolution. The Trustee shall be entitled and empowered either in its own name or as a trustee of an express trust, or as an attorney-in-fact for the holders of the Obligations, or in one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the holders of the Obligations allowed in any equity, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings relative to the Authority. For this purpose the Trustee is hereby irrevocably appointed the true and lawful attorney-in-fact of the respective holders of the Obligations (and the successive holders of the Obligations by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) with authority to make and file in the respective names of the holders of the Obligations any such proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings, and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all acts and things for and on behalf of the holders of the Obligations as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Trustee and of the holders of the Obligations allowed in any such proceeding and to receive payment of and on account of such claims; provided, however, that nothing contained in the Revenue Obligation Resolution shall be deemed to give the Trustee any right to accept or consent to any plan or reorganization or compromise or otherwise take any action of any character in any such proceeding to waive or change in any way any right of any holder of Obligations.All rights of action under the Revenue Obligation Resolution may be enforced by the Trustee without the possession of any of the Obligations or the production thereof on the trial or other proceedings.

The holders of not less than a majority in principal amount of the Obligations at the time Outstanding, may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee.

At any time after the occurrence of an Event of Default and prior to the curing of such Event of Default, whether or not the principal of and premium, if any, and interest accrued on all the Revenue Obligations Outstanding shall have been declared immediately due and payable as a result of such Event of Default, the Trustee, as a matter of right against the Authority, without notice of demand, and without regard to the adequacy of the security for the Obligations shall, to the extent permitted by law, be entitled to take possession and control of the business and properties of the System. Upon taking such possession, the Trustee shall operate and maintain the System, make any necessary repairs, renewals and replacements in respect thereof, prescribe rates and charges for power and energy sold, furnished or supplied through the facilities of the System, collect the gross revenues resulting from the operation of the System, and perform all of the agreements and covenants contained in all contracts which the Authority is at the time obligated to perform. At any time the Trustee, shall be entitled to the appointment of a receiver of the business and property of the System, of the moneys, securities and funds of the Authority pledged under the Revenue Obligation Resolution, and of the Revenues, and of the income therefrom, with all such powers as the court or courts making such appointment shall confer, including the power to perform and enforce all contracts, to the same extent that the Authority shall then be entitled and obligated to do; provided, however, that, notwithstanding the happening of an Event of Default, the rights and obligations of the parties to such contracts not in default shall not be affected by such happening of an Event of Default. Notwithstanding the appointment of any receiver, the Trustee shall be entitled to retain possession and control of and to collect and receive income from any moneys, securities, funds and Revenues deposited or pledged with it under the Revenue Obligation Resolution or agreed or provided to be delivered to or deposited or pledged with it under the Revenue Obligation Resolution.

Suits by Individual Owners

No holder of any of the Obligations shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of the Revenue Obligation Resolution or the execution of any trust under the Revenue Obligation Resolution or for any remedy under the Revenue Obligation Resolution unless such holder previously shall have given to the Trustee written notice of the Event of Default, on account of which such suit, action or proceeding is to be instituted, and unless, also, the holders of not less than 25% in aggregate principal amount of the Obligations then Outstanding shall have

filed a written request with the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for a period of 60 days after the receipt by it of such notice, request and offer to indemnify shall have failed to proceed to exercise such powers or to institute any such action, suit or proceeding, and no direction inconsistent with such written request shall have been given to the Trustee pursuant the Revenue Obligation Resolution; it being understood and intended that, except as otherwise above provided, no one or more holders of the Obligations shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the pledge created by the Revenue Obligation Resolution, or to enforce any right under the Revenue Obligation Resolution except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided for the benefit of holders of such Revenue Outstanding Obligations.In the event that the Trustee shall have failed or refused to comply with the aforesaid request after having been offered such security and indemnity, the holders of not less than 20% in principal amount of the Obligations then Outstanding may call a meeting of the holders of Obligations for the purpose of electing an Owners' Committee. At such meeting the holders of not less than a majority of the principal amount of the Obligations then Outstanding must be present in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn from time to time without any other notice than the announcement thereof at the meeting. A quorum being present at the meeting, the holders of Obligations present in person or by proxy may, by the votes cast by the holders of a majority in principal amount of the Obligations so present in person or by proxy, elect one or more persons who may or may not be holders of Obligations to the Owners' Committee which shall act as trustee for all holders of Obligations. The holders of Obligations present in person or by proxy at such meeting, or at any adjourned meeting thereof, shall prescribe the manner in which the successors of the persons elected to the Owners' Committee at such meeting shall be elected or appointed, and may prescribe rules and regulations governing the exercise by the Owners' Committee of the powers conferred upon it in the Revenue Obligation Resolution, and may provide for the termination of the existence of the Owners' Committee. The Owners' Committee may, with the consent of the holders of more than 50% of the principal amount of Obligations Outstanding, remove the Trustee.

Nothing in the Revenue Obligation Resolution or in the Obligations shall affect or impair the obligation of the Authority to pay at the respective dates of maturity and places therein expressed the principal of and premium, if any, and interest on the Obligations to the respective holders thereof in accordance with the terms and conditions thereof and of the Revenue Obligation Resolution, or affect or impair the rights of action, which are absolute and unconditional, of any holder to enforce the payment of his Obligations in accordance with the terms and conditions thereof and of the Revenue Obligation Resolution, or to institute action upon and reduce to judgment his claim against the Authority for the payment of the principal and interest on his Obligations, without reference to, or consent of, the Trustee or any other holder of Obligations.

Notice of Events of Default

The Trustee shall, within 90 days after the occurrence of an Event of Default, give to the holders of Obligations notice of all defaults known to the Trustee, unless such defaults shall have been cured before the giving of such notice; provided that, except in the case of default in the payment of principal (whether at maturity or date of mandatory redemption) of and premium, if any, and interest on any of the Obligations, the Trustee shall be protected in withholding such notice if and so long as its board of directors, the executive committee, or a trust committee in good faith determines that the withholding of such notice is in the interests of the holders of Obligations.

Owners' Meetings

The Authority, the Trustee or the holders of not less than 20% in principal amount of the Obligations then Outstanding may at any time call a meeting of the holders of the Obligations. Every such meeting shall be held at such place as may be specified in the notice calling such meeting. Written notice of such meeting, stating the place and time of the meeting and in general terms the business to be submitted, shall be mailed to the holders of Obligations by the Authority, the Trustee or the holders of Obligations calling. The procedures and other provisions relating to such Owner's meeting and Owner's Committee are set forth in the Revenue Obligation Resolution.

Modifications of the Revenue Obligation Resolution

Modifications of the Revenue Obligation Resolution and of the rights and duties of the Authority and the holders of Obligations may be made with the consent of the Authority and written consent of the holders of not less than a majority of the Obligations at the time outstanding; provided that no modification shall be made which will (i) extend the fixed maturity date for the payment of any Obligation, or reduce the principal amount of or interest rate on any such Obligation or extend the time of payment of interest thereon or reduce any premium payable upon the prepayment or redemption thereof, or advance the date upon which any Obligation may first be called for redemption; or (ii) reduce the percentage of Obligations the holders of which are required to consent to any amendment to the Revenue Obligation Resolution; or (iii) give any Obligation or Obligations

any preference over any other Obligation or Obligations or reduce the payments required to be made to the Revenue Obligation Fund, without the consent of the holders of all the Obligations affected thereby.

Defeasance

The obligations of the Authority under the Revenue Obligation Resolution shall be fully discharged and satisfied as to any Obligation and such Obligation shall no longer be deemed to be outstanding thereunder when payment of the principal of and the applicable redemption premium, if any, on such Obligation plus interest to the due date thereof (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with the Trustee therefor in trust irrevocably appropriated and set aside exclusively for such payment (i) moneys sufficient to make such payments or (ii) Permitted Investments, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and, except for the purposes of such payment, such Obligation shall no longer be secured by or entitled to the benefits of the Revenue Obligation Resolution; provided that, with respect to Obligations to be redeemed or otherwise prepaid prior to the stated maturities thereof, notice of such redemption or prepayment shall have been given or irrevocable provision shall have been made for the giving of such notice.

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APPENDIX C

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM

The information set forth in this APPENDIX C concerning DTC and DTC's book-entry system is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect. The information in this APPENDIX C concerning DTC has been obtained from sources that the Authority believes to be reliable. No representation is made herein by the Authority or the Underwriters as to the accuracy, completeness or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement. The Authority will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the 2025 Bonds held through the facilities of DTC or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

So long as Cede & Co. is the registered owner of the 2025 Bonds, as nominee for DTC, references herein and in the Revenue Obligation Resolution to the Holders, Bondholders, registered owners or owners (or similar terms) of the 2025 Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2025 Bonds.

DTC Book-Entry-Only System

The Depository Trust Company, Brooklyn, New York ("DTC"), will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued initially as fully-registered 2025 Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond will be issued for each maturity of each Series of the 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

Beneficial ownership interests in the 2025 Bonds will be available only in book-entry form. Beneficial Owners of the 2025 Bonds ("Beneficial Owners") will not receive physical bond certificates representing their interests in the 2025 Bonds purchased. So long as DTC or its nominee is the registered owner of the 2025 Bonds, references in this Official Statement to the Owners of the 2025 Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners.

THE FOLLOWING DESCRIPTION OF DTC, ITS PROCEDURES AND RECORD KEEPING ON BENEFICIAL OWNERSHIP INTERESTS IN THE 2025 BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS ON THE 2025 BONDS TO DTC PARTICIPANTS (AS HEREIN DEFINED) OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2025 BONDS AND OF OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificated 2025 Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of the 2025 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not

receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of beneficial ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2025 Bonds, except in the event that use of the book-entry only system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all of the 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2025 Bond documents. For example, Beneficial Owners of the 2025 Bonds may wish to ascertain that the nominee holding the 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2025 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Registrar as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the 2025 Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, principal, and interest payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Registrar or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Paying Agent's responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants. THE AUTHORITY CAN GIVE NO ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

A Beneficial Owner shall give notice to elect to have its 2025 Bonds purchased or tendered, through its Participant, to the Registrar and Paying Agent, and shall effect delivery of such 2025 Bonds by causing the Direct Participant to transfer the Participant's interest in the 2025 Bonds, on DTC's records, to the Registrar and Paying Agent. The requirement for physical delivery of the 2025 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2025 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2025 Bonds to the Registrar and Paying Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the 2025 Bonds any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In such event, 2025 Bond certificates will be printed and delivered.

THE AUTHORITY AND THE REGISTRAR AND PAYING AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, OR THE MAINTENANCE OF ANY RECORDS; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE 2025 BONDS, OR THE SENDING OF ANY TRANSACTION STATEMENTS; (3) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE RESOLUTION AUTHORIZING THE ISSUANCE OF SUCH 2025 BONDS TO BE GIVEN TO OWNERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS UPON ANY PARTIAL REDEMPTION OF THE 2025 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE 2025 BONDS, INCLUDING ANY ACTION TAKEN PURSUANT TO AN OMNIBUS PROXY.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY BELIEVES TO BE RELIABLE, BUT THE AUTHORITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

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APPENDIX D

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

State of South Carolina Economy

The Authority's customers and energy sales are supported by the general economic activity and demographic makeup of South Carolina. This section presents information regarding certain economic and demographic information about the State. This data is intended only to provide prospective investors with general information regarding the State's economy. The information as obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. Although the Authority considers the sources to be reliable, the Authority has made no independent verification of the information provided by non-Authority sources and does not warrant its accuracy.

The 2025 Bonds and other indebtedness of the Authority are not indebtedness of the State, nor any political subdivision thereof, and neither the State not any political subdivision thereof shall be liable thereon, nor shall they be payable from any funds other than the Revenues of the Authority pledged to the payment thereof.

In 2023, the principal contributors to the State's gross domestic product were finance, insurance, real estate, rental, and leasing (20.2%) and government and government enterprises (13.3%), followed by professional and business services (11%). During the years 2022-2023, the biggest contributors to the growth in the State's gross domestic product were finance, insurance, real estate, rental, and leasing (1.03 percentage point of the total growth in real GDP), retail trade (0.88 percentage point of the total growth in real GDP) and professional and business services (0.50 percentage point of the total growth in real GDP). The State's total gross domestic product grew at a compound annual growth rate of 2.4% versus 2.9% for southeastern states, and 2.3% for the nation from 2019-2023. The table below provides the State's Real Gross Domestic Product for years 2019 through 2023.

Total GDP ($ in millions)

2019: $249,575.7
2020: $249,430.2
2021: $272,384.7
2022: $301,945.1
2023: $327,420.1

Source: *U.S. Department of Commerce, Bureau of Economic Analysis.*

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Personal Income. In 2023, the State's per capital personal income increased to $57,332 or 5.3% over 2022, compared to increases of 5.5% for southeastern states and 5.9% for the nation. The State's per capita personal income in 2023 was 82.1% of the national per capita personal income (compared to 82.2% in 2022) and 89.7% of the Southeast (compared to 89.6% in 2022). The following table sets forth information on personal income (expressed in millions) for the State since 2012.

Year	Total Personal Income	Per Capita Personal Income
2012	$ 168,271.2	$ 35,794
2013	170,204.8	35,906
2014	180,837.7	37,735
2015	192,054.7	39,577
2016	200,027.4	40,732
2017	210,387.6	42,368
2018	219,942.1	43,804
2019	234,295.4	46,143
2020	250,293.7	48,770
2021	276,439.6	53,224
2022	287,548.3	54,429
2023	308,077.8	57,332

Source: *U.S. Department of Commerce, Bureau of Economic Analysis.*

Population. The State's population estimate in 2023 was 5,373,555, or 1.7% over 2022, compared to increases of 1.0% for the South and 0.5% for the nation. The table below shows the population estimates (expressed in thousands) of the State since 2012.

Year	Population
2012	4,701
2013	4,740
2014	4,792
2015	4,852
2016	4,910
2017	4,965
2018	5,021
2019	5,077
2020	5,132
2021	5,193
2022	5,282
2023	5,373

Source: *U.S. Census Bureau.*

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Employment. Over the period from November 2014 to November 2024, the compounded annual employment growth rate in South Carolina was higher than in the South Atlantic and the nation. The table below shows the (seasonally adjusted) nonagricultural employment in South Carolina, the South Atlantic and the United States for such period.

	Employment (in thousands)		Compounded Annual Growth
	2014	2024*	2014-2024
South Carolina	1,975	2,395	1.9%
South Atlantic	26,657	31,456	1.6%
United States	140,088	159,280	1.2%

Source: *U.S. Department of Commerce, Bureau of Labor Statistics.*
* *Preliminary*

The State's (seasonally adjusted) nonagricultural employment increased 2.6% from November 2023 to November 2024. The trade, transportation and utilities sector is the largest employment sector in South Carolina as of April 2024, accounting for 19% of the State's nonagricultural employment, as compared to 19.1% in April 2014. In November 2024, the State's (non-seasonally adjusted) nonagricultural employment level reached 2,408,300 people employed.

From November 2023 to November 2024, the State's economy has gained 61,600 (seasonally adjusted) nonagricultural jobs. Industries with strong growth were reported in education and health services (+14,700); professional and business services (+12,700); government (+12,200); trade, transportation, and utilities (+7,800); construction (+6,400); leisure and hospitality (+3,200); information (+1,600); financial activities (+1,400) and manufacturing (+1,200).

The State's (seasonally adjusted) unemployment rate was 3.0% in 2023 and is 4.8% as of November 2024, an increase of 1.8%. Twenty-five states and the District of Columbia had unemployment rate increases from November 2023, the largest of which was in South Carolina. The table below shows the State's unemployment rate since 2014.

Year	Unemployment Rate
2014	6.3%
2015	5.9%
2016	4.9%
2017	4.2%
2018	3.4%
2019	2.8%
2020	6.0%
2021	4.0%
2022	3.2%
2023	3.0%
2024	4.8%

Source: *U.S. Department of Labor, Bureau of Labor Statistics.*

Customer Growth Initiatives

The Authority's business growth initiatives revolve around four strategic initiatives – marketing, product development, project management and competitive rates. The Authority is marketing to industrial and commercial properties that are served directly by the Authority and its cooperative and municipal customers. Product development activities include the creation and/or improvement of industrial properties, the acquisition of property, expansion of infrastructure into industrial properties, and/or constructing buildings for industrial uses. Since June 2012, the Authority has invested over $112 million throughout South Carolina in product development through a low-interest revolving loan pool to public entities. In addition, the Authority has utilized two additional funds to

further improve the readiness of industrial sites in cooperative and municipal customers' territories, which have committed more than $46.7 million in local site investment since 2014.

In September 25, 2015, Swedish automaker Volvo broke ground on its first plant in the United States in Berkeley County, South Carolina. Volvo began production in 2018 and announced a $520 million expansion with a second line that is scheduled to begin production by the end of 2022 and add approximately 1,900 new jobs. The plant is the production home of the all new S60 mid-size sedan, and it will produce the next generation XC90 sport utility vehicle. With the two car lines, the plant will have the capacity to produce up to 150,000 cars annually. Additionally, Volvo announced an additional $118 million investment into its plant to build the Polestar 3 under contract with its affiliate, Polestar Cars. Polestar Cars is the Swedish electric performance brand launched by Volvo and Geely Holding in 2017.

The Authority worked with the State, Berkeley County, and the electric cooperatives to recruit Volvo to this site. Water for the plant comes from the Authority's Lake Moultrie Regional Water System via Berkeley County Water and Sanitation and Edisto Electric Cooperative, one of the Central Cooperatives, delivers electric power to the plant. The Authority owns approximately 3,900 acres adjacent to the Volvo site. The Authority has master planned this property named Camp Hall to be a world class industrial park to serve Volvo suppliers and other industries.

On April 10, 2024, the Authority released a comprehensive impact study on Camp Hall, detailing the environmentally focused industrial park's significant economic influence and additional potential for growth. The study puts Camp Hall's current annual economic impact at $3.8 billion across South Carolina and $3.4 billion in the Charleston tri-county region.

The Authority's grant and loan programs with addition to competitive rates have facilitated the location of other recent notable projects around the State. A few of these projects are; Nucor Corporation expansion in Berkeley County with $625 million in capital investment and 50 new jobs, RL Cold with $90 million in capital investment and 100 new jobs, DC Box in the City of Myrtle Beach with $31 million in capital investment, and Redwood Materials with $3.5 billion capital investment and 1,500 new jobs.

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APPENDIX E

PROPOSED FORMS OF BOND COUNSEL OPINION

Proposed Form of Opinion for the Tax-Exempt Bonds

March 11, 2025

Board of Directors
South Carolina Public Service Authority
One Riverwood Drive
Moncks Corner, South Carolina 29461

Re: $542,000,000 South Carolina Public Service Authority Revenue Obligations, 2025 Tax-Exempt Improvement Series A
$421,035,000 South Carolina Public Service Authority Revenue Obligations, 2025 Tax-Exempt Refunding Series B

We have acted as bond counsel to South Carolina Public Service Authority (the "Authority") in connection with the issuance of $542,000,000 South Carolina Public Service Authority Revenue Obligations, 2025 Tax-Exempt Improvement Series A (the "2025A Bonds"), and $421,035,000 South Carolina Public Service Authority Revenue Obligations, 2025 Tax-Exempt Refunding Series B, each dated March 11, 2025 (the "2025B Bonds", and together with the 2025A Bonds, the "2025 Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render the opinions below.

The 2025 Bonds are issued pursuant to Title 58, Chapter 31, Code of Laws of South Carolina 1976, as amended, a resolution of the Authority's Board of Directors (the "Board") adopted April 26, 1999 entitled: "RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY ESTABLISHING THE GENERAL TERMS AND CONDITIONS UPON WHICH ITS REVENUE OBLIGATIONS MAY BE ISSUED FOR CORPORATE PURPOSES OF THE AUTHORITY", as amended and supplemented from time to time, unless the context shall clearly indicate otherwise (the "Master Resolution"), a "SIXTY-FIRST SERIES AND SUPPLEMENTAL RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY SUPPLEMENTING A RESOLUTION OF THE SAID BOARD OF DIRECTORS ADOPTED APRIL 26, 1999 ENTITLED: "RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY ESTABLISHING THE GENERAL TERMS AND CONDITIONS UPON WHICH ITS REVENUE OBLIGATIONS MAY BE ISSUED FOR CORPORATE PURPOSES OF THE AUTHORITY" AND AUTHORIZING THE ISSUANCE OF $542,000,000 SOUTH CAROLINA PUBLIC SERVICE AUTHORITY REVENUE OBLIGATIONS, 2025 TAX-EXEMPT IMPROVEMENT SERIES A, PURSUANT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS OF THE SAID RESOLUTION" adopted by the Board on February 26, 2025 (the "Sixty-First Supplemental Resolution"), a "SIXTY-SECOND SERIES AND SUPPLEMENTAL RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY SUPPLEMENTING A RESOLUTION OF THE SAID BOARD OF DIRECTORS ADOPTED APRIL 26, 1999 ENTITLED: "RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY ESTABLISHING THE GENERAL TERMS AND CONDITIONS UPON WHICH ITS REVENUE OBLIGATIONS MAY BE ISSUED FOR CORPORATE PURPOSES OF THE AUTHORITY" AND AUTHORIZING THE ISSUANCE OF $421,035,000 SOUTH CAROLINA PUBLIC SERVICE AUTHORITY REVENUE OBLIGATIONS, 2025 TAX-EXEMPT REFUNDING SERIES B, PURSUANT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS OF THE SAID RESOLUTION"

adopted by the Board on February 26, 2025 (the "Sixty-Second Supplemental Resolution", and together with the Sixty-First Supplemental Resolution and the Master Resolution, the "Resolution"). All capitalized terms used herein and not defined shall have the meaning ascribed to such terms in the Resolution.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Authority contained in the Resolution, and in the certified proceedings and other certifications of representatives of the Authority and certificates of others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Authority is validly existing as a body corporate and politic of the State of South Carolina with the power to adopt the Resolution, perform the agreements on its part contained therein, and issue the 2025 Bonds.

2. The Resolution has been duly adopted by the Authority, and constitutes a valid and binding obligation of the Authority.

3. The Resolution creates a valid lien on the Revenues for the security of the 2025 Bonds on a parity with other bonds (if any) issued or to be issued under the Resolution of similar lien priority.

4. The 2025 Bonds have been duly authorized and executed by the Authority, and are valid and binding limited obligations of the Authority, payable solely from the Revenues and other funds provided therefor in the Resolution.

5. Interest on the 2025 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the 2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2025 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Authority has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2025 Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2025 Bonds.

6. It is also our opinion that, under existing laws of the State of South Carolina, the 2025 Bonds and the interest thereon are presently exempt from all taxation in said State or any political subdivision thereof, except estate or other transfer taxes and certain franchise taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the 2025 Bonds.

The rights of the owners of the 2025 Bonds and the enforceability of the 2025 Bonds and the Resolution are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement relating to the 2025 Bonds, or regarding the attachment, perfection or priority of the lien on Revenues or

other funds created by the Resolution. Further, we express no opinion herein regarding tax consequences arising with respect to the 2025 Bonds other than as expressly set forth herein.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Very truly yours,

BURR & FORMAN LLP

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Proposed Form of Opinion for the Taxable Bonds

March 11, 2025

Board of Directors
South Carolina Public Service Authority
One Riverwood Drive
Moncks Corner, South Carolina 29461

Re: $58,000,000 South Carolina Public Service Authority Revenue Obligations, 2025 Taxable Improvement Series C

We have acted as bond counsel to South Carolina Public Service Authority (the "Authority") in connection with the issuance of $58,000,000 South Carolina Public Service Authority Revenue Obligations, 2025 Taxable Improvement Series C, dated March 11, 2025 (the "2025C Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render the opinions below.

The 2025C Bonds are issued pursuant to Title 58, Chapter 31, Code of Laws of South Carolina 1976, as amended, a resolution of the Authority's Board of Directors (the "Board") adopted April 26, 1999 entitled: "RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY ESTABLISHING THE GENERAL TERMS AND CONDITIONS UPON WHICH ITS REVENUE OBLIGATIONS MAY BE ISSUED FOR CORPORATE PURPOSES OF THE AUTHORITY", as amended and supplemented from time to time, unless the context shall clearly indicate otherwise (the "Master Resolution"), and a "SIXTY-THIRD SERIES AND SUPPLEMENTAL RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY SUPPLEMENTING A RESOLUTION OF THE SAID BOARD OF DIRECTORS ADOPTED APRIL 26, 1999 ENTITLED: "RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY ESTABLISHING THE GENERAL TERMS AND CONDITIONS UPON WHICH ITS REVENUE OBLIGATIONS MAY BE ISSUED FOR CORPORATE PURPOSES OF THE AUTHORITY" AND AUTHORIZING THE ISSUANCE OF $58,000,000 SOUTH CAROLINA PUBLIC SERVICE AUTHORITY REVENUE OBLIGATIONS, 2025 TAXABLE IMPROVEMENT SERIES C, PURSUANT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS OF THE SAID RESOLUTION" adopted by the Board on February 26, 2025 (the "Sixty-Third Supplemental Resolution", together with the Master Resolution, the "Resolution"). All capitalized terms used herein and not defined shall have the meaning ascribed to such terms in the Resolution.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Authority contained in the Resolution, and in the certified proceedings and other certifications of representatives of the Authority and certificates of others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Authority is validly existing as a body corporate and politic of the State of South Carolina with the power to adopt the Resolution, perform the agreements on its part contained therein, and issue the 2025C Bonds.

2. The Resolution has been duly adopted by the Authority, and constitutes a valid and binding obligation of the Authority.

3. The Resolution creates a valid lien on the Revenues for the security of the 2025C Bonds on a parity with other bonds (if any) issued or to be issued under the Resolution of similar lien priority.

4. The 2025C Bonds have been duly authorized and executed by the Authority, and are valid and binding limited obligations of the Authority, payable solely from the Revenues and other funds provided therefor in the Resolution.

5. It is also our opinion that, under existing laws of the State of South Carolina, the 2025C Bonds and the interest thereon are presently exempt from all taxation in said State or any political subdivision thereof, except estate or other transfer taxes and certain franchise taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the 2025C Bonds.

The rights of the owners of the 2025C Bonds and the enforceability of the 2025C Bonds and the Resolution are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement relating to the 2025C Bonds, or regarding the attachment, perfection or priority of the lien on Revenues or other funds created by the Resolution. Further, we express no opinion herein regarding tax consequences arising with respect to the 2025C Bonds other than as expressly set forth herein.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Very truly yours,

BURR & FORMAN LLP

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APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered as of the 11th day of March, 2025, by and between SOUTH CAROLINA PUBLIC SERVICE AUTHORITY (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the "Obligation Fund Trustee"), in connection with the issuance by the Authority of (i) its $542,000,000 Revenue Obligations, 2025 Tax-Exempt Improvement Series A (the "2025A Bonds"), pursuant to a resolution adopted by the Board of Directors of the Authority on April 26, 1999, as supplemented and amended from time to time, including as supplemented by the Sixty-First Series and Supplemental Resolution adopted by the Board of Directors of the Authority on February 26, 2025, (ii) its $421,035,000 Revenue Obligations, 2025 Tax-Exempt Refunding Series B (the "2025B Bonds"), pursuant to a resolution adopted by the Board of Directors of the Authority on April 26, 1999, as supplemented and amended from time to time, including as supplemented by the Sixty-Second Series and Supplemental Resolution adopted by the Board of Directors of the Authority on February 26, 2025, and (iii) its $58,000,000 Revenue Obligations, 2025 Taxable Improvement Series C (the "2025C Bonds" and together with the 2025A Bonds and the 2025B Bonds, the "2025 Bonds"), pursuant to a resolution adopted by the Board of Directors of the Authority on April 26, 1999, as supplemented and amended from time to time, including as supplemented by the Sixty-Third Series and Supplemental Resolution adopted by the Board of Directors of the Authority on February 26, 2025 (collectively, the "Revenue Obligation Resolution"). The Authority and the Obligation Fund Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority and the Obligation Fund Trustee for the benefit of the Holders and Beneficial Owners of the 2025 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Revenue Obligation Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2025 Bonds (including persons holding 2025 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2025 Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the Treasurer of the Authority or his or her designee, or such other officer or employee as the Authority shall designate in writing to the Obligation Fund Trustee from time to time.

"Dissemination Agent" shall mean any Dissemination Agent designated in writing by the Authority and which has filed with the Obligation Fund Trustee a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org, or any successor National Repository as determined by the Securities and Exchange Commission.

"Participating Underwriters" shall mean BofA Securities, Inc., J.P. Morgan Securities LLC, Barclays Capital Inc., American Veterans Group, PBC, Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, TD Securities (USA) LLC and Wells Fargo Bank, National Association, which are the original underwriters of the 2025 Bonds and are required to comply with the Rule in connection with the offering of the 2025 Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect as of the date hereof.

"State" shall mean the State of South Carolina.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of execution of this Disclosure Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The Authority shall provide, or shall cause the Dissemination Agent to provide, not later than six months after the end of the Authority's fiscal year (presently December 31), commencing with the fiscal year ending December 31, 2024, to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5 of this Disclosure Agreement.

(b) Not later than fifteen Business Days prior to the date specified in subsection (a) for providing the Annual Report to Repositories, the Authority shall provide the Annual Report to any Dissemination Agent and the Obligation Fund Trustee (if the Obligation Fund Trustee is not the Dissemination Agent). If by such date, the Obligation Fund Trustee has not received a copy of the Annual Report, the Obligation Fund Trustee shall contact the Authority and any Dissemination Agent to determine if the Authority is in compliance with the provisions of subsection (a) above.

(c) If the Obligation Fund Trustee is unable to verify that an Annual Report has been provided to Repositories by the date required in subsection (a), the Obligation Fund Trustee shall send a notice to the National Repository and to the State Repository, if any, in substantially the form attached as Exhibit A.

(d) Any Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the National Repository and the State Repository, if any; and

(ii) file a report with the Authority and (if the Dissemination Agent is not the Obligation Fund Trustee) the Obligation Fund Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Authority's Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Authority for the prior fiscal year, prepared substantially in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report within fifteen days after they become available.

(b) to the extent such items are not included in the audited financial statements referred to in subsection (a) above, the financial and statistical data of the Authority as of a date not earlier than the end of the preceding fiscal year for the type of information included in the tables entitled "DEBT SERVICE REQUIREMENTS," "HISTORICAL SALES - Historical Demand, Sales and Revenues," and "FINANCIAL INFORMATION - Historical Annual Operating Results" contained in the Official Statement of the Authority dated February 26, 2025, prepared in connection with the issuance of the 2025 Bonds (the "Official Statement"), as well as information of the type contained in the Official Statement concerning: (A) the percentage of revenues from sales to (i) Central Electric Power Cooperative Inc., (ii) Century Aluminum of South Carolina, Inc., formerly Alumax of South Carolina, Inc. (iii) Nucor Corporation, (iv) the remaining eight largest industrial customers of the Authority, and (v) the remaining wholesale customers of the Authority; (B) the data set forth in the Official Statement under the caption "POWER SUPPLY, POWER MARKETING, PLANNING AND OTHER FACILITIES — Nuclear Generation" and (C) the data set forth in the Official Statement in the first paragraph under the caption "POWER SUPPLY, POWER MARKETING, PLANNING AND OTHER FACILITIES — Fuel Supply and Commodity Risk Management." Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the National Repository. The Authority shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Authority shall give, or cause to be given, in a timely manner, to the National Repository and to the State Repository, if any, notice of the occurrence of any of the following events with respect to the 2025 Bonds, within 10 business days of the occurrence thereof:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2025 Bonds, or other material events affecting the tax status of the 2025 Bonds;

7. modifications to the rights of Bondholders, if material;

8. Bond calls, if material, and tender offers;

9. defeasance of any of the 2025 Bonds;

10. release, substitution or sale of property securing repayment of the 2025 Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership or similar event of the Authority;

13. the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee, or the change of name of a trustee, if material;

15. incurrence of a financial obligation* of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect Bondholders, if material; and

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation* of the Authority, any of which reflect financial difficulties.

(b) The Obligation Fund Trustee shall, within three (3) business days of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the Authority promptly report the event or notify the Dissemination Agent in writing to report the event.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Obligation Fund Trustee pursuant to subsection (b) or otherwise, the Authority shall promptly notify the Obligation Fund Trustee and the Dissemination Agent in writing. Such notice shall (i) instruct the Dissemination Agent to report the occurrence, or (ii) inform the Obligation Fund Trustee and the Dissemination Agent that the Authority shall report such occurrence.

SECTION 6. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2025 Bonds. If such termination occurs prior to the final maturity of the 2025 Bonds, the Authority

* For purposes of the events identified in Sections 5(a)(15) and (16), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the National Repository consistent with the Rule.

shall give notice of such termination in the same manner as for a Listed Event under Section 5 of this Disclosure Agreement.

SECTION 7. Notice of Failure to Provide Information. The Authority shall give, or cause to be given, in a timely manner, to the National Repository and to the State Repository, if any, notice of the failure to provide the Annual Report in the manner set forth in Sections 3 and 4 of this Disclosure Agreement.

SECTION 8. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Neither the Dissemination Agent nor the Obligation Fund Trustee shall be responsible in any manner for the content of any notice or report (including, but not limited to, any Annual Report) prepared by the Authority pursuant to this Disclosure Agreement.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement (and the Obligation Fund Trustee shall agree to any evidence of such amendment requested in writing by the Authority), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) of this Disclosure Agreement, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person (as such term is defined in the Rule) with respect to the 2025 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2025 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the 2025 Bonds in the same manner as provided in the Revenue Obligation Resolution for amendments to the Revenue Obligation Resolution with the consent of such Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the Beneficial Owners of the 2025 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5 of this Disclosure Agreement, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Prior to executing any amendment to or waiver of this Disclosure Agreement, there shall be delivered to the Obligation Fund Trustee an opinion of counsel, upon which the Obligation Fund Trustee shall conclusively rely, to the effect that such amendment or waiver is authorized or permitted pursuant to the terms of Section 9 of this Disclosure Agreement.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Authority or the Obligation Fund Trustee to comply with any provision of this Disclosure Agreement, the Obligation Fund Trustee may (and, at the written request of the Participating Underwriters or the holders of at least 25% aggregate principal amount of Outstanding 2025 Bonds, and receiving indemnification satisfactory to the Obligation Fund Trustee, shall at the expense of the Authority), or any holder or Beneficial Owner of the 2025 Bonds may take such action and upon receiving indemnification satisfactory to the Obligation Fund Trustee as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority or Obligation Fund Trustee, as the case may be, to comply with its obligation under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Revenue Obligation Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority or the Obligation Fund Trustee to comply with this Disclosure Agreement shall be an action to compel performance. The Authority acknowledges and agrees that each of the rights, protections and indemnifications provided to the Obligation Fund Trustee under the Revenue Obligation Resolution shall also be afforded to the Obligation Fund Trustee with respect to this Disclosure Agreement.

SECTION 12. Governing Law. The provisions of this Disclosure Agreement shall be governed by the laws of the State of South Carolina, without regard to conflict of law principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the Authority and the Obligation Fund Trustee have caused this Disclosure Agreement to be executed and attested by their authorized officers or officials, as of the day and year first above written.

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

By: _____
Its: Treasurer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Obligation Fund Trustee

By: _____
Its: Vice President

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	South Carolina Public Service Authority
Name of Bond Issue:	Revenue Obligations, 2025 Tax-Exempt Improvement Series A (the "2025A Bonds"), 2025 Tax-Exempt Refunding Series B (the "2025B Bonds") and 2025 Taxable Improvement Series C (the "2025C Bonds")
Date of Issuance:	March 11, 2025

NOTICE IS HEREBY GIVEN that South Carolina Public Service Authority (the "Authority") has not provided an Annual Report with respect to the above-named 2025A Bonds, 2025B Bonds and 2025C Bonds as required by each of the Sixty-First Series and Supplemental Resolution, Sixty-Second Series and Supplemental Resolution and Sixty-Third Series and Supplemental Resolution authorizing the 2025A Bonds, 2025B Bonds and 2025C Bonds, respectively. The Authority anticipates that the Annual Report will be filed by _____.

Dated: _____

_____
Trustee on behalf of Authority

cc: The Authority

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Form 500 (8/24)

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500 (8/24)

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