INCREASING VALUE

Annual Report 2020

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Letter from the Chairman and CEO

We all have our stories about the best and worst of 2020. The year redefined the word "challenge" for many. But with every challenge comes new opportunity, and 2020 certainly delivered plenty of both. Because of the dedication, talent and hard work of Santee Cooper's nearly 1,600 employees, this utility met its challenges head on, successfully applying innovation and sound business principles to decision-making, and increasing our value to customers and to the state of South Carolina. The result: Santee Cooper closed the year in a strong, healthy position financially, operationally and organizationally.

The pandemic certainly impacted Santee Cooper and our customers. As the economic toll began to surface, Santee Cooper moved quickly to work with those who were struggling to pay their bills, helping customers develop manageable payment plans if they had fallen behind and pointing them to other available resources. We also supported community blood drives and other civic efforts, and our Education Programs and Old Santee Canal Park teams even developed unique virtual science and history lessons that helped parents and teachers alike when schools went remote.

Internally, Santee Cooper quickly adhered to guidance from the Centers for Disease Control and Prevention, encouraging remote work, requiring wellness checks, social distancing and face coverings, and providing other support to minimize the risk of spreading the virus. Santee Cooper provides critical services to 2 million South Carolinians, and we must remain healthy and able to continue doing so.

Throughout the year, Santee Cooper was focused on transformational changes. As 2020 dawned, we submitted a Reform Plan to the South Carolina General Assembly, a blueprint for turning this state-owned utility into a significantly leaner and greener operation. The Reform Plan detailed initiatives, which are already underway, to close coal units, add 1,500 megawatts (MW) of solar power and emphasize modularity and flexibility in our generating

resource planning. With updates based on new assumptions later in 2020, the resource plan would reduce carbon emissions by 55% in the 2030s. The Reform Plan also laid out a schedule to aggressively retire bonds equal to the amount of the debt associated with the failed V.C. Summer project, and to continue paying down debt while also providing for new system investment and needs. Savings associated with the new resource plan, along with operational efficiencies, would hold customer rates stable for many years to come and allow faster retirement of the debt. The Reform Plan included provisions for improving our governance and oversight as well, key areas that we agree need work.

The Reform Plan was submitted in accordance with Act 95, a 2019 state law directing the S.C. Department of Administration (DOA) to solicit bids to purchase or manage Santee Cooper and directing us to submit a plan to reform ourselves. In February 2020, the DOA provided evaluations of its preferred "purchase" and "manage" bids compared to our reform proposal. Legislators rejected all three proposals and began developing their own plan to reform Santee Cooper governance and oversight, before curtailing the 2020 session in March as the novel coronavirus began spreading across South Carolina. Legislators did approve a resolution in May that kept state government operating past the end of its fiscal year: Act 135. That resolution included language that allowed Santee Cooper to begin implementing aspects of its Reform Plan. Accordingly, we have:

MAJOR POINTS OF PROGRESS

Removed threat of pending litigation. ✓

- Settled Cook et al
- Settled WEC
- Settled Turka
- Created settlement path for Century/Goose Creek

Redesigned and launched financial direction. ✓

- Paid off >$600 million net debt
- Refinanced $750 million
- Levelized debt service
- Contracted VCS 2/3 equipment disposition

Redesigned and launched resource direction. ✓

- Hedged gas
- Renegotiated coal
- Bid and contracted solar with Central
- Launched Winyah closing plan, idled Unit 4
- Produced Act 62 IRP with Central

Reorganized staff. ✓

- Reduced staff through attrition and retirement, no layoffs
- Shrunk executive ranks approximately 20%
- Increased senior management diversity
- Formed Inclusion, Diversity and Equity Awareness (IDEA) Council

- Successfully settled all nuclear-related litigation, for the benefit of customers; the largest, the Cook settlement, provides $520 million in refunds ($200 million from Santee Cooper and $320 million from Dominion Energy, owner of our majority partner in the project) and a rate lock through 2024.
- Locked in $120 million in anticipated fuel savings through 2024 by hedging natural gas and renegotiating coal contracts.
- Conducted a market-based bid process to contract for 500 MW of solar, jointly with our largest customer, Central Electric Power Cooperative (by early 2021, we had executed contracts for 425 MW and those projects are scheduled to be online in 2023).
- Explored opportunities to work with other utilities on things such as right of way maintenance and joint dispatch, and joined a group of Southeastern utilities in exploring a potential energy market that would achieve savings and enable better integration of renewable resources (the SEEM group, which since filed its plans for FERC review in February 2021 – Santee Cooper has not committed to join the market yet and will make that decision following a FERC's ruling).

- Launched a plan to close the coal-fired Winyah Generating Station gradually beginning in 2023, and to transition station employees to other jobs with a goal of avoiding layoffs.
- Produced a 2020 Integrated Resource Plan based on joint resource planning with Central and filed it with the State Energy Office consistent with state statute.
- Beginning in late 2019 and continuing through 2020, we have paid off $600 million net in debt and refinanced $750 million, achieving more than $347 million in savings on the refinanced bonds.
- Set aside $85 million to prefund a unique 2023 debt payment.
- Reorganized, reduced staff through attrition and retirements and reduced the executive staff nearly 20% while increasing senior management diversity.

All told, changes made in 2020 levelized debt service and reduced projected fuel and operating expenses 13% – more than $160 million a year on average over five years. The result is a projection for stable or declining customer prices for more than a decade, with prices in 2030 expected to be lower than prices in 2017.

These changes also contributed to improved credit outlooks issued last fall by Fitch Ratings and Moody's Investor Services, both of which upgraded their outlook for Santee Cooper to "stable." Our stable-A credit aligns with the top 4% of U.S. investor-owned utility holding companies.

A Special Note on Inclusion, Diversity and Equity

Last year also focused our attention nationally on racial justice matters in a way we hadn't seen in many years. Like most organizations, Santee Cooper is reevaluating our policies and practices, and looking for areas where we can improve.

Santee Cooper is committed to a workplace that embraces fairness and inclusion – a place where employees appreciate and respect each other as individuals while coming together to accomplish a common goal to be the state's leading resource to improve the lives of all South Carolinians. We have a diverse customer base and serve a diverse state, which makes this focus all the more important.

Santee Cooper has reevaluated both the content and frequency of diversity and inclusion training for its existing staff and continues to focus on attracting and developing excellent employees from all backgrounds. The South Carolina Human Affairs Commission measures state agency performance in achieving a diverse workforce annually, and Santee Cooper is consistently one of the top agencies in goal achievement. We ranked No. 1 in 2020.

We have significantly improved diversity among our senior management team, which is comprised of direct reports to the CEO and their management reports. The representation of people of color in this group has grown from less than 3% five years ago to 20% today, even as the size of the executive group overall has declined by 15%.

We seek to do even better. In June, we formed an initial team of employees (the Inclusion, Diversity and Equity Council, or IDEA Council) to explore opportunities to enhance dialogue and a culture of equity and inclusion in our workplace. This will be a continuous journey of change and adaptation reflecting one of Santee Cooper's core values: respect.

Operations

Operationally, Santee Cooper continues to reduce its reliance on coal to meet customers' power needs: coal represented just 37% of our generation mix in 2020, down from 38% in 2019 and 46% in 2018. Nearly half of the power we provided in 2020 was fueled by natural gas, either at our own Rainey Generating Station or through power purchases that take advantage of market pricing when it is cheaper. Hydro and renewables increased to nearly 6% of the mix.

Santee Cooper maintained high marks in reliability throughout 2020. Transmission reliability was 99.9981%, an impressive number and slightly better than 2019. On the distribution side, the average customer was without

power 23.9 minutes for all of 2020; the goal was for that number to be less than 30 minutes. Our residential and commercial customer service satisfaction rates increased this year to 96% each; our industrial customer satisfaction was 100%, and our wholesale municipal customer satisfaction was 87.5%. In our other wholesale customer category, the state's electric cooperatives registered a 15.4% satisfaction rate. The cooperatives collectively are Santee Cooper's largest customer, and we implemented leadership and other changes in 2020 to help us improve our relationship and better meet the needs of this important group. Our work with Central on the Integrated Resource Plan and the solar RFP process are good examples of what we can accomplish together, and Santee Cooper is committed to more transparency and better communication as we move forward.

Impressively, in spite of the challenges of 2020 our employees produced a safety year that tied with our best ever (2018). Safety is critical, and we work hard to keep it top of mind among all employees, all the time. Santee Cooper has maintained an excellent safety culture for many years, and again in April we received the American Public Power Association's (APPA) Safety Award of Excellence for 2019's safe operating practices, earning first place in the category for utilities with 1,000,000 to 3,999,999 worker-hours of annual worker exposure.

Storm Recovery

Hurricane Isaias spared South Carolina from its worst, but the hurricane did produce some power outages for customers. The transmission system saw momentary outages on two lines, and distribution restored power to about 8,000 customers. Crews also worked quickly to restore power in Moncks Corner after a tornado touched down there last spring. Severe weather affected other regions and states in much harsher fashion through the year, and Santee Cooper crews volunteered for several mutual aid operations to help restore power to customers in the Greenville/Anderson area of South Carolina following a tropical storm, in Louisiana after hurricane damage, and in Tennessee after a winter storm delivered that state power outages just before Christmas.

Environmental News

In July, Santee Cooper breached the dike of the last remaining ash pond at the former Grainger Generating Site, officially moving that project to "wetlands restoration." Crews had excavated the last of the stored ash in 2019 and had been working to remove contact soil and trace ash and to have state environmental officials certify it as clean before breaching the dike. The ash excavation project began in 2014 and involved two storage ponds and a total of 1.7 million tons of ash – with 78% of that ash beneficially used in the concrete market. As part of the wetlands restoration work, we are planting native species including bald cypress, swamp tupelo, willow oak, laurel oak and other varieties.

Santee Cooper continues to excavate ash from storage ponds at the former Jefferies Generating Station and at Winyah Generating Station and to beneficially use as much of that ash as is possible, along with our beneficial use programs for dry ash and gypsum. In 2020, Santee Cooper recycled more than 1.5 million tons of these coal combustion products.

Economic Development

As 2020 ended, Santee Cooper was working with the Department of Commerce and Century Aluminum on a new contract by which Century would expand its Mt. Holly aluminum smelting operations and purchase all of its power from Santee Cooper. Century currently has about 300 employees and one potline; Century announced in December that if approved, the new contract would provide additional power enough to allow Century to reopen half of its second potline and add up to 70 jobs. Santee Cooper management and Century have agreed to terms that have been presented for review by the Santee Cooper Oversight Committee. If the Oversight Committee approves the contract, it would go then to our Board of Directors for consideration. Century has been purchasing most of its power off sys-

tem under the existing contract, which expired in December but was extended by the Santee Cooper Board through March to allow time to finalize a new deal.

This is one example of how Santee Cooper works with the Department of Commerce, the state's electric cooperatives, local governments and other partners to support economic development efforts across the state. Although the pandemic interrupted robust activity in 2020, we still helped attract more than 1,300 jobs and $609 million in industrial investment across the state.

Our largest economic development project, Camp Hall commerce park, continues to grow and gain positive reviews for its unique commitment to environmental stewardship and work-life balance. Business Facilities Magazine ranked Camp Hall the 7th best commerce park in the nation in 2020. Already in 2021, anchor tenant Volvo Car USA has announced it will expand and add a second vehicle to production there, and we have a tract under contract to RealtyLink for construction of a cold storage facility.

Other Highlights

> One of the many challenges identified by the pandemic is the lack of universal access to broadband. Santee Cooper believes our resources can be used to enable broadband providers who are working to improve accessibility across South Carolina. Santee Cooper will not be providing broadband. Rather, we can allow providers to lease our excess fiber capacity and allow access to our poles, ducts, conduits, easements, and rights of way. To that end, we have inventoried our available excess fiber and attachment capability across our more than 5,000 miles of transmission lines crisscrossing the state, so we are able to efficiently respond to requests for access. The Board of Directors endorsed a set of Broadband Principles in December to guide our broadband efforts, and as the year ended we were developing program terms and rates and planning public comment periods based on those principles. Finalizing this program is a high priority for Santee Cooper. Our schedule calls for a program in place by April, contingent upon Board approval.

> Workers successfully completed the Dorchester Reach expansion for the Lake Marion Regional Water System in 2020. This 10.7-mile expansion serves an area from Harleyville to Ridgeville, not only providing clean, reliable drinking water to residents in the area but also enabling economic growth along the corridor. Santee Cooper will manage the reach as part of the Lake Marion water system.

> Santee Cooper's Continuous Improvement (CI) program also had another record year, directly engaging over 96% of employees. Process improvements achieved more than $27 million dollars in financial benefits to the utility. Through the use of CI tools and techniques, Santee Cooper's employees are implementing innovative solutions to make operations more effective and efficient.

In Closing

As we noted up front, 2020 redefined "challenge" in many ways. But throughout the year, our employees worked hard to redefine Santee Cooper as a leaner, greener organization that remains focused on our customers. As we embark on a new year, we continue to work to deliver benefits to, and add value for, our customers and the state of South Carolina.

Thank you,

Dan Ray
Acting Chairman

Mark Bonsall
President and CEO

Corporate Statistics

System Data 2020

Miles of transmission system lines[1]: **5,245**

Miles of distribution system lines: **3,031**

Number of transmission substations: **91**

Number of distribution substations: **59**

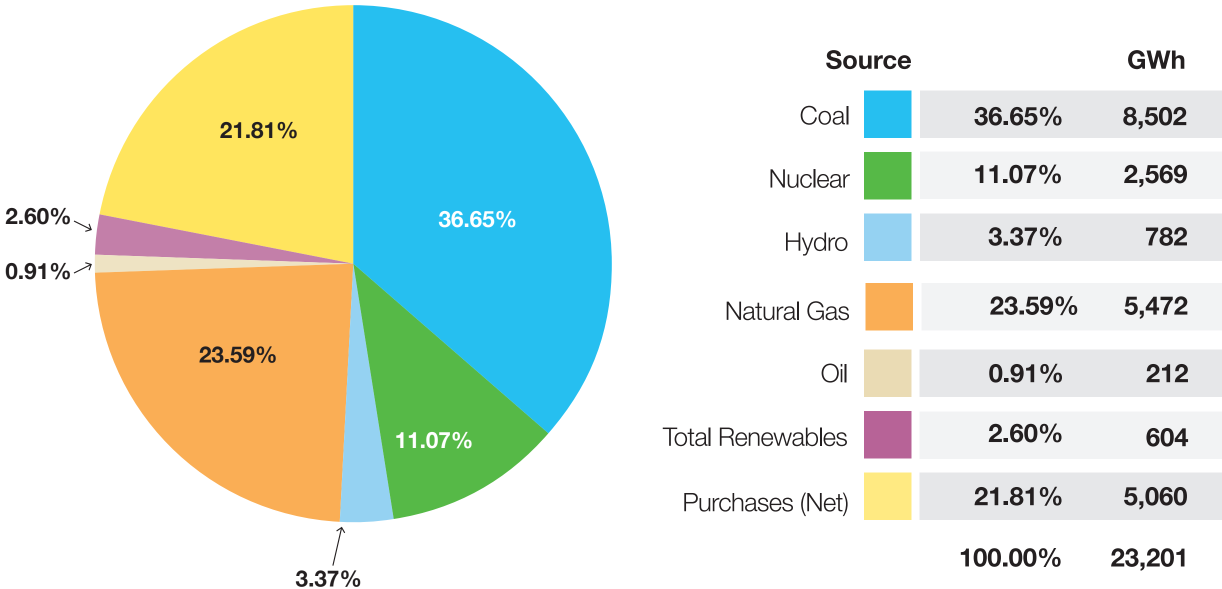
Number of CEPCI Delivery Points (DPs): **414**

[1] Includes Central-owned transmission lines

	2020	2019	2018 As Restated	2017	2016
FINANCIAL (Thousands)					
Total Revenues & Income	**$1,689,760**	$1,613,518	$1,963,805	$1,732,327	$1,718,565
Total Expenses & Interest Charges	**$1,583,279**	$1,676,509	$1,766,507	$1,618,084	$1,604,119
Other	**($54,431)**	$48,681	($4,286)	($5,561)	($6,708)
Reinvested Earnings	**$52,054**	($14,310)[2]	$193,012	$108,682	$107,738
OTHER FINANCIAL					
(Excluding CP and Other)					
Debt Service Coverage *(prior to Distribution to State and Special Item)*	**1.46**	1.43	1.54	1.51	1.55
Debt / Equity Ratio	**76/24**	76/24	75/25	78/22	79/21
STATISTICAL					
Number of Customers (at Year-End)					
Retail Customers	**193,930**	189,177	185,116	180,658	176,748
Military and Large Industrial	**27**	27	27	26	27
Wholesale	**4**	4	4	4	4
Total Customers	**193,961**	189,208	185,147	180,688	176,779
Generation (GWh):					
Coal	**8,502**	9,126	11,130	9,589	12,347
Nuclear	**2,569**	2,746	2,447	2,296	2,886
Hydro	**782**	592	603	382	444
Natural Gas and Oil	**5,472**	5,582	5,101	5,783	4,834
Landfill Gas and Renewables	**63**	64	62	73	81
Total Generation (GWh)	**17,388**	18,110	19,343	18,123	20,592
Purchases, Net Interchanges, etc. (GWh)	**5,601**	5,891	4,838	4,980	3,433
Wheeling, Interdepartmental, and Losses	**(756)**	(772)	(463)	(324)	(325)
Total Energy Sales (GWh)	**22,233**	23,229	23,718	22,779	23,700
Summer Maximum Continuous Rating (MCR) Generating Capability (MW)	**5,115**	5,115	5,112	5,104	5,104
Territorial Peak Demand (MW)	**4,673**	4,558	5,203	4,989	4,794

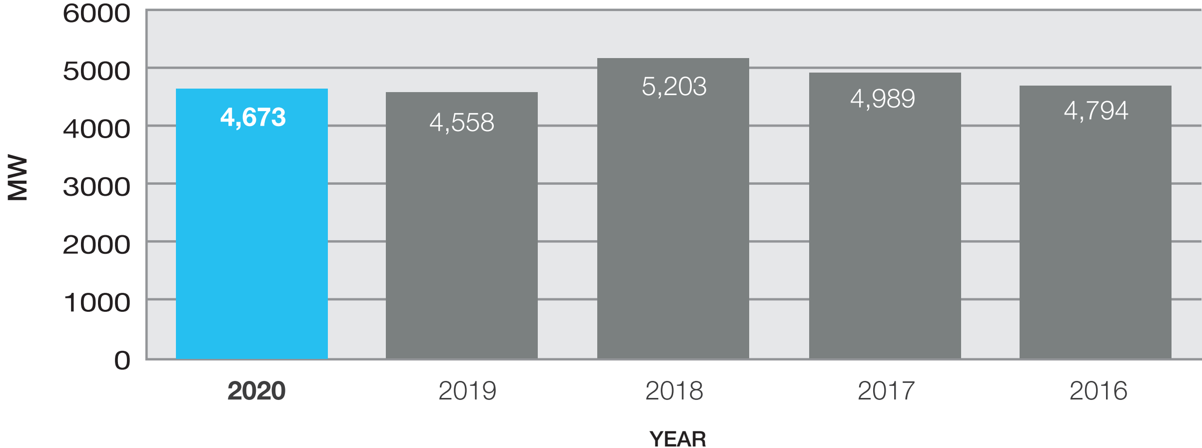
[2] 2019 financial results included a decrease to reinvested earnings from higher net amortization of the Regulatory assets - nuclear over the Deferred inflows - Toshiba settlement. This amortization was to align with impacts from the 2019 debt defeasance as well as capital expenditures.

2020 GENERATION BY FUEL MIX

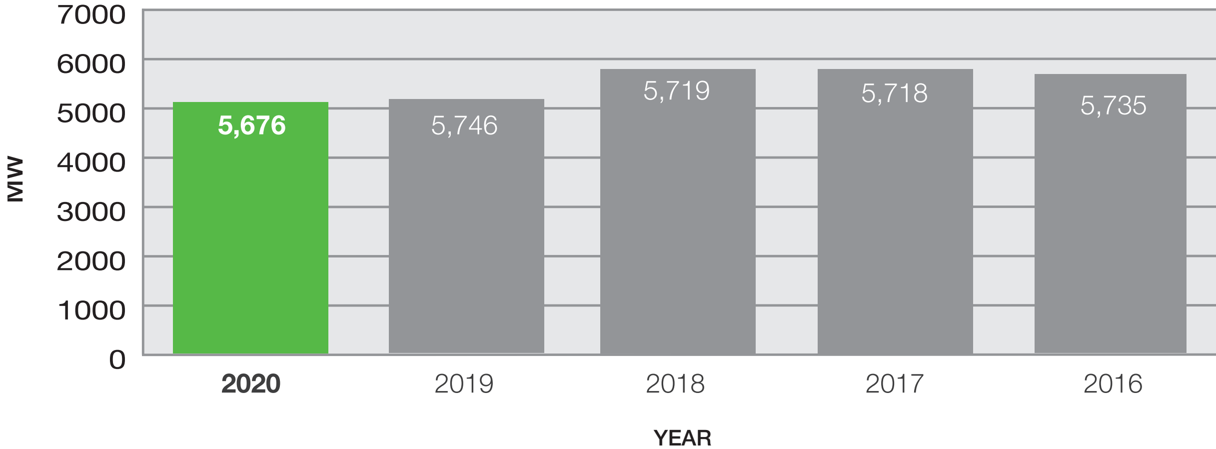


Source			GWh
Coal		36.65%	8,502
Nuclear		11.07%	2,569
Hydro		3.37%	782
Natural Gas		23.59%	5,472
Oil		0.91%	212
Total Renewables		2.60%	604
Purchases (Net)		21.81%	5,060
		100.00%	23,201

PEAK DEMAND



TOTAL CAPABILITY (MCR) WITH FIRM PURCHASES



Audit Committee Chairwoman's Letter

The Audit Committee of the Board of Directors is comprised of independent directors Peggy H. Pinnell – Chairwoman, William A. Finn, Merrell W. Floyd, Charles H. Leaird, Stephen H. Mudge and Barry D. Wynn.

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 public accountants. The committee discussed the company's financial statements and the adequacy of its system of internal controls. The committee met with the independent public accountants and with the Chief Audit Executive 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.

Peggy H. Pinnell
Chairwoman
2020 Audit Committee

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Report of Independent Auditor

The Advisory Board and Board of Directors
South Carolina Public Service Authority
Moncks Corner, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the South Carolina Public Service Authority (the "Authority") (a component unit of the state of South Carolina), as of December 31, 2020 and 2019, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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 the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in the Notes 7, 10, 15, 16 and 17, there are significant ongoing Legislative Activities and Legal Matters that could have a significant impact on the Authority. Under South Carolina Act 135, the Authority is to operate under certain operational guidelines and is prohibited from taking any action that would impair, hinder or otherwise undermine from an economic, operational, feasibility, or any other perspective the ability of the South Carolina General Assembly to complete its consideration regarding the Authority's status under Act 95. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplemental financial data as listed in the table of contents ("RSI") be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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 financial statements, and other knowledge we obtained during our audits of the 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

Our audits were conducted for the purpose of forming opinions on the financial statements of the Authority's business-type activities and fiduciary activities. The Chairman and CEO Letter, Corporate Statistics, Audit Committee Chairwoman's Letter, Leadership, and Office Locations, as listed in the table of contents of the annual report, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in our audits of the financial statements and, accordingly, we do not express an opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2021 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina March 2, 2021

Management's Discussion and Analysis of Financial Condition and Results of Operations

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 totaling 5,115 megawatts (MW) of summer power supply peak capability. This consists of 3,500 MW of coal-fired capacity, 1,117 MW of natural gas and oil capacity, 322 MW of nuclear capacity, 142 MW of hydro capacity, 29 MW of landfill methane gas capacity and 5 MW of solar capacity. 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 – 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, 2020, 2019 and 2018 are summarized below:

	2020	2019	2018
		(Thousands)	
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			As Restated
Capital assets	**$ 5,065,225**	$ 5,120,393	$ 5,056,884
Current assets	**1,195,349**	1,195,125	1,726,338
Other noncurrent assets	**4,395,151**	4,484,897	4,824,761
Deferred outflows of resources	**895,719**	968,477	949,737
Total assets & deferred outflows of resources	**$ 11,551,444**	$ 11,768,892	$ 12,557,720
LIABILITIES & DEFERRED INFLOWS OF RESOURCES			
Long-term debt - net	**$ 6,857,277**	$ 6,901,130	$ 7,355,557
Current liabilities	**614,928**	690,985	700,887
Other noncurrent liabilities	**1,379,405**	1,474,063	1,345,046
Deferred inflows of resources	**600,183**	637,638	859,348
Total liabilities & deferred inflows of resources	**$ 9,451,793**	$ 9,703,816	$ 10,260,838
NET POSITION			
Net invested in capital assets	**$ 2,090,633**	$ 2,041,105	$ 1,955,185
Restricted for debt service	**12,107**	7,963	7,322
Restricted for capital projects	**119**	135	280
Unrestricted (deficit)	**(3,208)**	15,873	334,095
Total net position	**$ 2,099,651**	$ 2,065,076	$ 2,296,882
Total liabilities, deferred inflows of resources & net position	**$ 11,551,444**	$ 11,768,892	$ 12,557,720

2020 COMPARED TO 2019

The primary changes in the Authority's financial condition as of December 31, 2020 and 2019 were as follows:

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Total assets and deferred outflows of resources decreased $217.4 million during 2020 due to decreases of $55.2 million in capital assets, $89.7 million in other noncurrent assets and $72.8 million in deferred outflows of resources.

The decrease in capital assets of $55.2 million was mainly due to increases in depreciation expense of $51.8 million. The decrease resulted from higher CWIP transfers to net utility plant for a Pomaria-Sandy Run transmission line, distribution services projects and ash handling conversion equipment installed to meet the Coal Combustion Residual Rule (CCR Rule) and Effluent Limitations Guidelines and Standards (ELG Rule) established by the United States Environmental Protection Agency (EPA). Nuclear unitizations also added to the decrease.

The decrease in other noncurrent assets of $89.7 million was primarily due to a decrease in costs to be recovered from future revenues (CTBR) of $54.4 million due to an adjustment to revise depreciation amortization in the CTBR depreciation calculation. (See Note 2 – *Costs to be Recovered From Future Revenue (CTBR)*) Also contributing were decreases in other noncurrent and regulatory assets of $31.7 million largely from decreases in billable projects driven by the unitization of energy efficiency rebate programs that are transferred to plant in-service with an offset to billable projects and an advance payment being received on a solar billable project for which work has not started. The regulatory asset – nuclear decreased $13.6 million from $7.1 million in adjustments and $6.5 million being transferred to current.
Deferred outflows of resources decreased $72.8 million largely due to reductions in the accumulated decrease in fair value of hedging derivatives of $33.7 million resulting from a higher futures settle price in 2020 reducing losses. Regulatory asset-asset retirement obligation (ARO) decreased $24.2 million from continued ash pond removals as well as a nuclear ARO update from a 2019 TLG decommissioning cost study. Unamortized loss on refunded and defeased debt decreased $24.3 million from $12.3 million in removals of a portion of balances resulting from the November 2020 refunding and the December 2020 cash defeasance. Also contributing were reductions of $14.2 million for normal monthly amortization of debt losses for all outstanding issues. Further decreases were provided by deferred outflow - OPEB of 46.1 million from a 2020 actuarial analysis. Somewhat offsetting these decreases were higher deferred outflows - pension of $15.6 million from a 2020 actuarial analysis.

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

Liabilities & deferred inflows of resources decreased $252.0 million due to decreases of $43.9 million in long-term debt, $76.1 million in current liabilities, $94.7 million in other noncurrent liabilities and $37.5 million in deferred inflows of resources.

Long-term debt net decreased $43.9 million primarily due to a cash bond defeasance of $57.2 million as well as net transfers to current portion of long-term debt of $15.3 million. Unamortized debt discounts and premiums decreased $15.6 million for amortization of discounts and premiums as well as defeasance and refunding activity. These decreases were offset by a net increase of $65.0 million on long-term revolving credit agreements due to current year draws. Also, the net impact of the 2020AB Refunding and 2020A improvement issue provided an increase of $68.6 million.

The decrease in current liabilities of $76.1 million was due to decreases in short-term revolving credit agreement of $64.2 million from higher net paydowns. Accounts payable decreased $20.9 million due mainly to decreases of $17.3 million in the Summer Nuclear accounts payable liability due to lower year-end accruals for V.C. Summer Units 2&3. Also, the liability for major fuel (oil and gas purchases) decreased by $3.2 million. Further contributing were other current liabilities of $32.7 million from lower revenue adjustments of $13.0 million, lower current derivative regulatory offsets of $8.7 million and a smaller accrued nuclear reloading expense of $5.1 million. The remaining net variance is spread across the remaining liability accounts in this category. These decreases were offset by increases of $28.9 million in commercial paper and $15.3 million in current portion of long-term debt.

The decrease in other noncurrent liabilities of $94.7 resulted mainly from a reduction of $73.9 million in other credits and noncurrent liabilities of $65.0 million for the Cook Settlement (see Note 15- *Special Item)*. Also contributing to this variance was a $13.9 million decrease in non-current derivative losses regulatory offsets. Somewhat offsetting this was an increase in unamortized gain on refinanced debt of $10.1 million from the 2020AB refunding. The net OPEB liability decreased $10.6 million from the 2020 actuarial analysis. Further decreases resulted from ARO changes of $23.6 million from continued ash pond removals as well as a nuclear ARO update from a 2019 TLG decommissioning cost study. Lower construction liabilities contributed $5.2 million to the variance. Somewhat offsetting these decreases were increases in the net pension liability of $18.6 million resulting from the 2020 actuarial study.

Deferred inflows of resources decreased $37.5 million largely due to amortization of $69.8 million of the Regulatory Inflows-Toshiba Settlement to align with utilizing settlement funds to fund debt defeasances and funds used for capital expenditures. Somewhat offsetting this decrease was an increase in nuclear decommissioning costs of $15.4 million due to current year funding and earnings growth. The accumulated increase to fair value of hedging derivatives also increased $12.3 million due to higher gains from current year futures settle prices in 2020. Further offsets were provided by increases in deferred inflows - OPEB and deferred inflows - pension of $2.6 million and $2.1 million, respectively resulting from the 2020 actuarial studies.

The increase in net position of $34.6 million was mainly due to increases in net investment in capital assets of $49.5 million due to debt reductions and a lower asset retirement obligation. Also adding to this increase was higher restricted net position for debt service of $4.1 million. Offsets to these increases resulted from lower unrestricted net position of $19.1 million.

2019 COMPARED TO 2018

The primary changes in the Authority's financial condition as of December 31, 2019 and 2018 were as follows:

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Total assets and deferred outflows of resources decreased $788.8 million during 2019 due to decreases of $531.2 million in current assets and $340.0 million in other noncurrent assets. These decreases were offset by increases of $63.5 million in capital assets and $18.7 million in deferred outflows of resources.

The increase in capital assets of $63.5 million was due to net utility plant increase of $580.1 million partially offset by a decrease in construction work in progress (CWIP) of $514.5 million. The increase resulted mainly from CWIP transfers to net utility plant for ash handling conversion equipment installed to meet the Coal Combustion Residual Rule (CCR Rule) and Effluent Limitations Guidelines and Standards (ELG Rule) established by the United States Environmental Protection Agency (EPA). Solid waste landfill transfers also added to the increase.

The decrease in current assets of $531.2 million was primarily due to decreases in unrestricted cash and investments of $468.5 million. These decreases were for debt service payments, funding the current year cash defeasances and capital expenditures. Receivables decreased $24.6 million primarily from a drop in the fuel receivable due to lower refined coal production in 2019. Further decreases were provided by prepaid expenses and other current assets of $25.6 million, largely from current year amortization of a portion of the remaining balance of assets from a cancelled coal-fired generation project in Florence County, South Carolina. Regulatory assets-nuclear also decreased $13.6 million from amortization differences, between years, resulting from the current year debt defeasance.

The decrease in other noncurrent assets of $340.0 million was primarily due to amortization of regulatory assets-nuclear of $365.6 million as a result of the 2019 debt defeasances as well as capital expenditures. Reduction of assets from a cancelled coal-fired generation project in Florence County, South Carolina and economic development receivable reductions of $18.7 million also added to the decrease. Somewhat offsetting this decrease was an increase in cost to be recovered from future revenues (CTBR) of $48.7 million due to net depreciation and amortization not collected in rates and a residual write-off of an adjustment to the 2014 CTBR balance.

Deferred outflows of resources increased $18.7 million largely due to an increase in deferred outflows – OPEB due to the current year actuarial study.

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

Liabilities & deferred inflows of resources decreased $557.0 million due to decreases of $454.4 million in long-term debt, $11.6 million in current liabilities and $221.7 million in deferred inflows of resources. These decreases were offset by an increase in other noncurrent liabilities of $130.7 million.

Long-term debt net decreased $454.4 million primarily due to a cash bond defeasance of $345.2 million as well as $121.8 million for transfers to current portion of long-term debt. Unamortized debt discounts and premiums decreased $26.3 million for amortization of discounts and premiums as well as defeasance activity. These decreases were offset by transfers of $19.7 million of short-term revolving credit agreements to long-term revolving credit agreements. Also, the net impact of the 2019A Refunding provided an increase of $19.2 million.

The decrease in current liabilities of $11.6 million was due to decreases in commercial paper and accounts payable of $31.5 million and $72.6 million, respectively. These decreases were offset by increases of $25.8 million in current portion of long-term debt and $65.0 million in the current portion of the Cook case legal settlement payable (see note 16).

The increase in other noncurrent liabilities of $130.7 million was primarily due to an increase in the noncurrent portion of the Cook case legal settlement payable (see note 16).

Deferred inflows of resources decreased $221.7 million largely due to amortization of $259.2 million of the Regulatory Inflows - Toshiba Settlement to align with utilizing settlement funds to fund the current year debt defeasances.

The decrease in net position of $231.8 million was mainly due to decreases in unrestricted net position of $318.2 million. Offsets to these increases were increases in capital assets of $85.9 million.

RESULTS OF OPERATIONS

Santee Cooper's Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2020, 2019 and 2018 are summarized as follows:

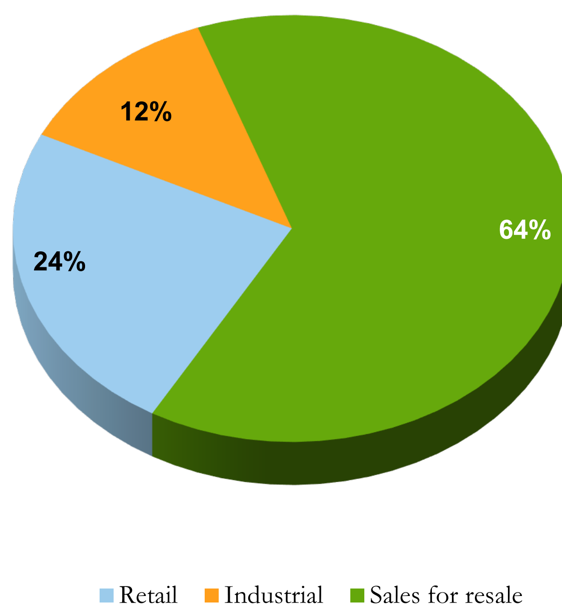
	2020	2019	2018
		(Thousands)	
			As Restated
Operating revenues	**$ 1,627,427**	$ 1,722,676	$ 1,806,620
Operating expenses	**1,263,683**	1,319,872	1,400,061
Operating income	**363,744**	402,804	406,559
Interest expense	**(319,592)**	(356,641)	(365,805)
Costs to be recovered from future revenue	**(54,431)**	48,681	(4,286)
Other income	**62,333**	(109,154)	156,544
Capital contributions, transfers and special item	**(17,479)**	(217,496)	(17,397)
Change in net position	**$ 34,575**	$ (231,806)	$ 175,615
Net position - beginning of period	**$ 2,065,076**	$ 2,296,882	$ 2,121,267
Ending net position - as restated	**$ 2,099,651**	$ 2,065,076	$ 2,296,882

2020 Compared to 2019

Operating Revenues

As compared to 2019, operating revenues decreased $95.2 million (6%), primarily due to lower fuel rate revenues ($51.6 million). Lower energy sales (4%) and demand usage (5%) reduced revenue by $35.8 million and $23.1 million, respectively. Milder weather throughout 2020 contributed to the revenue decrease. The year-to-date weather adjusted impact attributed 45% of the decrease to weather, whereas the remainder was largely due to impacts from the COVID-19 pandemic. Somewhat offsetting this decrease was higher demand rate revenues of $19.5 million, primarily from Central. Also contributing to the decrease were impacts from a rate freeze that was implemented July 31, 2020. Energy sales for 2020 totaled approximately 22.2 million megawatt hours (MWhs), as compared to approximately 23.2 million MWhs for 2019.

2020 Revenues from Sales of Electricity*
by Customer Class



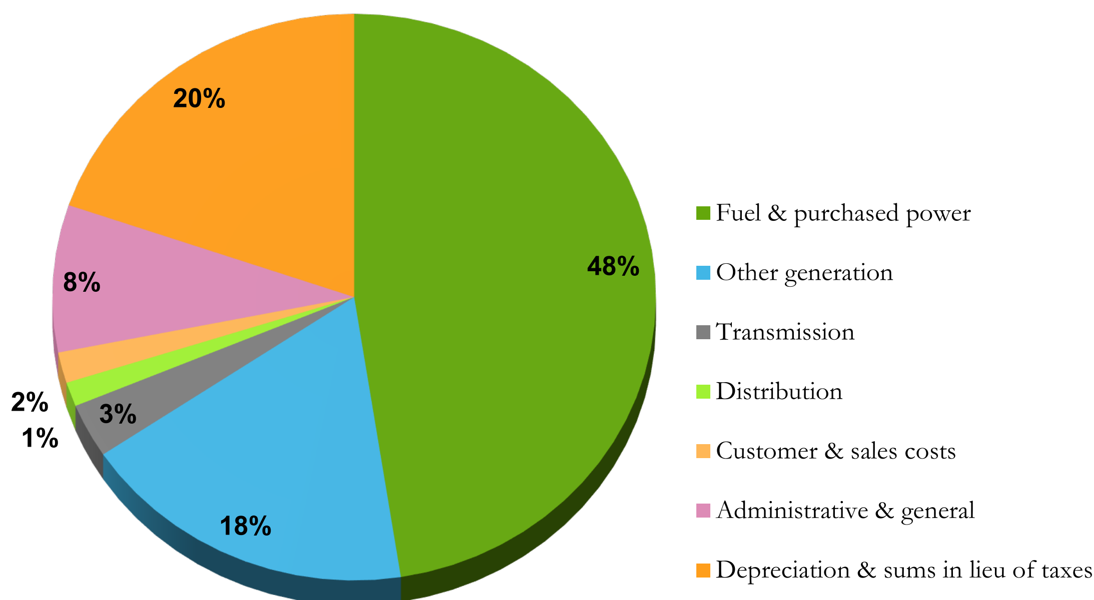
Retail Industrial Sales for resale

	2020	2019	2018
Revenues from Sales of Electricity*		(Thousands)	
Retail	**$ 383,267**	$ 407,419	$ 428,820
Industrial	**196,683**	224,967	245,117
Sales for resale	**1,022,398**	1,062,056	1,106,826
Totals	**$ 1,602,348**	$ 1,694,442	$ 1,780,763

*Excludes interdepartmental sales of $577 for 2020, $613 for 2019 and $555 for 2018.

OPERATING EXPENSES

Operating expenses for 2020 decreased $56.2 million (4%) as compared to 2019. The main drivers were lower fuel and purchased power expense which decreased $71.9 million. This was due to lower kWh sales, lower commodity prices than prior year and a lower cost fuel mix. Other generation costs decreased $37.2 million from contract services and materials due to lower coal generation, as well as the majority of a Cross spring outage being shifted from 2020 to the spring of 2021. Nuclear expenses also were down from an outage true-up credit ($3.2 million) received in August as well as Dominion's voluntary retirement program and merger integration costs driving costs higher in the prior year. Also contributing was a year-end FEMA accrual ($4.3 million) for COVID-19 expense reimbursement. Somewhat offsetting this was higher: (i) depreciation ($51.8) due to new rates being implemented in 2020 as well as assets being placed into service in the current year; and (ii) transmission ($2.4 million) mainly from a FEMA accrual reversal.



		2020		2019		2018
Electric Operating Expenses				(Thousands)		
Fuel & purchased power	**$**	**597,636**	$	669,502	$	793,456
Other generation		**227,679**		264,844		239,155
Transmission		**38,904**		36,217		33,524
Distribution		**17,413**		17,925		18,275
Customer & sales costs		**22,051**		21,873		20,311
Administrative & general		**105,608**		102,914		99,324
Depreciation & sums in lieu of taxes		**248,245**		200,599		189,795
Totals	**$**	**1,257,536**	$	1,313,874	$	1,393,840

Net Below the Line Items

- Other income increased $171.5 million, resulting largely from higher net amortization of the Nuclear Regulatory Asset ($353.3 million) and the Toshiba Regulatory Liability ($192.4 million) in the prior year. These amortizations are to align with impacts from debt defeasances as well as capital expenditures, which were greater in the prior year.

- Interest and amortization expense for 2020 was $37.0 million lower primarily from the 2019 debt defeasance and refunding.

- CTBR expense was higher by $103.1 million mainly as result of an adjustment to revise depreciation amortization in the prior year.

- Capital contributions, transfers and special items represent dollars paid to the State as well as a prior year special item. The payment to the State, which is based on a percentage of total budgeted revenues was in-line with the prior year. A special item was recorded in 2019 for the Cook case legal settlement of $200.0 million (see Note 15 – *Special Item*).

2019 Compared to 2018

Operating Revenues

As compared to 2018, operating revenues decreased $83.9 million (5%) primarily due to lower fuel rate revenues. Lower energy sales (2%) and demand usage (1%), resulting from milder weather than prior year, also contributed to the decrease. Energy sales for 2019 totaled approximately 23.2 million megawatt hours (MWhs) as compared to approximately 23.7 million MWhs for 2018.

Operating Expenses

Operating expenses for 2019 decreased $80.2 million (6%) as compared to 2018. The main drivers were lower net fuel and purchased power expense which decreased $124.0 million. This was due to lower kWh sales and lower commodity prices in the current year. Somewhat offsetting these decreases were higher other generation costs of $25.7 million from materials, accrual of landfill closure and post-closure costs, a nuclear decommissioning credit in the prior year and Dominion Energy's voluntary retirement program and merger integration costs. Further offsetting these decreases were administrative & general increases of $3.6 million due to professional services as well as depreciation increases of $10.8 million from assets placed into service in the current year.

Net Below the Line Items

Other income decreased $265.7 million resulting from higher net amortization of the regulatory assets-nuclear over the deferred inflows-Toshiba settlement. The amortization was to align with impacts from current year debt defeasances as well as capital expenditures.

Interest and amortization expense for 2019 was $9.2 million lower primarily from the 2018 and 2019 debt defeasances.

Capital contributions, transfers and special items represent dollars paid to the State as well as a current year special item. The payment to the State, which is based on a percentage of total budgeted revenues, was in-line with the prior year. A special item was recorded in 2019 for the Cook case legal settlement of $200.0 million (see Note 15 – *2019 Special Item*).

ECONOMIC CONDITIONS

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 business growth initiatives that revolve around four strategic initiatives - marketing, product development, project management and competitive rates. The Authority is marketing industrial and commercial properties that are served directly by the Authority and The Electric Cooperative partners and municipal customers. Product development activities include the creation and/or improvement of industrial properties, the acquisition of property, expansion of infrastructure into funding for industrial properties, and/or constructing buildings for industrial use. Since June 2012, the Authority has invested over $105.0 million throughout South Carolina in product development activities through low interest revolving loans to public entities. In addition, the Authority created two additional funds to further improve the readiness of industrial sites in the Electric Cooperatives' and municipal customers' territories, directly or indirectly served by Santee Cooper. The Authority continues to monitor the impacts of the Covid-19 pandemic on the business and serving existing customers. *(See Note 14- Impact of Novel Coronavirus (COVID-19) Pandemic)"*

The Authority's commitment to economic development efforts along with the State and support of The Electric Cooperatives also brought additional announcements of business growth projects during 2020, including Hubert Engineered Woods, LLC in Dillon County, Niagara Bottling in Florence County, KRA Operations in Newberry County, and Arrival Company in York County, among many others.

The Authority's largest customer, Central, accounted for 60.4 percent of sales revenues in 2020. Central provides wholesale electric service to each of the 20 distribution cooperatives which are members of Central pursuant to long-term all requirements power supply agreements. In September 2009, Central and the Authority entered into an agreement ("September 2009 Agreement") that, among other things, allowed Central to transition the portion of power and energy requirements of the five former Saluda members, (the "Upstate Load"), directly connected to the transmission system of Duke Energy Carolinas, LLC to another supplier. In January 2013, Central began transitioning the Upstate Load to Duke Energy Carolinas, a subsidiary of Duke Energy Corporation, ("Duke"). The load transition was complete on January 1, 2019 and amounted to approximately 900 MW. Nothing precludes the Authority from serving this load when the Duke agreement ends on December 31, 2030.

In May 2013, the Authority and Central agreed to extend their termination rights as noted in the September 2009 Agreement until December 31, 2058 ("Coordination Agreement"). 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 has entered into requirement agreements with all 20 of its member cooperatives that extends through December 31, 2058 and obligate those members to pay their share of Central's costs, including costs paid under the Coordination Agreement. The Authority and Central have resolved certain matters relating to the nuclear project through the execution of the Cook Settlement and continue to conduct business pursuant to the terms of the Settlement and the Coordination Agreement. (See Note 10 – *Legal Matters, Recently Settled Nuclear-Related Litigation)*

LEGISLATIVE MATTERS

The Authority has been subject to review and evaluation by the State's General Assembly for several years.

The Public Service Authority Evaluation and Recommendation Committee ("PSAERC") was charged with conducting a review and evaluation of whether to sell or retain the Authority. The PSAERC met six times from August 7, 2018 to March 2019. The provision authorizing the PSAERC expired on June 30, 2019. The State's Senate formed the South Carolina Senate Select Committee on the Authority. The select committee held six meetings from March 5, 2019 to April 24, 2019. After these reviews, the General Assembly agreed to establish a new process for the review and evaluation of the Authority. On May 21, 2019, the State's General Assembly (the "General Assembly") passed, and on May 22, 2019, the Governor signed into law Act 95 of 2019 ("Act 95"), a Joint Resolution requiring the State's Department of Administration (the "DOA") to establish a process: (a) to conduct a competitive bidding solicitation for the sale of some or all of the Authority; (b) to receive management proposals that do not involve a sale of the Authority, but are designed to improve the efficiency and cost-effectiveness of the Authority's electric operations; and (c) for the Authority to submit a proposal to the DOA for reform, restructuring, and changes in its operation as an alternative to a sale or management proposal (the "Act 95 Process").

On February 11, 2020, the DOA delivered to the Senate Finance Committee and the House of Representatives Ways and Means Committee the report required by Act 95, which included a recommendation of one bid for sale (NextEra Energy, Inc.) and one management proposal (Dominion Energy, Inc.), as well as the recommendation for the implementation of the Authority's Act 95 Reform Plan.

Within 30 days of the receipt of DOA's report, during the week of March 2, 2020, the respective House and Senate committees of jurisdiction made a recommendation to their respective legislative bodies, which was to reject all of DOA's recommendations. After the committee vote in the Senate, the Finance Committee and the Judiciary committee each held hearings related to reforming Santee Cooper. The House Ways and Means committee proposed legislation that would both reform Santee Cooper and continue further negotiations with NextEra outside the scope of Act 95. Due to the COVID-19 public health emergency and disruption at that time of the legislative session, further consideration of the Authority was suspended after the passage of Act 135 of 2020 (H.3411) ("Act 135"), described below on May 12, 2020.

Section 11 of Act 135, a budget continuing resolution that was signed by the Governor on May 18, 2020, establishes certain operational guidelines for the Authority and prohibits the Authority from taking any action which would impair, hinder, or otherwise undermine from an economic, operational, feasibility, or any other perspective the ability of the General Assembly to complete its consideration regarding the Authority's status under Act 95. The provisions of Act 135 not only continue certain of the oversight and operational parameters that limited certain actions that could be taken by the Authority during the Act 95 Process but also expressly permit and authorize the Authority to advance some of the key principles set forth in the Authority's Act 95 Reform Plan. The provisions of Act 135 are to remain in effect through the earlier of May 31, 2021 or until an act of the General Assembly expressly supersedes the provisions of Act 135 applicable to the Authority.

Subsection (E) of Act 135 ("Subsection (E)") authorizes the Authority to continue to operate in the ordinary course and nothing in the Act prohibits the Authority from:

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

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

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

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

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

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

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

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

(9) resolving outstanding lawsuits and claims;

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

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

Act 135 specifically prohibits the Authority from taking any of the following actions (without the prior approval of the Santee Cooper Oversight Committee described below): (1) entering into contracts with a duration of longer than one year, except those contracts necessary in the ordinary course of business, and (2) entering into employment contracts with executive management with a duration longer than six months, or extension of existing executive management contracts for a period longer than six months.

Act 135 also requires the Office of Regulatory Staff (the "ORS") to conduct monthly reviews of the Authority to ensure the Authority is in compliance with certain provisions of Act 135 and creates an Oversight Committee (the "Santee Cooper Oversight Committee") whose membership consists of the Governor, the President of the Senate, the Speaker of the House, the Chair of the Senate Finance Committee and the Chair of the House Ways and Means Committee. The ORS began reviewing the Authority's operational activity for compliance with the provisions of Act 135 in May of 2020 and provides monthly reports to the Santee Cooper Oversight Committee and makes reports available publicly on the ORS website. As of the date of this Annual Report, all reports by the ORS have concluded there were no actions taken by the Authority in violation of Act 135.

On February 1, 2021, the Authority submitted two requests to the Santee Cooper Oversight Committee under Act 135. One request asked that the committee approve a 3-year power agreement with Century Aluminum, Inc. and the other request asked the committee to allow the Authority to hedge natural gas fuel beyond 2024.

Two other legislative initiatives passed in 2020 include Act 187 of 2020 ("Act 187") and the Broadband Accessibility Act. Act 187 provided for the establishment of a legislative committee to study the electric market in South Carolina and consider energy market alternatives and whether the legislature should adopt market reform measures affecting the provision of electric service in South Carolina and the public benefits associated with such measures. Act 187, among other things, provides that the committee study whether the General Assembly should take actions necessary to implement one or more of the studied electricity market reform measures. Act 187 also proposes the establishment of an advisory committee to the legislative study committee and the CEO of the Authority is a designated member of that advisory committee. The study committee is directed to issue a report related to South Carolina's electric market structure by November 1, 2021. To date, the members of the legislative committee have not been named.

On September 29, 2020, the Governor signed the Broadband Accessibility Act which seeks to expand access to broadband in the State. It sets out terms under which the Authority may provide access to its excess communications fiber capacity, transmission structures and rights of way. If the Authority elects to provide such access, it must do so in a nondiscriminatory manner and pursuant to established terms and conditions. The Authority has published principles to guide its efforts to assist in broadband and is currently establishing a program for offering broadband.

A new two-year legislative session began for the State General Assembly in January 2021. Several bills have been introduced related to Santee Cooper. H.3194, introduced by the House Speaker proposes several reform proposals for Santee Cooper and establishes a new process for the sale of Santee Cooper by proposing to authorize the sale of Santee Cooper and proposing the negotiation be conducted by a six-member legislative committee. H.3194 has passed the SC House and was sent to the Senate where it was introduced and referred to the Senate Judiciary Committee. S.444, introduced by the Chair of the Senate Finance Committee, proposes the sale of Santee Cooper and proposes a six-member committee negotiate terms with NextEra Energy, the Act 95 preferred bidder to purchase Santee Cooper. S.464, introduced by the Chair of the Senate Judiciary Committee, proposes several reform proposals for Santee Cooper. The regular legislative session is scheduled to run through to May 12, 2021. Reform and sale discussions are expected to continue during the remainder of the session.

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 2020, 2019 and 2018 was as follows:

Approved in:	2020 Budget 2021-23	2019 Budget 2020-22	2018 Budget 2019-21
Capital Improvement Expenditures		(Thousands)	
Environmental compliance [1]	$ 167,622	$ 147,633	$ 189,699
New Load & Resource Plan [2]	0	72,018	0
General improvements and Other [3]	701,263	623,752	599,519
Totals	$ 868,885	$ 843,403	$ 748,218

1 Environmental Compliance is composed of project costs associated with ash pond closures and solid waste landfill.
2 Reflects future generation and transmission cost associated with the current load and resource plan.
3 Budget 2021-2023 reflects acceleration of Advanced Metering Infrastructure and FERC relicensing costs. Other includes Camp Hall and Renewables.

As determined by the Authority, the capital improvement program will be funded from revenues, additional revenue obligations, commercial paper, internal funding sources and other short-term obligations.

SUMMER NUCLEAR UNITS 2 AND 3

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 (now known as Dominion) (55% ownership interest) (together, the "Owners").

In May of 2008, SCE&G, acting for itself and as agent for the Authority, entered into the EPC Agreement, with a contractor consortium consisting of Westinghouse and Stone & Webster, Inc. ("Stone & Webster" and together with Westinghouse, the "Consortium"), a wholly-owned subsidiary of Shaw. Under the EPC Agreement, the Consortium would supply, construct, test and start up Summer Nuclear Units 2 and 3, with guaranteed substantial completion dates of April 2016 for Summer Nuclear Unit 2 and January 2019 for Summer Nuclear Unit 3. In addition, Westinghouse's indirect parent company, Toshiba Corporation ("Toshiba"), provided a guaranty of Westinghouse's payment obligations under the EPC Agreement (the "Guaranty") and Stone & Webster's parent company, Shaw, likewise provided a guaranty of Stone & Webster's payment obligations under the EPC Agreement.

The cost of Summer Nuclear Units 2 and 3 was originally estimated to be approximately $9.8 billion. Based on its 45% ownership interest, the Authority's portion of the cost to construct Summer Nuclear Units 2 and 3 was approximately $4.4 billion. The Authority's funding sources for Summer Nuclear Units 2 and 3 consisted of the proceeds of Revenue Obligations issued pursuant to the Revenue Obligation Resolution between 2008 and 2016 and outstanding in the aggregate principal amount of $3,634 million as of December 31, 2020.

During the course of construction, issues materialized that affected the budget and schedule for Summer Nuclear Units 2 and 3. In February of 2017, Toshiba Corporation announced a $6.3 billion write-down on the value of Westinghouse, stemming from its two U.S. nuclear construction projects, Summer Nuclear Units 2 and 3 and Units 3 and 4 at the Vogtle nuclear power plant located in Burke County, Georgia ("Vogtle Nuclear Units 3 and 4"). A month later, Westinghouse and 29 affiliated companies filed a petition pursuant to Chapter 11 of the Bankruptcy Code (the "Petition") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

After the filing of the Petition, the Owners, led by SCE&G, conducted a comprehensive analysis regarding the continued viability of Summer Nuclear Units 2 and 3. The analysis revealed that: (i) the costs to complete Summer Nuclear Units 2 and 3 (including labor costs) would be much higher than previously expected; and (ii) the construction schedule would take much longer than previously expected. In particular, (i) the Owners' analysis estimated that completion of Summer Nuclear Units 2 and 3 would be delayed until 2023 for Summer Nuclear Unit 2 and 2024 for Summer Nuclear Unit 3 and (ii) the new cost estimate for Summer Nuclear Units 2 and 3 was over $25 billion, placing the Authority's 45% share at $11.4 billion ($8 billion in construction costs and $3.4 billion in interest expense), an increase from the then-current projected cost of $6.2 billion.

The Owners also entered into negotiations with Toshiba for the purpose of acknowledging and defining Toshiba's obligations under the Guaranty and establishing a schedule for the full payment of such obligations to the Owners. As a result, in July of 2017, the Owners and Toshiba entered into a settlement agreement (the "Toshiba Settlement Agreement") which included, among other things Toshiba's agreement that it would pay the Guaranty obligation in the amount of $2.168 billion (the Authority's share (based on its 45% ownership interest) equaling $975.6 million)), in accordance with a payment schedule commencing in 2017 and continuing through 2022.

On July 31, 2017, the Authority approved the wind-down and suspension of construction of Summer Nuclear Units 2 and 3 and the preservation and protection of the site and related components and equipment. SCANA approved similar action on the same day. To date, the Authority had spent approximately $4.7 billion in construction and interest costs. Upon suspending construction, and in accordance with GASB 62, the Authority ceased capitalizing interest expense on the debt incurred to fund Summer Nuclear Units 2 and 3 as of July 31, 2017.

In early September of 2017, the Owners filed two proofs of claim in unliquidated amounts in connection with the Westinghouse bankruptcy proceeding. Later that month, the Owners and Citibank, N.A. ("Citibank") entered into an Assignment and Purchase Agreement (the "Assignment and Purchase Agreement"), pursuant to which the Owners sold and assigned rights to receive payment under the Toshiba Settlement Agreement and rights, duties and obligations arising under the two proofs of claim filed in the Westinghouse bankruptcy proceeding to Citibank, in exchange for a purchase price of $1,847,075,400 (the Authority's share (based on its 45% ownership interest) equaling $831,183,930). Excluded from the sale was the initial $150 million payment (the Authority's share (based on its 45% ownership interest) equaling $67.5 million) received by the Owners under the Toshiba Settlement Agreement.

In January of 2018, the Owners entered into Amendment No. 1 of the Toshiba Settlement Agreement and Amendment No. 1 of the Assignment and Purchase Agreement. These amendments had the effect of capping at $60 million the Owners' current obligation to reimburse Citibank for payments the Owners received from the Westinghouse estate that had the effect of reducing mechanics liens at the site of Summer Nuclear Units 2 and 3 (the Authority's share (based on its 45% ownership interest) equaling $27.0 million). To date, the Owners have not made any reimbursement payments to Citibank.

Also, in January, the State's Department of Revenue ("DOR") notified SCE&G that the sales and use tax returns for Summer Nuclear Units 2 and 3 had been assigned for a sales and use tax audit. During a meeting in February, the DOR took the position that, because Summer Nuclear Units 2 and 3 had been abandoned and the facility was not completed and would not produce electricity, the materials for Summer Nuclear Units 2 and 3 were not tax-exempt and sales tax payments were due on previously tax-exempt purchases. In May, the DOR issued a proposed notice of assessment in the amount of $421 million. The Authority has submitted a protest to the notice of proposed assessment and continues to dispute the position that sales taxes are due and owing. Pursuant to an agreement between the Authority and Dominion ancillary to the Cook Settlement, Dominion agreed to hold the Authority harmless for any potential liability associated with the Department of Revenue Matter. See "Note 10 – Nuclear Litigation".

In March of 2018, the Bankruptcy Court issued its order confirming Westinghouse's Chapter 11 plan of reorganization (the "Westinghouse Plan of Reorganization"). The Westinghouse Plan of Reorganization provided for the sale of Westinghouse to Brookfield Business Partners, L.P. ("Brookfield") for $4.6 billion, which occurred in August of 2018.

The Westinghouse Plan of Reorganization also provided for the payment of claims made by allowed general unsecured creditors in an amount equal to the lesser of: (i) their pro rata share of certain funds; or (ii) 100% of the amount of the allowed claim. Under the Westinghouse Plan of Reorganization, creditors providing materials and services at the site of Summer Nuclear Units 2 and 3 were classified as Class 3A General Unsecured Creditors. In December of 2018, an initial distribution was made on behalf of the Westinghouse estate to Class 3A General Unsecured Creditors equaling approximately 25% of the allowed amount of each claim. Subsequently, a catch-up payment was made representing 75% of the allowed amount of each claim. Representatives of W. Wind Down Company, LLC, the entity responsible for paying the Westinghouse claims under the supervision of the Bankruptcy Court, has represented to the Owners that funds have been reserved to pay 100% of the presently disputed claims by the Class 3A General Unsecured Creditors. In the event that such disputed claims are not paid in full from the Westinghouse estate, the Class 3A General Unsecured Creditors could claim that the Authority is liable for payment under a mechanic's lien theory.

In June of 2018, SCE&G and the Authority signed a Right of Entry Agreement allowing the Authority to begin implementation of a Maintenance, Preservation, and Documentation (MPD) Program to preserve the equipment relative to Summer Nuclear Units 2 and 3 for sale. The Authority contracted with Fluor to perform an assessment of the condition of the equipment and to implement an MPD Program to help protect its value. Fluor began this scope of work in July of that year. The Authority has since approved an extension of the MPD Program through the end of 2020. The Authority has spent $13.5 million through December 2020 to preserve the equipment.

In January of 2019, SCANA and its subsidiaries, including SCE&G, merged with Dominion. Through the merger, SCANA became a wholly-owned subsidiary of Dominion.

On April 5, 2019, Westinghouse filed an adversary proceeding complaint in the United States Bankruptcy Court for the Southern District of New York against the Authority, claiming that it is the owner of and has title to certain equipment related to the construction of Summer Nuclear Units 2 and 3 pursuant to the EPC Agreement. The parties settled the matter on August 29, 2020.

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. First, an evaluation was conducted in accordance with GASB 42 to determine whether the assets were impaired. 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 to be impaired because: (i) the decline in service utility of the assets was large in magnitude; (ii) the event or change in circumstance was outside the normal life cycle of the assets; and (iii) although Summer Nuclear Units 2 and 3 could be completed at some point in the future, the Authority had no near-term plans to do so. Next, the Authority set out to determine the fair value of the impaired assets.

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 a portion of post-suspension capitalized interest. With the cessation of capitalized interest and the timing of the suspension, the Authority would be unable to collect a portion of the post-suspension capitalized interest in its rates. Such post-suspension capitalized interest totaled $37.1 million as of December 31, 2017 and, like the $4.211 billion impairment write-off, will be recorded as a regulatory asset and amortized through November 2056 in order to align with the principal payments on the debt used to pay the interest.

In December of 2017, the Authority also approved the use of regulatory accounting to defer the recognition of income from the Toshiba Settlement Agreement. The Authority recorded a regulatory deferred inflow of $898.2 million with respect to the Toshiba Settlement Agreement as of December 31, 2017, to be amortized over time in order to align with the manner in which the settlement proceeds are used to reduce debt service payments.

In the event that the principal maturities of the indebtedness described above changed materially, the amortization will be adjusted to better align with the new maturities. As such, the $4.211 billion impairment write-off was adjusted to $3.704 billion as of December 31, 2020, to account for a decrease of $40.2 million for adjustments after year end 2017 and amortization of $467.3 million. The $898.2 million deferred inflow with respect to the Toshiba Settlement Agreement was similarly adjusted to $296.4 million to account for $13.8 million in interest income and amortization of $615.6 million.

The following table summarizes the nuclear-related regulatory items:

Regulatory Item	Classification	Original Amount	2018 - 2020 Amortization	2018 - 2020 Changes	2020 Ending Balance
Nuclear impairment	Asset	$ 4.211 billion	($ 467.3 million)	($40.2 million)	$ 3.704 billion
Nuclear post-suspension interest	Asset	$ 37.1 million			$ 37.1 million
Toshiba Settlement Agreement	Deferred Inflow	$898.2 million	($ 615.6 million)	$ 13.8 million	$296.4 million

Switchyard Assets. SCE&G and the Authority determined that certain transmission-related switchyard assets that were part of Summer Nuclear Units 2 and 3 (the "Switchyard Assets") were unimpaired. During 2018, SCE&G (now Dominion) and the Authority agreed that the ownership interest in the Switchyard Assets needed to be adjusted and began negotiating an agreement to adjust the percentages and true-up the charges. In June of 2019, Dominion and the Authority entered into a Bill of Sale setting the amount of the true-up payment for the Switchyard Assets at $2,675,911. Dominion made this payment to the Authority in September 2019.

Forbearance Agreement. In December of 2018, SCE&G and the Authority executed a Forbearance Agreement (the "Forbearance Agreement") for the purpose of facilitating the possible domestic and international sales of equipment, commodities and plant components relative to Summer Nuclear Units 2 and 3. Pursuant to the Forbearance Agreement, SCE&G reaffirmed its irrevocable waiver of any and all rights in certain assets (the "Forbearance Assets") consisting of Summer Nuclear Units 2 and 3; ancillary facilities; intellectual property; equipment and materials on-site and off-site including, without limitation, assets, materials and equipment that are affixed to the real property at the site but are capable of being removed. Excluded from the Forbearance Assets were the underlying real property; certain specifically-identified assets excluded from the abandonment of Summer Nuclear Units 2 and 3 prior to December 31, 2017; substation and switchyard assets; the old New Nuclear Deployment (NND) building and nuclear fuel. Under the Forbearance Agreement, Dominion had thirty (30) days from the execution date to: (i) seek approval of the Forbearance Agreement from the PSC and (ii) take reasonable efforts to obtain the release of any security interest or mortgage attached to the Forbearance Assets. In March of 2019, (i) the PSC approved the Forbearance Agreement and (ii) Dominion provided the Authority with a fully-executed release.

Sales of Summer Nuclear Units 2 and 3 Assets. During calendar years 2018 - 2020, the Authority sold certain equipment and commodities to third parties. As of December 31, 2020, $15.8 million of materials have been sold.

Financing Activities

In the latter part of 2020, interest rates fell to historic lows and Santee Cooper reacted quickly to take advantage of the low interest rate environment. Santee Cooper priced its 2020AB Revenue Obligation transaction on October 23 and closed on November 5, 2020. This transaction totaled $638.2 million in Revenue Obligation Bonds which consisted of $338.5 million 2020 Tax-Exempt Refunding and Improvement Series A and $299.7 million 2020 Taxable Refunding Series B bonds. Of the $638.2 million, $553.7 million were refunding bonds and $84.5 million were new money bonds. The refunding bonds refinanced $569.6 million in bonds coming due January 1, 2022 through December 1, 2051 and the new money will be used to fund on-going capital expenditures. The refunding resulted in gross savings of $330 million and net present value savings of $134 million.

In December 2020, the Authority also entered into a cash defeasance where internal funds were deposited in an Escrow fund to pay debt service on bonds maturing December 1, 2021. The defeasance resulted in the removal of approximately $57.2 million in debt outstanding.

Liquidity and Capital Resources

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

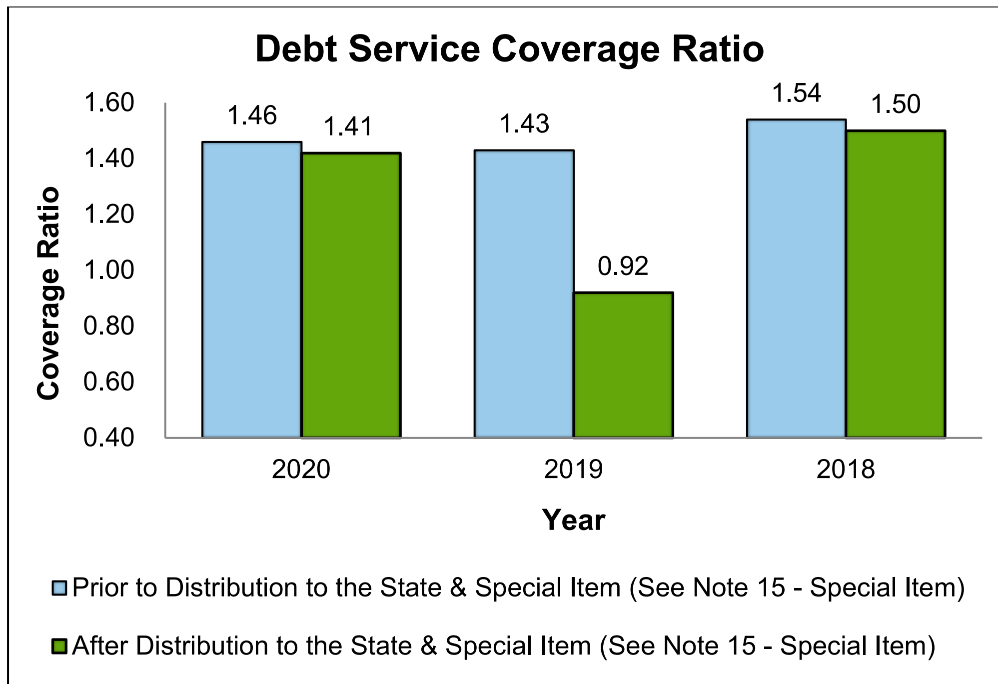
At December 31, 2020, the Authority had $769.1 million of cash and investments, of which $441.9 million was available for liquidity purposes to fund various operating, construction, debt service and contingency requirements. Balances in the decommissioning funds totaled $154.8 million.

The Authority has entered into a Reimbursement Agreement and secured an irrevocable direct-pay letter of credit with Barclays Bank PLC to support the issuance of commercial paper notes totaling $300.0 million as of December 31, 2020. As of December 31, 2020, the Authority had $171.2 million of commercial paper notes outstanding.

To obtain other funds, if needed, the Authority has entered into Revolving Credit Agreements with Bank of America N.A., TD Bank, N.A., and JP Morgan Chase Bank, N.A., respectively. These agreements allow the Authority to borrow up to a total of $550.0 million and expire at various dates. At December 31, 2020, the Authority had borrowings totaling $136.1 million outstanding under the Direct Purchase Revolving Credit Agreements.

Debt Service Coverage

The Authority's debt service coverage (excluding commercial paper and other) for the years ended December 31, 2020, 2019 and 2018 is shown below:



Bond Ratings

Bond ratings assigned by various agencies as of December 31, 2020, 2019 and 2018 were as follows:

Agency / Lien Level	2020	2019	2018
Fitch Ratings			
Revenue Obligations	**A-**	A-	A-
Commercial Paper[1]	**F1**	F1+	F1 +
Outlook	**Stable**	Negative	Negative
Moody's Investors Service, Inc.			
Revenue Obligations	**A2**	A2	A2
Commercial Paper[1]	**P-1**	P-1	P-1
Outlook	**Stable**	Negative	Negative
Standard & Poor's Rating Services			
Revenue Obligations	**A**	A+	A+
Commercial Paper[1]	**A-1**	A-1	A-1
Outlook	**Negative**	Negative	Negative

[1] In 2017, the Authority entered into Direct Pay Letters of Credit issued by various banks supporting the commercial paper program. The banks issuing the Letters of Credit have various ratings assigned by the rating agencies.

Bond Market Transactions for Years 2020, 2019 and 2018

YEAR 2020

Revenue Obligations:	**2020 Tax-exempt Refunding and Improvement Series A**	**Par Amount:**	$ 338,480,000
Purpose:	To finance a portion of the Authority's ongoing capital program, refund all of the 2010 Refunding Series B and refund a portion a portion of the following: 2009 Refunding Series A, 2014 Refunding Series C, 2016 Refunding Series A, 2016 Series B	**Date Closed:**	November 5, 2020
Comments:	Tax-exempt bond with an all-in true interest cost of 3.03 percent.		

Revenue Obligations:	**2020 Taxable Refunding Series B**	**Par Amount:**	$ 299,725,000
Purpose:	Refund a portion of the following: 2012 Refunding Series A & 2012 Series D	**Date Closed:**	November 5, 2020
Comments:	Taxable bond with an all-in true interest cost of 2.51 percent		

YEAR 2019

Variable Rate Revenue Obligations:	2019 Tax-exempt Refunding Series A	Par Amount:	$ 163,005,000
Purpose:	Refund all 2004 Series M through 2016 Series M1 Current Interest-Bearing Bonds and Capital Appreciation Bonds.	Date Closed:	November 21, 2019
Comments:	Tax-exempt bonds that will bear interest at weekly rates.		

YEAR 2018

No Bond Market Transactions - South Carolina Public Service Authority did not issue any Revenue Bond Obligations in 2018.

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.

Statements of Net Position - Business - Type Activities

South Carolina Public Service Authority
As of December 31, 2020 and 2019

	2020	2019
	(Thousands)	
ASSETS		
Current assets		
Unrestricted cash and cash equivalents	$ **252,782**	$ 311,070
Unrestricted investments	**189,211**	170,309
Restricted cash and cash equivalents	**58,500**	54,520
Restricted investments	**113,772**	16,104
Receivables, net of allowance for doubtful accounts of $2,382 and $2,331 at December 31, 2020 and 2019, respectively	**210,163**	201,037
Materials inventory	**151,503**	141,962
Fuel inventory		
Fossil fuels	**74,680**	134,638
Nuclear fuel - net	**108,340**	98,586
Interest receivable	**1,426**	2,449
Regulatory assets - nuclear	**6,497**	792
Prepaid expenses and other current assets	**28,475**	63,658
Total current assets	**1,195,349**	1,195,125
Noncurrent assets		
Restricted cash and cash equivalents	**803**	158
Restricted investments	**154,077**	145,668
Capital assets		
Utility plant	**8,572,695**	8,380,775
Long lived assets - asset retirement cost	**269,662**	265,116
Accumulated depreciation	**(4,252,077)**	(4,055,811)
Total utility plant - net	**4,590,280**	4,590,080
Construction work in progress	**447,309**	502,651
Other physical property - net	**27,636**	27,662
Investment in associated companies	**9,501**	7,866
Costs to be recovered from future revenue	**219,840**	274,271
Regulatory asset - OPEB	**152,497**	153,235
Regulatory assets - nuclear	**3,734,186**	3,747,755
Other noncurrent and regulatory assets	**124,247**	155,944
Total noncurrent assets	**9,460,376**	9,605,290
Total assets	$ **10,655,725**	$ 10,800,415
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows – pension	$ **43,199**	$ 27,626
Deferred outflow - OPEB	**42,276**	48,384
Regulatory asset-asset retirement obligation	**691,641**	715,791
Accumulated decrease in fair value of hedging derivatives	**18,634**	52,375
Unamortized loss on refunded and defeased debt	**99,969**	124,301
Total deferred outflows of resources	$ **895,719**	$ 968,477
Total assets & deferred outflows of resources	$ **11,551,444**	$ 11,768,892

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, 2020 and 2019

		2020		2019
		(Thousands)		
LIABILITIES				
Current liabilities				
Current portion of long - term debt	$	**104,575**	$	89,285
Accrued interest on long - term debt		**37,919**		40,401
Revolving credit agreement		**26,100**		90,266
Commercial paper		**171,251**		142,351
Accounts payable		**137,452**		158,379
Other current liabilities		**137,631**		170,303
Total current liabilities		**614,928**		690,985
Noncurrent liabilities				
Construction liabilities		**2,963**		8,155
Net OPEB liability		**176,109**		186,714
Net pension liability		**344,795**		326,229
Asset retirement obligation liability		**694,236**		717,813
Total long-term debt (net of current portion)		**6,514,572**		6,542,812
Unamortized debt discounts and premiums		**342,705**		358,318
Long-term debt-net		**6,857,277**		6,901,130
Other credits and noncurrent liabilities		**161,302**		235,152
Total noncurrent liabilities		**8,236,682**		8,375,193
Total liabilities	**$**	**8,851,610**	$	9,066,178
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	**$**	**27,004**	$	24,896
Deferred inflow - OPEB		**14,129**		11,537
Accumulated increase in fair value of hedging derivatives		**14,767**		2,494
Nuclear decommissioning costs		**247,903**		232,494
Regulatory inflows – Toshiba settlement		**296,380**		366,217
Total deferred inflows of resources	**$**	**600,183**	$	637,638
NET POSITION				
Net investment in capital assets	**$**	**2,090,633**	$	2,041,105
Restricted for debt service		**12,107**		7,963
Restricted for capital projects		**119**		135
Unrestricted (deficit)		**(3,208)**		15,873
Total net position	**$**	**2,099,651**	$	2,065,076
Total liabilities, deferred inflows of resources & net position	**$**	**11,551,444**	$	11,768,892

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

South Carolina Public Service Authority

Years Ended December 31, 2020 and 2019

		2020		2019
		(Thousands)		
Operating revenues				
Sale of electricity	$	**1,602,348**	$	1,694,442
Sale of water		**9,075**		9,257
Other operating revenue		**16,004**		18,977
Total operating revenues		**1,627,427**		1,722,676
Operating expenses				
Electric operating expenses				
Production		**150,203**		150,907
Fuel		**426,323**		476,853
Purchased and interchanged power		**171,313**		192,649
Transmission		**30,027**		27,008
Distribution		**11,096**		12,137
Customer accounts		**15,651**		15,514
Sales		**6,400**		6,359
Administrative and general		**95,791**		93,883
Electric maintenance expenses		**102,487**		137,965
Water operating expenses		**3,798**		3,405
Water maintenance expenses		**899**		923
Total operating and maintenance expenses		**1,013,988**		1,117,603
Depreciation		**244,992**		197,613
Sums in lieu of taxes		**4,703**		4,656
Total operating expenses		**1,263,683**		1,319,872
Operating income		**363,744**		402,804
Nonoperating revenues (expenses)				
Interest and investment revenue		**3,216**		7,922
Net increase in the fair value of investments		**148**		7,550
Interest expense on long-term debt		**(321,682)**		(339,233)
Interest expense on commercial paper and other		**(7,295)**		(7,881)
Amortization income (expense)		**9,385**		(9,527)
Costs to be recovered from future revenue		**(54,431)**		48,681
U.S. Treasury subsidy on Build America Bonds		**7,652**		7,640
Regulatory Amortization - net		**27,429**		(133,454)
Other - net		**23,888**		1,188
Total nonoperating revenues (expenses)		**(311,690)**		(417,114)
Income before transfers		**52,054**		(14,310)
Capital contributions, transfers and special item				
Distribution to the State		**(17,479)**		(17,496)
Special item - legal settlement		**0**		(200,000)
Total capital contributions & transfers		**(17,479)**		(217,496)
Change in net position		**34,575**		(231,806)
Net position – beginning of period		**2,065,076**		2,296,882
Total net position – ending	$	**2,099,651**	$	2,065,076

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

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Statements of Cash Flows - Business - Type Activities

South Carolina Public Service Authority
Years Ended December 31, 2020 and 2019

		2020		2019
		(Thousands)		
Cash flows from operating activities				
Receipts from customers	$	**1,618,250**	$	1,747,017
Payments to non - fuel suppliers		**(629,184)**		(561,300)
Payments for fuel		**(419,359)**		(470,398)
Purchased power		**(171,313)**		(192,649)
Payments to employees		**(195,941)**		(189,427)
Other receipts-net		**384,725**		256,041
Net cash provided by operating activities		**587,178**		589,284
Cash flows from non-capital related financing activities				
Distribution to the State		**(17,479)**		(17,496)
Proceeds from long - term revolving credit agreement draw		**0**		78,000
Repayment of revolving credit agreement draw		**(35,766)**		(54,234)
Proceeds from issuance of commercial paper notes		**0**		13,934
Repayment of commercial paper notes		**(12,283)**		(13,871)
Refunding/defeasance of long-term debt		**(569,555)**		(338,883)
Proceeds from sale of bonds		**342,879**		0
Repayment of long - term debt		**(130)**		(8,127)
Interest paid on long - term debt		**(185,684)**		(202,905)
Interest paid on commercial paper and other		**(3,610)**		(6,471)
Bond issuance and other related costs		**(10,553)**		18,886
Net cash used in non-capital related financing activities		**(492,181)**		(531,167)
Cash flows from capital-related financing activities				
Proceeds from revolving credit agreement draw		**175,100**		0
Repayment of revolving credit agreement draw		**(138,500)**		0
Proceeds from issuance of commercial paper notes		**63,636**		5,840
Repayment of commercial paper notes		**(22,453)**		(37,451)
Refunding/defeasance of long-term debt		**(57,315)**		(190,118)
Proceeds from sale of bonds		**295,326**		163,005
Repayment of long-term debt		**(89,155)**		(47,865)
Interest paid on long-term debt		**(128,655)**		(134,979)
Interest paid on commercial paper and other		**(4,586)**		(4,242)
Construction and betterments of utility plant		**(151,370)**		(286,656)
Bond issuance and other related costs		**34,634**		(2,750)
Other-net		**(3,046)**		993
Net cash used in capital related financing activities		**(26,384)**		(534,223)
Cash flows from investing activities				
Net decrease in investments		**(125,127)**		299,118
Interest on investments		**2,851**		8,288
Net cash provided by (used in) investing activities		**(122,276)**		307,406
Net decrease in cash and cash equivalents		**(53,663)**		(168,700)
Cash and cash equivalents - beginning		**365,748**		534,448
Cash and cash equivalents - ending	**$**	**312,085**	$	365,748

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, 2020 and 2019

	2020	2019
	(Thousands)	
Reconciliation of operating income to net cash provided by operating activities		
Operating income	**$ 363,744**	$ 402,804
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	**244,992**	197,613
Amortization of nuclear fuel	**20,245**	26,244
Net power gains involving associated companies	**(32,440)**	(53,220)
Distributions from associated companies	**27,873**	48,672
Advances to associated companies	**(2,651)**	(3,951)
Other income and expenses	**62,217**	(119,188)
Changes in assets and liabilities		
Accounts receivable - net	**(9,126)**	24,599
Inventories	**50,417**	(14,294)
Prepaid expenses	**47,884**	17,627
Other deferred debits	**25,001**	458,760
Accounts payable	**(18,594)**	(40,243)
Other current liabilities	**(22,808)**	3,999
Other noncurrent liabilities	**(169,576)**	(360,138)
Net cash provided by operating activities	**$ 587,178**	$ 589,284

	2020	2019
Composition of cash and cash equivalents		
Current		
Unrestricted cash and cash equivalents	**$ 252,782**	$ 311,070
Restricted cash and cash equivalents	**58,500**	54,520
Noncurrent		
Restricted cash and cash equivalents	**803**	158
Cash and cash equivalents at the end of the year	**$ 312,085**	$ 365,748
Noncash capital activities	**$ 10,352**	$ 12,684

Statements of Fiduciary Net Position - OPEB Trust Fund

South Carolina Public Service Authority
As of December 31, 2020, and 2019

		2020		2019
		(Thousands)		
ASSETS				
Cash and cash equivalents	$	**841**	$	3,206
Investments		**102,900**		85,141
Total current assets		**103,741**		88,347
Total assets	$	**103,741**	$	88,347
LIABILITIES				
Total liabilities	$	**0**	$	0
NET POSITION				
Restricted for other postemployment benefits (OPEB)	$	**103,741**	$	88,347
Total net position	$	**103,741**	$	88,347
Total liabilities & net position	$	**103,741**	$	88,347

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, 2020 and 2019

		2020		2019
		(Thousands)		
ADDITIONS				
Employer contributions	**$**	**10,571**	$	5,823
Total employer contributions		**10,571**		5,823
Investment income				
Appreciation (depreciation) in fair value of investments		**2,445**		2,983
Interest		**2,378**		2,448
Net investment income		**4,823**		5,431
Total additions		**15,394**		11,254
DEDUCTIONS				
Total deductions		**0**		0
Change in net position		**15,394**		11,254
Net position - beginning of period		**88,347**		77,093
Total net position - ending	**$**	**103,741**	$	88,347

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 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.

Assets not meeting the requirements of restricted or net investment in capital assets are classified as unrestricted.

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 construction. Interest is capitalized only when interest payments are funded through borrowings. No interest was capitalized in 2020 and 2019, respectively. Other interest expense is recovered currently through rates. The 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. In 2019, the Authority commissioned an independent party to perform a depreciation study to assist management in establishing appropriate composite depreciation rates. Based on the completed depreciation study, new deprecation rates were used for 2020 for assets. 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,	**2020**	2019
Annual average depreciation percentages	**3.0%**	2.6%

I - Retirement of Long Lived Assets - The Authority follows the guidance of GASB 83, *Certain Asset Retirement Obligations* in regard to the decommissioning of V.C. Summer Nuclear Station ("Summer Nuclear Unit 1") and for closing coal-fired generation ash ponds. The requirements for both were recorded within capital assets on the accompanying Statements of Net Position.

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 TLG Services, Inc. in 2019, 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.

Ash Ponds
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 Coal Combustion Residuals ("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, 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 2031 and 2030, respectively. These ponds are currently not subject to the CCR Rule. However, CCR rulemakings changes could regulate inactive impoundments at closed facilities which could result in the Jefferies A ash pond and Winyah West ash ponds 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. 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. Closure by removal is the selected alternative for remediation of the groundwater so that it meets the groundwater protection standard. 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 were conducted by the Authority to determine estimated volumes to be removed. Cost estimates were then 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,		**2020**			2019	
	Nuclear	**Ash Ponds**	**Total**	Nuclear	Ash Ponds	Total
			(Millions)			
Reconciliation of ARO Liability:						
Balance as of January 1,	**$ 437.5**	**$ 280.3**	**$ 717.8**	$ 426.0	$ 290.8	$ 716.8
Accretion expense	**(10.0)**	**(13.6)**	**(23.6)**	11.5	(10.5)	1.0
Balance as of December 31,	**$ 427.5**	**$ 266.7**	**$ 694.2**	$ 437.5	$ 280.3	$ 717.8
Asset Retirement Cost (ARC):	**$ 96.5**	**$ 173.1**	**$ 269.6**	$ 92.0	$ 173.1	$ 265.1
Regulatory Asset - ARO	**$ 426.8**	**$ 264.9**	**$ 691.7**	$ 437.5	$ 278.3	$ 715.8

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 care liabilities at December 31, 2020 and 2019 were $4.5 million and $2.5 million, respectively, and represent a cumulative amount reported to date based on the use of 13.4% of the total permitted capacity of the Cross landfill and 22.4% of the total permitted capacity of the Winyah landfill. The Authority will recognize the remaining estimated cost of closure and post closure care for the landfills of $22.4 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 2020. Based on current fill rates, the Authority expects to close the existing Cross landfill cell in 2037. 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. Winyah's landfill will be used for pond closure activities and thus current fill rates are not an appropriate indicator of the planned life. The Authority expects to close the Winyah landfill in approximately year 2035 once pond closure activities are complete and the units are retired. Actual closure costs may be higher due to inflation, changes in technology, or changes in regulations.

In 2020, the Authority has met the requirements of a local government financial test that is one option under State and federal laws and regulations that 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 should be 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 2019 or 2020.

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:

Pee Dee
The Authority made the decision in 2007 to build a coal-fired generation plant in Florence County, South Carolina. In 2009 the Authority chose not to proceed with this plant. Assets related to this project are classified as other current and noncurrent regulatory assets. The Board gave approval to write off the total asset balance of $261.3 million and amortize, using regulatory accounting, over a seven-year period ending December 2020. Accordingly, $41.6 million was amortized in 2020 and 2019, respectively. The remaining balance outstanding at December 31, 2020 was zero. On November 12, 2020, the Pee Dee assets were sold for a net proceed of $4.2 million, due to the previous right off of this resulted in a $4.2 million gain.

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. As of December 31, 2020, the balance remained the same and the amortization of the regulatory asset will not begin until 2022.

Based on a Board resolution dated January 22, 2018, the use of regulatory accounting was approved for the Summer Nuclear Units 2 and 3. The Board gave approval to write-off the total asset balance of $4.205 billion and use regulatory accounting to align with the debt service collected in rates. Accordingly, $0.8 million and $354.1 million was amortized in 2020 and 2019, respectively. The remaining balance outstanding at December 31, 2020 was $3.704 billion.

Regulatory Liability – Toshiba Settlement Agreement.
The Board of Directors approved a resolution dated December 11, 2017, authorizing 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 2020 and 2019 $69.8 million and $262.3 million, respectively was amortized. The remaining balance outstanding at December 31, 2020 was $296.4 million.

Unfunded OPEB Liability
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 will be amortized to expense in accordance with a Level Dollar, 30-year closed amortization period funding schedule provided by the Actuary. In 2020, payments to the trust of $738,041 were made in excess of the OPEB expense. The regulatory asset was amortized $738,041 accordingly. The remaining balance outstanding at December 31, 2020 was $152.5 million.

M - Investment in Associated Companies - The Authority is a member of The Energy Authority ("TEA"). Approximate ownership interests in TEA as of December 31, 2020 and 2019 were as follows:

Years Ended December 31,	**2020**	2019
Owners	Ownership (%)	
City Utilities of Springfield (Missouri)	**5.88**	5.88
Gainesville Regional Utilities (Florida)	**5.88**	5.88
American Municipal Power (Ohio)	**17.65**	17.65
JEA (Florida)	**17.65**	17.65
MEAG Power (Georgia)	**17.65**	17.65
Nebraska Public Power District (Nebraska)	**17.65**	17.65
Santee Cooper (South Carolina)	**17.65**	17.65
Total	**100.00**	100.00

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,	**2020**	2019
	(Thousands)	
TEA Investment:		
Balance as of January 1,	**$ 7,604**	**$ 6,945**
Reduction to power costs and increases in electric revenues	**29,291**	**49,221**
Less: Distributions from TEA	**27,873**	**48,672**
Less: Other (includes equity losses)	**(400)**	**(120)**
Balance as of December 31,	**$ 9,422**	**$ 7,614**
Due To/Due From TEA:		
Payable to	**$ 17,398**	**$ 24,235**
Receivable from	**$ 1,455**	**$ 1,810**

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, 2020, the trade guarantees are an amount not to exceed Santee Cooper's share of approximately $68.6 million.

The Authority is also a member of TEA Solutions. TEA Solutions is a publicly supported non-profit corporation. Members and ownership interests in TEA Solutions as of December 31, 2020 and 2019 were as follows:

Years Ended December 31,	**2020**	2019
Owners	Ownership (%)	
American Municipal Power (Ohio)	**25.0**	25.0
JEA (Florida)	**25.0**	25.0
MEAG Power (Georgia)	**25.0**	25.0
Santee Cooper (South Carolina)	**25.0**	25.0
Total	**100.0**	100.0

TEA Solutions was formed mainly to (1) coordinate the operation of electric generation resources and the purchase and sale of electric power on behalf of the corporation's clients; (2) coordinate the purchase and sale of natural gas relating to fuel for clients' generation of electric energy or relating to clients' operation of a retail gas distribution system; and (3) provide consulting and software services to clients.

The Authority funded its initial share of TEA Solutions with a $150,000 contribution in 2013. This contribution was to cover legal, consulting and other start-up costs pertaining to TEA Solutions. The Authority's exposure relating to TEA Solutions is limited to the Authority's capital investment, any accounts receivable and trade guarantees provided by the Authority. The balance in its member equity account at December 31, 2020 and 2019 was approximately $98,035 and $263,480, respectively.

N - Deferred Outflows / Deferred Inflows of Resources - In addition to assets, the Statements of Net Position reports 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) accumulated decrease in fair value of hedging derivatives; (3) unamortized loss on refunded and defeased debt; (4) deferred outflows – OPEB; and (5) deferred outflow – asset retirement obligation.

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) accumulated increase in fair value of hedging derivatives; (3) nuclear decommissioning costs; (4) regulatory inflows - Toshiba settlement; and (5) deferred inflows – OPEB.
The following table summarizes the Authority's total deferred items:

Years Ended December 31,		**2020**		2019
		(Thousands)		
Deferred outflows of resources	**$**	**895,719**	$	968,477
Deferred inflows of resources	**$**	**600,183**	$	637,638

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, 2020 and 2019 is below:

Cash Flow Hedges and Summary of Activity

Years Ended December 31,			**2020**		2019
	Account Classification		(Millions)		
Fair Value					
Natural gas	Regulatory assets/liabilities	**$**	**(6.1)**	$	(49.9)
Heating oil	Regulatory assets/liabilities		**2.3**		0.0
Changes in Fair Value					
Natural gas	Regulatory assets/liabilities	**$**	**43.7**	$	12.5
Heating oil	Regulatory assets/liabilities		**2.3**		(0.6)
Recognized Net Gains (Losses)					
Natural gas	Operating expense-fuel	**$**	**(27.3)**	$	(18.7)
Heating oil	Operating expense-fuel		**(2.2)**		1.0
Realized But Not Recognized Net Gains (Losses)					
Natural gas	Regulatory assets/liabilities	**$**	**(2.1)**	$	(4.3)
Heating oil	Regulatory assets/liabilities		**0.1**		0.1
Notional					
			MBTUs		
Natural gas			**127,600**		114,290
			Gallons (000s)		
Heating oil			**21,672**		3,528
Maturities					
Natural gas			**Jan 2021-Dec 2024**		Jan 2020-Dec 2022
Heating oil			**Jan 2021-Dec 2024**		Jan 2020-Dec 2020

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 $14.2 million in 2020 and $15.1 million in 2019.

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, the majority of which include monthly automatic fuel adjustment provisions which provide for adjustments to the base rates to cover increases or decreases in the cost of fuel to the extent such costs vary from the predetermined base rates. The fuel adjustment provisions are 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 Central 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 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 Cook settlement. (See Note 16 – *Cook Settlement as to Rates)*

Q- Bond Issuance Costs and Refunding Activity - GASB 62 requires that any gains or losses resulting from extinguishment of debt be expensed at the time of extinguishment. GASB 65 requires that debt issuance costs be expensed in the period incurred. In order to align the impact of these pronouncements 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.

Consistent with prior accounting periods, unamortized debt discounts, premiums and expenses 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 2020 and 2019 totaled approximately $17.5 million and $17.5 million, respectively.

S - New Accounting Standards –

STATEMENT NO. & ISSUE DATE	TITLE/SUMMARY	SUMMARY OF ACTION BY THE AUTHORITY
Statement No. GASB 83	**Certain Asset Retirement Obligations**	Implemented in 2019
Issue Date: November 2016	Effective for Periods Beginning After: June 15, 2019	
Description:	This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.	

Statement No. GASB 84	**Fiduciary Activities**	Implemented in 2019
Issue Date: January 2017	Effective for Periods Beginning After: December 15, 2019	
Description:	The objective of this Statement is to improve guidance regarding identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.	
Statement No. GASB 87	**Leases**	Under review
Issue Date: June 2017	Effective for Periods Beginning After: June 15, 2021	
Description:	The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.	
Statement No. GASB 88	**Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements**	Implemented in 2019
Issue Date: April 2018	Effective for Periods Beginning After: June 15, 2019	
Description:	The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.	
Statement No. GASB 89	**Accounting for Interest Cost Incurred before the End of a Construction Period**	Under review
Issue Date: June 2018	Effective for Periods Beginning After: December 15, 2020	
Description:	The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund . This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.	

Statement No. GASB 90	**Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61**	Reviewed and No Action Required
Issue Date: August 2018	Effective for Periods Beginning After: December 15, 2019	
Description:	The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.	
Statement No. GASB 91	**Conduit Debt Obligations**	Under review
Issue Date: May 2019	Effective for Periods Beginning After: December 15, 2021	
Description:	The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations. Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.	
Statement No. GASB 92	**Omnibus 2020**	
Issue Date: January 2020	Effective for periods beginning after June 15, 2021	Under Review
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 practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to Statement No. 87, post-employment benefits (pensions and other postemployment benefits [OPEB]), Statement No. 73, Statement No. 84, asset retirement obligations, reporting of public entity risk pools, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and terminology used to refer to derivative instruments.	

Statement No. GASB 93	**Replacement of Interbank Offered Rates**	Under Review
Issue Date: March 2020	Effective for periods beginning after June 15, 2021	
Description:	Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. .	
Statement No. GASB 94	**Public-Private and Public-Public Partnerships and Availability Payment Arrangements**	Under Review
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 95	**Postponement of the Effective Dates of Certain Authoritative Guidance**	Reviewed and No Action Required
Issue Date: May 2020	Effective Dates of Pronouncements included in this update have been updated accordingly	
Description:	The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.	
Statement No. GASB 96	**Subscription-Based Information Technology Arrangements**	Under Review
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 97	**Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32**	Under Review
Issue Date: June 2020	Effective for periods beginning after June 15, 2021	

Description:

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

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,	**2020[1]**	2019
	(Millions)	
CTBR regulatory asset:		
Balance	**$ 219.8**	$ 274.3
CTBR expense/(reduction to expense):		
Net expense	**$ 54.4**	$ (48.7)

[1] A true-up was made in 2020 to revise a prior year CTBR depreciation rate resulting in an entry to decrease the CTBR asset $58.1 million and increase the CTBR expense the same amount.

Note 3 – Capital Assets

Capital asset activity for the years ended December 31, 2020 and 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
		Year 2020 (Thousands)		
Utility plant	$ 8,380,775	$ 225,541	$ (33,621)	$ 8,572,695
Long lived assets-asset retirement cost	265,116	4,546	0	269,662
Accumulated depreciation	(4,055,811)	(248,736)	52,470	(4,252,077)
Total utility plant-net	4,590,080	(18,649)	18,849	4,590,280
Construction work in progress	502,651	175,726	(231,068)	447,309
Other physical property-net	27,662	214	(240)	27,636
Totals	$ 5,120,393	$ 157,291	$ (212,459)	$ 5,065,225

	Beginning Balances	Increases	Decreases	Ending Balances
		Year 2019 (Thousands)		
Utility plant	$ 7,678,064	$ 752,543	$ (49,832)	$ 8,380,775
Long lived assets-asset retirement cost	265,116	0	0	265,116
Accumulated depreciation	(3,933,151)	(202,124)	79,048	(4,055,811)
Total utility plant-net	4,010,029	550,835	29,216	4,590,080
Construction work in progress	1,017,170	240,509	(755,028)	502,651
Other physical property-net	29,685	20	(2,043)	27,662
Totals	$ 5,056,884	$ 791,364	$ (727,855)	$ 5,120,393

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,	2020			2019		
Funds	Cash & Cash Equivalents	Investments	Total	Cash & Cash Equivalents	Investments	Total
			(Thousands)			
Current Unrestricted:						
Capital Improvement	$ 82,571	$ 41,283	$ 123,854	$ 135,541	$ 55,042	$ 190,583
Debt Reduction	4,215	-	4,215	468	1,989	2,457
Funds from Taxable Borrowings	2,691	-	2,691	-	-	-
General Improvement	11	-	11	9	-	9
Internal Nuclear Decommissioning Fund	311	91,636	91,947	250	84,818	85,068
Nuclear Fuel	1,475	4,003	5,478	12,007	-	12,007
Revenue and Operating	110,096	-	110,096	128,337	-	128,337
Contingency / Sub-Revenue	25,015	9,997	35,012	-	-	-
Special Reserve	26,397	42,292	68,689	34,458	28,460	62,918
Total	$ 252,782	$ 189,211	$ 441,993	$ 311,070	$ 170,309	$ 481,379
Current Restricted:						
Debt Service Funds	20,161	29,865	50,026	47,414	950	48,364
Funds from Tax-exempt Borrowings	35,315	69,154	104,469	-	-	-
Special Reserve and Other	3,024	14,753	17,777	7,106	15,154	22,260
Total	$ 58,500	$ 113,772	$ 172,272	$ 54,520	$ 16,104	$ 70,624
Noncurrent Restricted:						
External Nuclear Decommissioning Trust	$ 803	$ 154,077	$ 154,880	$ 158	$ 145,668	$ 145,826
Total	$ 803	$ 154,077	$ 154,880	$ 158	$ 145,668	$ 145,826
TOTAL FUNDS	$ 312,085	$ 457,060	$ 769,145	$ 365,748	$ 332,081	$ 697,829

Cash and investments as of December 31, consisted of the following:	2020	2019
Cash/Deposits	$ 83,037	$ 27,389
Investments	686,108	670,440
Total cash and investments	$ 769,145	$ 697,829

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,	**2020**	2019
Total Portfolio	(Billions)	
Total investments	**$ 0.7**	$ 0.7
Purchases	**20.6**	28.1
Sales	**20.6**	28.6
Nuclear Decommissioning Portfolios	(Millions)	
Total investments	**$ 246.0**	$ 230.7
Purchases	**340.6**	412.6
Sales	**340.6**	401.5
Unrealized holding gain/(loss)	**9.8**	10.6
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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019 were as follows:

Security Type / Issuer	Fair Value	
	2020	2019
Federal Agency Fixed Income Securities	(Thousands)	
Federal Home Loan Bank	**$ 113,353**	$ 167,744
Federal National Mortgage Association	**32,143**	Less than 5%
Federal Farm Credit Bank	**160,425**	139,427
Federal Home Loan Mortgage Corp	**Less than 5%**	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, 2020 and 2019:

		Investment Maturities as of December 31, 2020			
Security Type	**Fair Value**	**Less than 1 Year**	**1 - 5**	**6 - 10**	**More than 10 Years**
		(Thousands)			
Collateralized Deposits	**$ 106,049**	**$ 106,049**	**$ 0**	**$ 0**	**$ 0**
Repurchase Agreements	**100,000**	**100,000**	**0**	**0**	**0**
Federal Agency Discount Notes	**46,368**	**44,369**	**1,999**	**0**	**0**
Federal Agency Securities	**299,454**	**38,811**	**64,544**	**25,932**	**170,167**
US Treasury Bills, Notes and Strips	**134,237**	**106,671**	**2,048**	**0**	**25,518**
	$ 686,108	**$ 395,900**	**$ 68,591**	**$ 25,932**	**$ 195,685**

		Investment Maturities as of December 31, 2019			
Security Type	Fair Value	Less than 1 Year	1 - 5	6 - 10	More than 10 Years
		(Thousands)			
Collateralized Deposits	$ 198,864	$ 198,864	$ 0	$ 0	$ 0
Repurchase Agreements	100,000	100,000	0	0	0
Federal Agency Discount Notes	54,260	44,290	9,970	0	0
Federal Agency Securities	280,330	11,102	72,635	14,062	182,531
US Treasury Bills, Notes and Strips	36,986	15,094	0	0	21,892
	$ 670,440	$ 369,350	$ 82,605	$ 14,062	$ 204,423

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 $17.2 million par in government agency zero coupon securities in the two portfolios ranging in maturity from January 15, 2021 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 no funds will be needed prior to 2042. 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, 2020 and 2019:

2020	**Total**	**Level 1**	**Level 2**	**Level 3**
		(Thousands)		
Collateralized Deposits	**$ 106,049**	**$ 0**	**$ 106,049**	**$ 0**
Repurchase Agreements	**100,000**	**0**	**100,000**	**0**
Federal Agency Discount Notes	**46,368**	**0**	**46,368**	**0**
Federal Agency Securities	**299,454**	**0**	**299,454**	**0**
US Treasury Bills, Notes and Strips	**134,237**	**0**	**134,237**	**0**
	$ 686,108	**$ 0**	**$ 686,108**	**$ 0**

2019	Total	Level 1	Level 2	Level 3
		(Thousands)		
Collateralized Deposits	$ 198,864	$ 0	$ 198,864	$ 0
Repurchase Agreements	100,000	0	100,000	0
Federal Agency Discount Notes	54,260	0	54,260	0
Federal Agency Securities	280,330	0	280,330	0
US Treasury Bills, Notes and Strips	36,986	0	36,986	0
	$ 670,440	$ 0	$ 670,440	$ 0

Colateralized 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 will result in a lower OPEB liability and establishes a method of writing off 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019 were as follows:

Security Type / Issuer	Fair Value 2020	Fair Value 2019
Federal Agency Fixed Income Securities	(Thousands)	
Federal Home Loan Bank	**$ 22,933**	$ 28,180
Federal National Mortgage Association	Less than 5%	Less than 5%
Federal Farm Credit Bank	**31,676**	35,161
Federal Home Loan Mortgage Corp	**17,483**	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 following table shows the distribution of the OPEB Trust's investments by maturity as of December 31, 2020 and 2019:

		Investment Maturities as of December 31, 2020			
Security Type	**Fair Value**	**Less than 1 Year**	**1 - 5**	**6 - 10**	**More than 10 Years**
			(Thousands)		
Federal Agency Securities	**74,299**	**0**	**0**	**0**	**74,299**
Government Securities	**28,601**	**0**	**0**	**0**	**28,601**
	$ 102,900	**$ 0**	**$ 0**	**$ 0**	**$ 102,900**

		Investment Maturities as of December 31, 2019			
Security Type	Fair Value	Less than 1 Year	1 - 5	6 - 10	More than 10 Years
			(Thousands)		
Federal Agency Securities	69,624	0	0	7,498	62,126
Government Securities	15,517	0	0	0	15,517
	$ 85,141	$ 0	$ 0	$ 7,498	$ 77,643

Risk Type	Exposure
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, 2020 and 2019:

		Level		
2020	**Total**	**1**	**2**	**3**
		(Thousands)		
Federal Agency Securities	**74,299**	**0**	**74,299**	**0**
Government Securities	**28,601**	**0**	**28,601**	**0**
	$ 102,900	**$ 0**	**$ 102,900**	**$ 0**

		Level		
2019	Total	1	2	3
		(Thousands)		
Federal Agency Securities	69,624	0	69,624	0
Government Securities	15,517	0	15,517	0
	$ 85,141	$ 0	$ 85,141	$ 0

Note 5 – Long -Term Debt

Debt Outstanding

The Authority's long-term debt at December 31, 2020 and 2019 consisted of the following:

	2020	2019	Interest Rate(s) (1)	Call Price (2)
	(Thousands)		(%)	(%)
Revenue Obligations: (mature through 2056)				
2009 Tax-exempt Refunding Series A	**$ 1,405**	$ 8,255	4.00-5.00	100
2009 Taxable Series C	**2,070**	2,295	6.224	P&I Plus Make-Whole Premium
2009 Taxable Series F	**100,000**	100,000	5.74	P&I Plus Make-Whole Premium
2010 Refunding Series B	**0**	64,150	4.00-5.00	100
2010 Series C (Build America Bonds) (3)	**360,000**	360,000	6.454	P&I Plus Make-Whole Premium
2011 Refunding Series B	**0**	47,100	4.00-5.00	Non-callable
2011 Refunding Series C	**135,855**	135,855	4.375-5.00	100
2012 Refunding Series A	**39,355**	63,205	3.00-5.00	100
2012 Refunding Series B	**0**	5,000	5.00	Non-callable
2012 Refunding Series C	**0**	13,565	5.00	Non-callable
2012 Tax-exempt Series D	**0**	260,685	3.50-5.00	100
2012 Taxable Series E	**230,460**	230,460	3.572-4.551	P&I Plus Make-Whole Premium
2013 Tax-exempt Series A	**152,655**	152,655	5.00-5.75	100
2013 Tax-exempt Refunding Series B	**388,730**	388,730	5.00-5.125	100
2013 Taxable Series C	**250,000**	250,000	5.784	P&I Plus Make-Whole Premium
2013 Tax-exempt Series E	**506,765**	506,765	5.00-5.50	100
2014 Tax-exempt Series A	**525,000**	525,000	5.00-5.50	100
2014 Tax-exempt Refunding Series B	**42,275**	42,275	5.00	100
2014 Tax-exempt Refunding Series C	**646,605**	696,605	3.00-5.50	100
2014 Taxable Refunding Series D	**31,795**	31,795	2.906-3.606	P&I Plus Make-Whole Premium
2015 Tax-exempt Refunding Series A	**558,925**	570,260	3.00-5.00	100
2015 Tax-exempt Refunding Series B	**64,870**	64,870	5.00	Non-callable
2015 Tax-exempt Refunding Series C	**94,535**	155,080	5.00	Non-callable
2015 Taxable Series D	**169,657**	169,657	4.77	P&I Plus Make-Whole Premium
2015 Tax-exempt Series E	**300,000**	300,000	5.25	100
2016 Tax-exempt Refunding Series A	**471,015**	543,745	3.125-5.00	100
2016 Tax-exempt Refunding Series B	**408,705**	508,705	2.75-5.25	100
2016 Tax-exempt Refunding Series C	**52,400**	52,400	3.00-5.00	100
2016 Taxable Series D	**174,980**	174,980	2.380	P&I Plus Make-Whole Premium
2019 Tax-exempt Refunding Series A[4]	**162,885**	163,005	Variable Rate	100
2020 Tax-exempt Refunding Series A	**338,480**	0	3.00-5.00	100
2020 Taxable Refunding Series B	**299,725**	0	1.485-2.659	P&I Plus Make-Whole Premium
Total Revenue Obligations	**6,509,147**	6,587,097		
Direct Placement Long-Term Revolving Credit Agreement: (matures through 2029)	**110,000**	45,000	N/A	N/A
Less: Current Portion - Long-term Debt	**104,575**	89,285		
Total Long-term Debt - (Net of current portion)	**$ 6,514,572**	$ 6,542,812		

(1) Interest Rates apply only to bonds outstanding as of December 31, 2020.

(2) Call Price may only apply to certain maturities outstanding at December 31, 2020.

(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, 2020 and 2019 was as follows:

	Gross LTD Beginning Balances	Increases	Decreases	Gross LTD Ending Balance	Current Portion LTD	Total LTD (Net of Current Portion)	Unamortized Debt Discounts and Premiums	LTD-Net Ending Balances
				YEAR 2020 (Thousands)				
Revenue Obligations Direct Placement	**$ 6,587,097**	**$ 638,205**	**$ (716,155)**	**$ 6,509,147**	**$ 104,575**	**$ 6,404,572**	**$ 342,705**	**$6,747,277**
Long-Term Revolving Credit Agreement	**135,266**	**175,100**	**(174,266)**	**136,100**	**26,100**	**110,000**	**0**	**110,000**
Totals	**$ 6,722,363**	**$ 813,305**	**$ (890,421)**	**$ 6,645,247**	**$ 130,675**	**$ 6,514,572**	**$ 342,705**	**$6,857,277**
				YEAR 2019 (Thousands)				
Revenue Obligations Direct Placement	$ 7,006,864	$ 165,226	$ (584,993)	$ 6,587,097	$ 89,285	$ 6,497,812	$ 358,318	$6,856,130
Long-Term Revolving Credit Agreement	111,500	78,000	(54,234)	135,266	90,266	45,000	0	45,000
Totals	$ 7,118,364	$ 243,226	$ (639,227)	$ 6,722,363	$ 179,551	$ 6,542,812	$ 358,318	$6,901,130

Summary of Long-Term Principal and Interest

Maturities and projected interest payments of long-term debt are as follows:

Year Ending December 31,	Revenue Obligations	Long-Term Revolving Credit Agreements	Total Principal	TOTAL Interest [1]	TOTAL
			(Thousands)		
2021	$ 104,575	$ 26,100	$ 130,675	$ 315,198	$ 445,873
2022	106,006	91,000	197,006	307,889	504,895
2023	292,456	1,335	293,791	302,840	596,631
2024	111,841	11,335	123,176	293,498	416,674
2025	122,025	1,335	123,360	288,654	412,014
2026-2030	781,417	4,995	786,412	1,352,887	2,139,299
2031-2035	940,420	0	940,420	1,173,542	2,113,962
2036-2040	913,845	0	913,845	942,220	1,856,065
2041-2045	993,827	0	993,827	731,515	1,725,342
2046-2050	1,127,925	0	1,127,925	441,917	1,569,842
2051-2055	973,415	0	973,415	153,492	1,126,907
2056	41,395	0	41,395	1,987	43,382
Total	$ 6,509,147	$ 136,100	$ 6,645,247	$ 6,305,639	$ 12,950,886

[1] Does not reflect impact of subsidy interest payments on 2010 Taxable C (Build America Bonds). Years 2021-2036 include projected interest for Long-Term Revolving Credit Agreements and Variable Rate Debt.

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Summary of Refunded and Defeased Debt and Unamortized Losses

Refunded and defeased debt, original loss on refunding and the unamortized loss at December 31, 2020 are as follows:

Refunding Description		Refunded/Defeased Debt		Outstanding	Original Loss	Unamortized Loss
		(Thousands)			(Thousands)	
Cash Defeasance	$	20,000	1982 Series A	$ 0	$ 2,763	$ 111
2011 Refunding Series C	$	134,715	2002 Series B			
		5,160	2007 Series A	0	4,362	2,668
2012 Refunding Series A	$	73,535	2003 Refunding Series A			
		34,160	2004 Series A	0	12,206	1,835
Feb 2012 Defeasance	$	5,615	2003 Refunding Series A	0	749	413
2013 Refunding Series B	$	209,426	2003 Refunding Series A			
		7,070	2004 Series A			
		5,000	2006 Series A			
		6,565	2007 Series A			
		82,605	2008 Series B			
		1,125	2009 Series B			
		30,158	2011 Series A (LIBOR Index)			
		2,040	2012 Series D	0	14,446	10,519
2013 Refunding Series C	$	35,584	2003 Refunding Series A			
		97,695	2008 Series B	0	4,601	3,024
2014 Refunding Series C &	$	10,870	2003 Refunding Series A			
Taxable Refunding Series D		11,395	2005 Refunding Series A			
		419,105	2006 Series A			
		10,385	2006 Refunding Series C			
		175,775	2007 Series A			
		4,230	2007 Refunding Series B			
		15,000	2008 Series A			
		15,200	2009 Series B			
		12,920	2010 Refunding Series B			
		3,100	2011 Refunding Series B			
		5,625	2012 Refunding Series A			
		2,000	2012 Refunding Series B			
		15,185	2012 Refunding Series C			
		11,335	2012 Series D			
		18,185	2013 Taxable Series D (LIBOR Index)			
		44,075	Expansion Bond Refunding CP	0	32,936	21,528

Summary of Refunded and Defeased Debt and Unamortized Losses (continued)

Refunding Description		Refunded/Defeased Debt		Outstanding	Original Loss	Unamortized Loss
		(Thousands)			(Thousands)	
2015 Refunding Series A	$	13,370	2006 Series A			
		32,750	2007 Series A			
		93,035	2008 Series A			
		30,765	2009 Series B	$ 0	$ 21,487	$ 8,311
2015 Refunding Series B	$	78,150	2005 Refunding Series C	0	4,987	1,700
2015 Refunding Series C	$	87,560	2005 Refunding Series A			
		217,065	2005 Refunding Series B	0	24,366	1,693
2015 Series E	$	100,000	Barclays Revolving Credit Agreement	0	89	77
2016 Refunding Series A	$	75,885	2007 Series A			
		278,950	2008 Series A			
		20,905	2009 Refunding Series A			
		112,210	2009 Series B			
		75,000	2014 Series A (Step Coupon Bond)	0	56,068	36,283
2016 Refunding Series B	$	97,715	2009 Series E	0	12,873	10,204
2019 Refunding Series A	$	8,514	2004 Series M (1)			
		3,227	2005 Series M (1)			
		2,796	2006 Series M (1)			
		13,022	2008 Series M (1)			
		18,565	2010 Series M1(1)			
		16,401	2011 Series M2 (1)			
		14,084	2013 Series M1 (1)			
		28,773	2014 Series M1 (1)			
		20,453	2015 Series M1 (1)			
		25,407	2016 Series M1 (1)	144,761	1,747	1,530
2020 Refunding Series A	$	5,510	2009 Series A	5,510	77	74
Total				$ 150,271	$ 193,757	$ 99,969

(1) Includes Current Interest-Bearing Bonds (CIBS) and Capital Appreciation Bonds (CABS).

Summary of In-Substance Defeasance of Debt Using Only Existing Resources

Defeased debt, cash placed in escrow, and defeased debt outstanding at December 31, 2020 are as follows:

Description of Transaction		Defeased Debt			Cash Placed in Escrow		Defeased Debt Outstanding
					(Thousands)		
09/2018 Cash Defeasance	$	48,475	2009 Refunding Series A				
		37,305	2010 Refunding Series B				
		81,510	2011 Refunding Series B				
		8,015	2012 Refunding Series A				
		7,510	2012 Refunding Series C				
		6,325	2012 Series D				
		100,000	2013 Series A				
		7,920	2014 Refunding Series C				
		5,485	2015 Series A				
		43,690	2015 Refunding Series C	$	164,224	$	153,095
10/2019 Cash Defeasance	$	63,680	2009 Series C				
		2,285	2009 Series E				
		10,181	2010 Series M2 (1)				
		19,403	2011 Series M1 (1)				
		31,775	2012 Series D				
		32,370	2012 Series M1(1)				
		15,088	2012 Series M1 (1)				
		13,230	2012 Series M2 (1)				
		3,048	2013 Series M1 (1)				
		10,400	2015 Series M1 (1)				
		10,926	2016 Series M1 (1)				
		147,670	2016 Series D	$	110,365	$	108,950
12/2020 Cash Defeasance	$	38,490	2011 Refunding Series B				
		5,715	2012 Refunding Series A				
		1,655	2012 Series D				
		11,335	2015 Refunding Series A	$	59,998	$	57,195
Total				$	334,587	$	319,240

(1) Includes Current Interest-Bearing Bonds (CIBS) and Capital Appreciation Bonds (CABS).

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 2019 current portion of long-term debt showing the amounts paid as debt service in 2020.

Analysis of December 31, 2019 Current Portion of Long-term Debt:	(Thousands)
Principal debt service paid from Revenues	$ 89,285
Total	$ 89,285

An analysis of the $63,450 current portion of long-term debt at December 31, 2018 showed that $45,905 was debt service paid from revenues. The remaining $17,545 represented five percent of the original principal for outstanding minibond issues.

Reconciliations of Interest Charges

Years Ended December 31,	**2020**	2019
	(Thousands)	
Reconciliation of interest cost to interest expense:		
Total interest cost	**$ 322,127**	$ 340,183
Interest charged to fuel expense	**(396)**	(950)
Interest charged to Camp Hall	**(49)**	0
Total interest expense on long-term debt	**$ 321,682**	$ 339,233
Reconciliation of interest cost to interest payments:		
Total interest cost	**$ 322,127**	$ 340,183
Accrued interest-current year	**(37,919)**	(40,401)
Accrued interest-prior year	**40,401**	46,383
Interest released by refundings	**(10,270)**	(6,061)
Accretion on capital appreciation minibonds	**0**	(2,221)
Total interest payments on long-term debt	**$ 314,339**	$ 337,883

Debt Service Coverage

Years Ended December 31,	2020	2019
	(Thousands)	
Operating revenues	$ 1,627,427	$ 1,722,676
Interest and investment revenue	3,216	7,922
Total revenues and income	1,630,643	1,730,598
Operating expenses	(1,263,683)	(1,319,872)
Depreciation	244,992	197,613
Total expenses	(1,018,691)	(1,122,259)
Funds available for debt service prior to distribution to the State and Special Item (*See Note 15 – Special Item*)	611,952	608,339
Distribution to the State	(17,479)	(17,496)
Special Item	0	(200,000)
Funds available for debt service after distribution to the State & Special Item	$ 594,473	$ 390,843
Debt Service on Accrual Basis:		
Principal on long-term debt	$ 97,296	$ 81,361
Interest on long-term debt	321,793	342,263
Long-term debt service paid from Revenues	419,089	423,624
Commercial paper and other principal and interest	35,183	22,904
Total debt service paid from Revenues	$ 454,272	$ 446,528
Debt Service Coverage Ratio:		
Excluding commercial paper and other:		
Prior to distribution to the State and Special Item	1.46	1.43
After distribution to the State and Special Item	1.41	0.92
Including commercial paper and other:		
Prior to distribution to the State and Special Item	1.34	1.36
After distribution to the State and Special Item	1.30	0.87

Fair Value of Debt Outstanding

The fair value of the Authority's debt is estimated based on quoted market prices for the same or similar issues or on the current rates offered to the Authority for debt with the same remaining maturities. Based on the borrowing rates currently available to the Authority for debt with similar terms and average maturities, the fair value of debt was $7.7 billion and $7.5 billion at December 31, 2020 and 2019, respectively.

Bond Market Transactions

Bond market transactions for the year ended December 31, 2020 were as follows:

Revenue Obligations, 2020 Tax-Exempt Refunding and Imp. Series A and Taxable Refunding Series B	**Par Amount: $638,205,000**	**Date Authorized: October 28,2020**

Summary: - Issued on November 5, 2020 at an all-in true interest rate of 2.866 percent
- Matures December 1, 2043

Bond market transactions for the year ended December 31, 2019 were as follows:

Revenue Obligations, 2019 Tax-Exempt Refunding Series A	Par Amount: $163,005,000	Date Authorized: November 13, 2019

Summary: - Issued on November 21, 2019
- Matures January 1, 2036 (sinking funds 2021 – 2036)

Debt Covenant Compliance

As of December 31, 2020, and 2019, 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,	**2020**	2019
Outstanding Revenue Obligations	**$ 6.5 Billion**	$ 6.6 Billion
Estimated remaining interest payments	**$ 6.3 Billion**	$ 6.8 Billion
Issuance years (inclusive)	**2009 through 2020**	2009 through 2019
Maturity years (inclusive)	**2021 through 2056**	2020 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 6 – Variable Rate Debt

The Board has authorized the issuance of variable rate debt not to exceed 20 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. At December 31, 2020, 6.90% of the Authority's aggregate debt outstanding was variable rate. 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,		**2020**		2019
Commercial paper outstanding (000's)	**$**	**171,251**	$	142,351
Effective interest rate (at December 31)		**.21%**		1.89%
Average annual amount outstanding (000's)	**$**	**151,625**	$	164,890
Average maturity		**42 Days**		47 Days
Average annual effective interest rate		**.84%**		2.40%

As of December 31, 2020, the Authority had secured Irrevocable Direct Pay Letters of Credit and Reimbursement Agreements with Barclays Bank PLC totaling $300.0 million. These agreements are used to support the Authority's issuance of up to $300.0 million of commercial paper. As of December 31, 2019, the Authority had secured Irrevocable Direct Pay Letters of Credit and Reimbursement Agreements with Bank of America, N.A. totaling $200.0 million. These agreements are used to support the Authority's issuance of up to $200.0 million of commercial paper. There were no borrowings under the agreements during 2020 or 2019. The unused available capacity was $128.749 million as of December 31, 2020.

As of December 31, 2020, the Authority had a Revolving Credit Agreement with Bank of America, N.A. for $200.0 million. This agreement is used to obtain funds if needed. The agreement was entered into on September 10, 2020 and a $45.0 million loan was secured under the Direct Purchase Revolving Credit Agreement. The unused available capacity was $155.0 million.

As of December 31, 2019, the Authority had a Revolving Credit Agreement with Barclays Bank PLC for $200.0 million. This agreement was used to obtain funds if needed for capital projects and working capital. In October 2019, the Authority secured a $64.0 million loan and in November 2019 secured a $14.0 million loan under the Revolving Credit Agreement for capital expenditures. The Authority paid off $30.0 million of these loans in 2019. A total of $78.0 million of loans under this Agreement remained outstanding at December 31, 2019. The unused available capacity on this line was $122.0 million as of December 31, 2019. The Barclays Bank PLC Revolving Credit Agreement was terminated on September 10, 2020 and all amounts outstanding under the agreement were paid off.

As of December 31, 2020, the Authority had a Revolving Credit Agreement with TD Bank, N.A. for $200.0 million. This agreement is used to obtain funds if needed. The agreement was entered into on July 27, 2017 and expires June 30, 2021. The Authority paid off $24.2 million of loans in 2019. A total of $54.8 million of loans remain outstanding at December 31, 2019. The unused available capacity on this line was $145.2 million as of December 31, 2019. In September 2020, the Authority secured $72.1 million loan under the Revolving Credit Agreement for capital expenditures. The Authority paid off $35.8 million of loans in 2020. A total of $91.1 million of loans remain outstanding at December 31, 2020. The unused available capacity on this line was $108.9 million as of December 31, 2020.

As of December 31, 2020, the Authority had a Revolving Credit Agreement with J.P. Morgan Chase Bank, N.A. for $150.0 million. This agreement is used to obtain funds if needed. The agreement was entered into on August 1, 2017 was amended August 7, 2020 and expires September 6, 2021. In August 2017, the Authority secured a $2.5 million loan under the Revolving Credit Agreement to pay off $2.5 million of Commercial Paper Notes. A total of $2.5 million of loans under this Revolving Credit Agreement remain outstanding at December 31, 2019. The unused available capacity on this line was $247.5 million as of December 31, 2019. The Authority paid off $2.5 million of loans in 2020. The unused available capacity on this line was $150.0 million as of December 31, 2020.

In 2019, the Authority secured an Irrevocable Direct Pay Letter of Credit and Reimbursement Agreement with Bank of America, N.A. totaling $163.0 million dated November 1, 2019 to support the Variable Rate Revenue Obligations, 2019 Tax-Exempt Refunding Series A. There were no borrowings during 2020.

The Authority has entered into a Reimbursement Agreement with Bank of America, N.A. dated November 1, 2019 (the 2019 Agreement), in support of the Authority's issuance of approximately $163.0 million of variable rate revenue obligations (2019A Bonds). An event of a default by the Authority under the 2019 Agreement can result in a mandatory tender of the 2019A Bonds and purchase of the obligations by the Bank and the payment by the Authority of the principal component of the purchase price of the Bonds, including interest thereon, on the 180th day following the date the Liquidity Advance was made.

The Authority also has debt outstanding under Revolving Credit Agreements (RCAs) and Reimbursement Agreements with the banks identified above. 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. 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 acceleration is waived by the lender where applicable). 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.

Note 7 – Summer Nuclear Station

Summer Nuclear Unit 1

The Authority and Dominion are parties to a joint ownership agreement providing that the Authority and Dominion 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. Dominion 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.

Authority's Share of Summer Nuclear - Unit 1

Years Ended December 31,	**2020**	2019
	(Millions)	
Plant balances before depreciation	**$ 734.7**	$ 684.8
Accumulated depreciation	**354.3**	351.9
Operation & maintenance expense	**81.0**	97.5

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.

Dominion contracted with HOLTEC International, The Shaw Group, Inc. and Westinghouse 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, Dominion and the Authority are being reimbursed by DOE for a portion of ISFSI project costs. The Authority expects this reimbursement will equal approximately 75 percent of total project costs.

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 $427.5 million in 2020 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, these funds, which total approximately $246.8 million (adjusted to market) at December 31, 2020, 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.

Summer Nuclear Units 2 and 3

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 (now known as Dominion) (55% ownership interest) (together, the "Owners").

In May of 2008, SCE&G, acting for itself and as agent for the Authority, entered into the EPC Agreement, with a contractor consortium consisting of Westinghouse and Stone & Webster, Inc. ("Stone & Webster" and together with Westinghouse, the "Consortium"), a wholly-owned subsidiary of Shaw. Under the EPC Agreement, the Consortium would supply, construct, test and start up Summer Nuclear Units 2 and 3, with guaranteed substantial completion dates of April 2016 for Summer Nuclear Unit 2 and January 2019 for Summer Nuclear Unit 3. In addition, Westinghouse's indirect parent company, Toshiba Corporation ("Toshiba"), provided a guaranty of Westinghouse's payment obligations under the EPC Agreement (the "Guaranty") and Stone & Webster's parent company, Shaw, likewise provided a guaranty of Stone & Webster's payment obligations under the EPC Agreement.

The cost of Summer Nuclear Units 2 and 3 was originally estimated to be approximately $9.8 billion. Based on its 45% ownership interest, the Authority's portion of the cost to construct Summer Nuclear Units 2 and 3 was approximately $4.4 billion. The Authority's funding sources for Summer Nuclear Units 2 and 3 consisted of the proceeds of Revenue Obligations issued pursuant to the Revenue Obligation Resolution between 2008 and 2016 and outstanding in the aggregate principal amount of $3,634 million as of December 31, 2020.

During the course of construction, issues materialized that affected the budget and schedule for Summer Nuclear Units 2 and 3. In February of 2017, Toshiba Corporation announced a $6.3 billion write-down on the value of Westinghouse, stemming from its two U.S. nuclear construction projects, Summer Nuclear Units 2 and 3 and Units 3 and 4 at the Vogtle nuclear power plant located in Burke County, Georgia ("Vogtle Nuclear Units 3 and 4"). A month later, Westinghouse and 29 affiliated companies filed a petition pursuant to Chapter 11 of the Bankruptcy Code (the "Petition") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

After the filing of the Petition, the Owners, led by SCE&G, conducted a comprehensive analysis regarding the continued viability of Summer Nuclear Units 2 and 3. The analysis revealed that: (i) the costs to complete Summer Nuclear Units 2 and 3 (including labor costs) would be much higher than previously expected; and (ii) the construction schedule would take much longer than previously expected. In particular, (i) the Owners' analysis estimated that completion of Summer Nuclear Units 2 and 3 would be delayed until 2023 for Summer Nuclear Unit 2 and 2024 for Summer Nuclear Unit 3 and (ii) the new cost estimate for Summer Nuclear Units 2 and 3 was over $25 billion, placing the Authority's 45% share at $11.4 billion ($8 billion in construction costs and $3.4 billion in interest expense), an increase from the then-current projected cost of $6.2 billion.

The Owners also entered into negotiations with Toshiba for the purpose of acknowledging and defining Toshiba's obligations under the Guaranty and establishing a schedule for the full payment of such obligations to the Owners. As a result, in July of 2017, the Owners and Toshiba entered into a settlement agreement (the "Toshiba Settlement Agreement") which included, among other things Toshiba's agreement that it would pay the Guaranty obligation in the amount of $2.168 billion (the Authority's share (based on its 45% ownership interest) equaling $975.6 million)), in accordance with a payment schedule commencing in 2017 and continuing through 2022.

On July 31, 2017, the Authority approved the wind-down and suspension of construction of Summer Nuclear Units 2 and 3 and the preservation and protection of the site and related components and equipment. SCANA approved similar action on the same day. To date, the Authority had spent approximately $4.7 billion in construction and interest costs. Upon suspending construction, and in accordance with GASB 62, the Authority ceased capitalizing interest expense on the debt incurred to fund Summer Nuclear Units 2 and 3 as of July 31, 2017.

In early September of 2017, the Owners filed two proofs of claim in unliquidated amounts in connection with the Westinghouse bankruptcy proceeding. Later that month, the Owners and Citibank, N.A. ("Citibank") entered into an Assignment and Purchase Agreement (the "Assignment and Purchase Agreement"), pursuant to which the Owners sold and assigned rights to receive payment under the Toshiba Settlement Agreement and rights, duties and obligations arising under the two proofs of claim filed in the Westinghouse bankruptcy proceeding to Citibank, in exchange for a purchase price of $1,847,075,400 (the Authority's share (based on its 45% ownership interest) equaling $831,183,930). Excluded from the sale was the initial $150 million payment (the Authority's share (based on its 45% ownership interest) equaling $67.5 million) received by the Owners under the Toshiba Settlement Agreement.

In January of 2018, the Owners entered into Amendment No. 1 of the Toshiba Settlement Agreement and Amendment No. 1 of the Assignment and Purchase Agreement. These amendments had the effect of capping at $60 million the Owners' current obligation to reimburse Citibank for payments the Owners received from the Westinghouse estate that had the effect of reducing mechanics liens at the site of Summer Nuclear Units 2 and 3 (the Authority's share (based on its 45% ownership interest) equaling $27.0 million). To date, the Owners have not made any reimbursement payments to Citibank.

Also, in January, the State's Department of Revenue ("DOR") notified SCE&G that the sales and use tax returns for Summer Nuclear Units 2 and 3 had been assigned for a sales and use tax audit. During a meeting in February, the DOR took the position that, because Summer Nuclear Units 2 and 3 had been abandoned and the facility was not completed and would not produce electricity, the materials for Summer Nuclear Units 2 and 3 were not tax-exempt and sales tax payments were due on previously tax-exempt purchases. In May, the DOR issued a proposed notice of assessment in the amount of $421 million. The Authority has submitted a protest to the notice of proposed assessment and continues to dispute the position that sales taxes are due and owing. Pursuant to an agreement between the Authority and Dominion ancillary to the Cook Settlement, Dominion agreed to hold the Authority harmless for any potential liability associated with the Department of Revenue Matter.

In March of 2018, the Bankruptcy Court issued its order confirming Westinghouse's Chapter 11 plan of reorganization (the "Westinghouse Plan of Reorganization"). The Westinghouse Plan of Reorganization provided for the sale of Westinghouse to Brookfield Business Partners, L.P. ("Brookfield") for $4.6 billion, which occurred in August of 2018.

The Westinghouse Plan of Reorganization also provided for the payment of claims made by allowed general unsecured creditors in an amount equal to the lesser of: (i) their pro rata share of certain funds; or (ii) 100% of the amount of the allowed claim. Under the Westinghouse Plan of Reorganization, creditors providing materials and services at the site of Summer Nuclear Units 2 and 3 were classified as Class 3A General Unsecured Creditors. In December of 2018, an initial distribution was made on behalf of the Westinghouse estate to Class 3A General Unsecured Creditors equaling approximately 25% of the allowed amount of each claim. Subsequently, a catch-up payment was made representing 75% of the allowed amount of each claim. Representatives of W. Wind Down Company, LLC, the entity responsible for paying the Westinghouse claims under the supervision of the Bankruptcy Court, has represented to the Owners that funds have been reserved to pay 100% of the presently disputed claims by the Class 3A General Unsecured Creditors. In the event that such disputed claims are not paid in full from the Westinghouse estate, the Class 3A General Unsecured Creditors could claim that the Authority is liable for payment under a mechanic's lien theory.

In June of 2018, SCE&G and the Authority signed a Right of Entry Agreement allowing the Authority to begin implementation of a Maintenance, Preservation, and Documentation (MPD) Program to preserve the equipment relative to Summer Nuclear Units 2 and 3 for sale. The Authority contracted with Fluor to perform an assessment of the condition of the equipment and to implement an MPD Program to help protect its value. Fluor began this scope of work in July of that year. The Authority has since approved an extension of the MPD Program through the end of 2020. The Authority has spent $13.5 million through December 2020 to preserve the equipment.

In January of 2019, SCANA and its subsidiaries, including SCE&G, merged with Dominion. Through the merger, SCANA became a wholly-owned subsidiary of Dominion.

On April 5, 2019, Westinghouse filed an adversary proceeding complaint in the United States Bankruptcy Court for the Southern District of New York against the Authority, claiming that it is the owner of and has title to certain equipment related to the construction of Summer Nuclear Units 2 and 3 pursuant to the EPC Agreement. The parties settled the matter on August 29, 2020.

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. First, an evaluation was conducted in accordance with GASB 42 to determine whether the assets were impaired. 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 to be impaired because: (i) the decline in service utility of the assets was large in magnitude; (ii) the event or change in circumstance was outside the normal life cycle of the assets; and (iii) although Summer Nuclear Units 2 and 3 could be completed at some point in the future, the Authority had no near-term plans to do so. Next, the Authority set out to determine the fair value of the impaired assets.

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 a portion of post-suspension capitalized interest. With the cessation of capitalized interest and the timing of the suspension, the Authority would be unable to collect a portion of the post-suspension capitalized interest in its rates. Such post-suspension capitalized interest totaled $37.1 million as of December 31, 2017 and, like the $4.211 billion impairment write-off, will be recorded as a regulatory asset and amortized through November 2056 in order to align with the principal payments on the debt used to pay the interest.

In December of 2017, the Authority also approved the use of regulatory accounting to defer the recognition of income from the Toshiba Settlement Agreement. The Authority recorded a regulatory deferred inflow of $898.2 million with respect to the Toshiba Settlement Agreement as of December 31, 2017, to be amortized over time in order to align with the manner in which the settlement proceeds are used to reduce debt service payments.

In the event that the principal maturities of the indebtedness described above changed materially, the amortization will be adjusted to better align with the new maturities. As such, the $4.211 billion impairment write-off was adjusted to $3.704 billion as of December 31, 2020, to account for a decrease of $40.2 million for adjustments after year end 2017 and amortization of $467.3 million. The $898.2 million deferred inflow with respect to the Toshiba Settlement Agreement was similarly adjusted to $296.4 million to account for $13.8 million in interest income and amortization of $615.6 million.

The following table summarizes the nuclear-related regulatory items:

Regulatory Item	Classification	Original Amount	2018 - 2020 Amortization	2018 - 2020 Changes	2020 Ending Balance
Nuclear impairment	Asset	$ 4.211 billion	($ 467.3 million)	($40.2 million)	$ 3.704 billion
Nuclear post-suspension interest	Asset	$ 37.1 million			$ 37.1 million
Toshiba Settlement Agreement	Deferred Inflow	$898.2 million	($ 615.6 million)	$ 13.8 million	$296.4 million

Switchyard Assets. SCE&G and the Authority determined that certain transmission-related switchyard assets that were part of Summer Nuclear Units 2 and 3 (the "Switchyard Assets") were unimpaired. During 2018, SCE&G (now Dominion) and the Authority agreed that the ownership interest in the Switchyard Assets needed to be adjusted and began negotiating an agreement to adjust the percentages and true-up the charges. In June of 2019, Dominion and the Authority entered into a Bill of Sale setting the amount of the true-up payment for the Switchyard Assets at $2,675,911. Dominion made this payment to the Authority in September 2019.

Forbearance Agreement. In December of 2018, SCE&G and the Authority executed a Forbearance Agreement (the "Forbearance Agreement") for the purpose of facilitating the possible domestic and international sales of equipment, commodities and plant components relative to Summer Nuclear Units 2 and 3. Pursuant to the Forbearance Agreement, SCE&G reaffirmed its irrevocable waiver of any and all rights in certain assets (the "Forbearance Assets") consisting of Summer Nuclear Units 2 and 3; ancillary facilities; intellectual property; equipment and materials on-site and off-site including, without limitation, assets, materials and equipment that are affixed to the real property at the site but are capable of being removed. Excluded from the Forbearance Assets were the underlying real property; certain specifically-identified assets excluded from the abandonment of Summer Nuclear Units 2 and 3 prior to December 31, 2017; substation and switchyard assets; the old New Nuclear Deployment (NND) building and nuclear fuel. Under the Forbearance Agreement, Dominion had thirty (30) days from the execution date to: (i) seek approval of the Forbearance Agreement from the PSC and (ii) take reasonable efforts to obtain the release of any security interest or mortgage attached to the Forbearance Assets. In March of 2019, (i) the PSC approved the Forbearance Agreement and (ii) Dominion provided the Authority with a fully-executed release.

Sales of Summer Nuclear Units 2 and 3 Assets. During calendar years 2018 - 2020, the Authority sold certain equipment and commodities to third parties. As of December 31, 2020, $15.8 million of materials have been sold.

Note 8 – Leases

Capital Lease

The Authority, as lessor, has a capital lease (the "Office Site Ground Lease Agreement") with Volvo Car USA, LLC, as lessee, covering a ground lease for an improved office site and associated acreage. The lease term is 20 years with annual payments of $404,167 due each January 1st, starting January 1, 2018. The sum of the minimum lease payments total $8.1 million and include site work of $5.9 million, land of $0.5 million and interest of $1.7 million (based on the 20-year Treasury Bill at the effective rate of 2.58%). Volvo Car USA, LLC has options to purchase the office site as follows:

1. At any time until the expiration of the capital lease term, Volvo Car USA, LLC shall have a purchase option, the price of which shall be determined as: (i) the amount sufficient to repay in full the land purchase price of $0.5 million; plus (ii) the costs and expenses incurred by the Authority for the site preparation of $5.9 million; plus (iii) interest added at 2.58% per annum; accruing from the work completion date through and until the date of payment by Volvo Car USA, LLC to Santee Cooper of the option purchase price; less (iv) the amount of rent paid by Volvo Car USA, LLC to the Authority as of the date of payment by Volvo Car USA, LLC of the option purchase price.
2. At expiration of the capital lease and if Volvo Car USA, LLC has paid all rent in accordance with the capital lease, Volvo Car USA, LLC shall have a purchase option with an option purchase price of $1.

Total minimum lease payments to be received from Volvo Car USA, LLC as of December 31, 2020 are as follows:

Year Ending December 31,	Minimum Lease Payments (Thousands)
2021	$ 404
2022	404
2023	404
2024	404
2025	404
Thereafter	4,851
Total	$ 6,871

Operating Lease

Hydroelectric generating facility lease (Buzzard's Roost):

- Obligation is $600,000 per year plus operating expenses
- Lease terminated on March 3, 2020.

Note 9 – Contracts with Electric Power Cooperatives

Central is a generation and transmission cooperative that provides wholesale electric service to each of the 20 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 which is defined below, energy Central receives from the Southeastern Power Administration ("SEPA") and negligible amounts generated and purchased from others.

Central, under the terms of the Coordination Agreement, has the right to audit costs billed to them. 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. Such adjustments in 2020 and 2019 were not material to the Authority's overall operating revenue.

In September 2009, the Authority and Central entered into an agreement which, among other things, permitted Central to purchase the electric power and energy requirements necessary to serve five of its member cooperatives, (Blue Ridge Electric Cooperative, Inc., Broad River Electric Cooperative, Inc., Laurens Electric Cooperative, Inc., Little River Electric Cooperative, Inc. and York Electric Cooperative, Inc.) who are directly connected to the transmission system of Duke (the "Upstate Load"), from a supplier other than the Authority. The Upstate Load began transitioning to the new supplier, Duke, in 2013. The load transition was complete on January 1, 2019 and amounted to approximately 900 MW.

In 2013 the Central and Authority Boards approved an Amendment to the Coordination Agreement. As part of this Central agreed to extend their rights 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 and continue to conduct business pursuant to the terms of the Settlement and the Coordination Agreement. (See Note 10 – *Legal Matters, Recently Settled Nuclear-Related Litigation)*

Note 10 – Commitments and Contingencies

Budget - The Authority's 2021 three-year capital budget is as follows:

Years Ending December 31,	2021	2022	2023
		(Millions)	
Environmental Compliance [1]	$ 49.8	$ 59.0	$ 58.8
General System Improvements and Other [2]	263.7	214.4	223.3
Total Capital Budget [3]	$ 313.5	$ 273.3	$ 282.1

Budget Assumptions:
[1] Environmental Compliance is composed of project costs associated with ash pond closures and solid waste.
[2] Other includes Advanced Metering Infrastructure, FERC Relicensing, Camp Hall, and Renewables.
[3] Will be financed by internal funds or debt.

Purchase Commitments - The Authority has contracted for long-term coal purchases under contracts with estimated outstanding minimum obligations after December 31, 2020. The disclosure of minimum obligations (including market re-opener contracts) 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)	
2021	$ 200,110	$ 138,010
2022	149,685	114,348
2023	146,663	111,025
2024	148,463	112,525
Total	$ 644,921	$ 475,908

[1] Includes tons which the Authority can elect not 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, 2020:

Contracts with Minimum Fixed Payment Obligations[1]

Number of Contracts	Delivery Beginning	Remaining Term	Obligations (Millions)
1	1985	15 Years	$ 0

[1] The Armed Services Board of Contract Appeals has instructed Santee Cooper and the Corps of Engineers to negotiate capacity value, and the parties are working to determine same.

Contracts with Power Receipt and Payment Obligations [1]

Number of Contracts	Delivery Beginning	Remaining Term	Obligations (Millions)
1	2010	5 Years	$ 87.5
2	2013	23 Years	476.4
1	2013	13 Years	5.8
1	2020	5 Years	27.7
1	2020	5 Years	27.9
1	2022	5 Years	25.2
1	2023	5 Years	14.0

[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 Dominion, 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 2021 and the total transmission obligations for 2022-2031. The wholesale customer obligations below represent projected transmission amounts through the term of the current contracts.

Transmission Obligations

	2021	2022-2031
	(Thousands)	
Other Customers	$ 8,751	$ 47,034
Total	$ 8,751	$ 47,034

As of December 31, 2020, Santee Cooper has executed four purchase power agreements with 5 year terms under the Public Utilities Regulatory Policies Act of 1978 (PURPA). A project associated with an agreement with Centerfield Solar, LLC, effective April 18, 2019, having a nameplate capacity of 75 MW, reached commercial operation in December 2020. An agreement with Alora Solar, LLC, was effective May 19, 2020, and the project is scheduled to achieve commercial operation in the 4th quarter of 2022 and has a nameplate capacity of approximately 75 MW. Projects totaling approximately 130 MW of nameplate capacity associated with agreements with Gunsight Solar, LLC, effective April 30, 2019, and Landrace Holdings, LLC, effective May 19, 2020, are expected to achieve commercial operation by the 4th quarter of 2023, respectively.

In 2020, Santee Cooper issued a Request for Proposals up to 500 MW of solar capacity and energy. To date, five contracts totaling 425 MW have been awarded with terms ranging from 15-20 years and expected commercial operation in 2023.

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 Units 1, 2 and 3. As of December 31, 2020, these contracts total approximately $106.9 million over the next 13 years.

On May 12, 2008, Dominion (formerly known as SCE&G), for itself and as agent to the Authority, entered into a Uranium Hexafluoride ("UF6") Supply Agreement with Cameco, Inc. ("Cameco"), a Nevada corporation that supplies uranium products (the "Original Agreement"). The Original Agreement called for delivery of a total of 1,535,000 kilograms of elemental uranium ("kgU") of UF6 to Dominion. The total quantity to be delivered was spread out over the 2010 to 2016 time-period with an annual base quantity specified for each year. The Original Agreement was subsequently amended on January 25, 2011 (the "Amendment") (the Original Agreement, as amended by the Amendment, is hereinafter referred to as the "Agreement"), to provide for additional deliveries of UF6 over an extended contract term covering the period of 2017 to 2020. The Amendment called for an additional 1,640,000 kgU of UF6 to be delivered with 410,000 kgU identified as the annual base quantity for each year of the extended term. The Amendment also modified the pricing terms.

On December 18, 2018, Cameco initiated an arbitration proceeding alleging that Dominion was in breach of the Agreement when it did not take and pay for the full quantity of UF6 to be delivered under the Agreement, for use in Summer Nuclear Unit 1 and Summer Nuclear Units 2 and 3. The Authority, as co-owner of those plants, may be responsible for a portion of any judgment against Dominion. The Authority, however, was not named as a respondent in the arbitration proceeding. The estimated amount of any such judgment is unknown at this time.

Pursuant to the Settlement Agreement and Release dated March 17, 2020 between Dominion and the Authority, Dominion agreed to indemnify the Authority for any amounts required to satisfy a judgment or settlement in the Cameco arbitration.

The Authority successfully negotiated a Contractual Service Agreement with GEII, effective March 2016, that covers all units on the Rainey plant site. 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 $55.4 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.

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 concrete block. The Authority has multiple beneficial use agreements to facilitate beneficial use activities, one of which is the 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 staged turbulent air reactor ("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 2020. 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 2020, 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, 2020. In addition, there have been no third-party claims regarding environmental damages for 2020 or 2019.

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,		**2020**		2019
		(Thousands)		
Unpaid claims and claim expense at beginning of year	**$**	**2,690**	$	1,075
Incurred claims and claim adjustment expenses:				
Add: Provision for current year events		**576**		5,486
Less: Payments for current and prior years		**1,712**		3,871
Total unpaid claims and claim expenses at end of year	**$**	**1,554**	$	2,690

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 $13.798 billion by the Price-Anderson Indemnification Act. This $13.798 billion would be covered by nuclear liability insurance of $450.0 million per reactor unit, with potential retrospective assessments of up to $137.6 million per licensee for each nuclear incident occurring at any reactor in the United States (payable at a rate not to exceed $20.5 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 $45.9 million, not to exceed approximately $6.8 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, Dominion and the Authority maintain, with Nuclear Electric Insurance Limited ("NEIL"), $1.500 billion primary and $1.250 billion excess property and decontamination insurance to cover the costs of cleanup of the facility in the event of an accident. Dominion and the Authority also maintain an excess property insurance policy with European Mutual Association for Nuclear Insurance (EMANI) to cover property damage and outage costs up to $415.0 million resulting from an event of non-nuclear origin. Dominion 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, Dominion 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 $7.6 million for the primary policy, $3.7 million for the excess policies and $1.8 million for the accidental outage policy.

SCE&G and the Authority maintained builder's risk insurance for the Summer Nuclear Units 2 and 3 construction. The builder's risk policy, carried by NEIL, was cancelled by SCE&G effective December 27, 2017, and carries a potential retrospective premium of approximately $42.0 million for six years from the cancellation date. Based on the Authority's current 45 percent ownership interest, the Authority's maximum retrospective premium would be approximately $18.9 million. The marine cargo/transit policy coverage was cancelled by SCE&G on January 31, 2018.

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, 2020.

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 in 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 EGUs, was vacated and remanded by the D.C. Circuit Court of Appeals on January 19, 2021. The next likely step will be for the Biden administration to draft new regulations for existing sources under the Clean Air Act addressing greenhouse gas emissions. Compliance costs associated with potential greenhouse gas regulations and legislation are not known at this time.

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.

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.

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.

EPA regulates oil spills prevention and preparedness under the CWA, Spill Prevention Control and Counter-measures ("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).

EPA had also been developing a new rule specifying requirements for spill prevention and preparedness for chemicals stored in aboveground storage tanks. Under a consent decree issued on February 16, 2016, EPA was required to create new regulations that established procedures, methods, equipment, and other requirements to prevent hazardous substance discharges. On June 25, 2018, EPA published a proposed rule that determined no additional actions are necessary to prevent these discharges. The public comment period for the proposed rule closed on August 24, 2018, and on September 3, 2019, EPA published a final rule stating that they are not establishing new requirements for hazardous substances under the CWA. In February of 2020, EPA entered into a consent decree with a number of environmental plaintiffs describing their intent to develop new regulations for such chemicals over the next twenty-four months, with a final action required within thirty months. The Authority does not expect any significant compliance costs associated with these regulations.

A revision to the NPDES Steam Electric Effluent Limitation Guidelines ("ELG") rule became effective on January 4, 2016. The guidelines proposed stricter performance standards that required upgrades and installation of additional wastewater treatment systems for the Winyah and Cross Generating Stations. The EPA later revised this ELG rule to require compliance starting on November 1, 2020. In April 2017, the EPA postponed some compliance dates in the rule and stated its intention to draft a new rule. In April 2019, the U.S. Court of Appeals for the Fifth Circuit remanded portions of the ELG rule because it determined that some of the standards were not sufficiently stringent. On October 13, 2020, EPA published a new rule in the Federal Register that has revised compliance limits, as well as new subcategories for low capacity boilers and facilities facing retirement. The Authority is still evaluating subcategorization options for Winyah and expects to install the complete suite of FGD wastewater treatment equipment at Cross. Construction on many of the treatment systems and equipment required to comply with the rule is complete at Cross. Remaining expenditures are expected to be required for the treatment of flue gas desulfurization wastewater, and the Authority is evaluating the new rule in order to establish design requirements and complete final cost estimates. $48 million is currently budgeted for ELG compliance at Cross.

On October 22, 2019, the Army Corps and the EPA published a final rule repealing the 2015 Waters of the U.S. ("WOTUS") Rule, which had required that more water features be regulated as WOTUS, with additional permitting and mitigation requirements and costs. The repeal was effective December 23, 2019. On April 21, 2020, the Army Corps and the EPA published the Navigable Waters Protection Rule ("NWPR") to redefine Waters of the U.S., and the final rule became effective on June 22, 2020. The April 2020 final rule provides additional clarity and addresses many of the concerns posed by the broad 2015 rule, including exclusions for ditches and waste treatment systems. The rule also maintains exclusions for groundwater, ephemeral features and diffuse stormwater run-off, and artificial lakes and ponds created because of impounding non-jurisdictional waters. Numerous environmental groups filed challenges to the NWPR following its publication, including challenges to the waste treatment system exclusion and a case in the District of South Carolina. On June 22, 2020, the federal district courts in the Northern District of California and the District of Colorado ruled on separate requests for preliminary injunctions/stays of the NWPR. The California court denied the stay that was requested by 17 states, the District of Columbia, and New York City. Not long after that, however, the Colorado court granted the stay that was requested by the State of Colorado. This means that the NWPR is in effect in every state except Colorado. In Colorado, for the time being, the pre-2015 regime applies (i.e., 1986/1988 rules plus guidance issued after *SWANCC* and *Rapanos*). The decision out of the California court has spurred the EPA and the Army Corps to issue a number of NWPR implementation guidance documents.

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 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, 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. On November 2, 2018, DHEC issued a permit to operate the newly constructed Class 3 landfill at Winyah Generating Station which is now in operation. The Cross Generating Station's Class 3 landfill continues in operation.

EPA finalized some CCR rulemakings in 2020 and plans to issue additional CCR rulemakings in 2021 and beyond. In accordance with a CCR Rulemaking effective September 28, 2020, the deadline to cease use and commence closure of unlined ponds regulated under the CCR Rule at Winyah Generating Station is April 11, 2021. The unlined pond regulated by the CCR Rule at Cross Generating Station ceased operations and commenced closure on August 31, 2020 in accordance with the Rule. The EPA has issued an advanced notice of proposed rulemaking ("ANPRM") regarding regulating legacy impoundments and this proposed rulemaking is expected in 2021. 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 are now closed. Other rulemakings which are expected to be issued in 2021 include a Federal CCR Permit Program with procedures for CCR units to obtain permits in non-participating states, which 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.

The Authority has ash and gypsum slurry ponds at the Winyah, Cross and Jefferies Generating Stations. 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, CCR rulemakings anticipated in 2021 would regulate inactive impoundments at closed facilities. 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. A closure plan for the Winyah A Ash Pond has been approved by DHEC and closure is in progress. Plans are being developed and implemented to facilitate closure of the remaining ponds by the CCR Rule's regulatory deadlines. 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. For the Cross Bottom Ash Pond, closure by removal is the selected closure strategy and monitored natural attenuation is the selected groundwater remedy so that it meets groundwater protection standards. Closure by removal is also the strategy for the Winyah CCR ponds and a similar groundwater remediation strategy is being evaluated. 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. The Authority estimates $355 million remaining to spend for pond closures associated with the CCR Rule, and these costs are included in current capital budgets. These costs are also part of the asset retirement obligation.

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 the South Carolina Department of Health and Environmental Control ("DHEC") that the Authority was required to submit a Site-Specific Work Plan ("SSWP") for an Initial Ground Water Assessment under the South Carolina Pollution Control Act (SC Code Ann. § 48-1-50(6), § 48-1-50(20), and § 48-1-50(21)), for 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 has informed the Authority that DHEC considers the Authority responsible for any necessary remediation activities after the SSWP is approved.

No pollution remediation liabilities were recorded for the years ended December 31, 2020 and 2019.

FERC Hydroelectric License - The Authority operates 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 is currently undergoing relicensing and a Notice of Intent ("NOI") to relicense was filed with the FERC on November 13, 2000. The final license application was filed March 15, 2004. Due to a number of Additional Information Requests, the relicensing process has extended beyond the March 31, 2006 license expiration date. The FERC has issued a standing annual license renewal until a final license is issued. The FERC issued its Final Environmental Impact Statement ("EIS") in October 2007. The South Carolina Department of Natural Resources, the U.S. Fish and Wildlife Service, and the Authority jointly signed and filed a settlement agreement with the FERC in May 2007 that, among other things, identifies fish passage and outflow guidelines during the term of the next license. The National Marine Fisheries Service ("NMFS") chose not to join in that settlement agreement and in January 2020 submitted a second modified prescription for mandatory fishway conditions under §18 of the FPA, flow recommendations under §10 of that Act, and a final biological opinion for the endangered short nose sturgeon and Atlantic sturgeon under Section 7 of the Endangered Species Act ("ESA"). The Authority submitted a report in April 2020 in response to the FERC Additional Information Request to update the endangered species assessment due to the lapse of time since the issuance of the EIS. In October 2020 the Authority submitted an updated stability analysis for the Santee Dams to address consequences of permanently higher tailwater levels due to the proposed higher minimum flows.

The Authority cannot predict the final scope, timing or general outcome of the FERC relicensing process. Total implementation costs are estimated to be between $84 million and $179 million.

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.

Legislative Matters - The Authority has been subject to review and evaluation by the State's General Assembly for several years.

In December 2015, the General Assembly began a legislative review of the Authority for its statutory compliance and strategic direction by a joint committee pursuant to the South Carolina Restructuring Act of 2014, which provides for general oversight studies of state agencies by the state legislature. The committee was called the Joint Legislative Oversight Committee on the South Carolina Public Service Authority. This oversight review was suspended on April 18, 2017 due to events involving Summer Nuclear Units 2 and 3 and their implications for the Authority. The joint committee has not met since that suspension.

In the Fall of 2017, a series of successive legislative committees met to evaluate and review the nuclear project and, in turn, the Authority and its future. The State's House of Representatives created the Utility Ratepayer Protection Committee (URPC) to investigate the Summer Nuclear Units 2 and 3. URPC held four public meetings. The last public meeting for URPC was October 23, 2017. The State's Senate also created the VC Summer Nuclear Review Committee to investigate Summer Nuclear Units 2 and 3, and it held six public meetings. The last public meeting for the Senate review committee was January 16, 2018. Then, in the 2018-2019 annual appropriations bill, the General Assembly created the Public Service Authority Evaluation and Recommendation Committee ("PSAERC"). The PSAERC consisted of four Senators, four House Members and the Governor. The PSAERC was charged with conducting a review and evaluation of whether to sell or retain the Authority. The PSAERC met six times from August 7, 2018 to March 2019. The proviso authorizing the PSAERC expired on June 30, 2019. Finally, the State's Senate formed the South Carolina Senate Select Committee on the Authority. The select committee held six meetings from March 5, 2019 to April 24, 2019.

After these reviews, the General Assembly agreed to establish a new process for the review and evaluation of the Authority. On May 21, 2019, the State's General Assembly (the "General Assembly") passed, and on May 22, 2019, the Governor signed into law Act 95 of 2019 ("Act 95"), a Joint Resolution requiring the State's Department of Administration (the "DOA") to establish a process: (a) to conduct a competitive bidding solicitation for the sale of some or all of the Authority; (b) to receive management proposals that do not involve a sale of the Authority, but are designed to improve the efficiency and cost-effectiveness of the Authority's electric operations; and (c) for the Authority to submit a proposal to the DOA for reform, restructuring, and changes in its operation as an alternative to a sale or management proposal (the "Act 95 Process").

On February 11, 2020, the DOA delivered to the Senate Finance Committee and the House of Representatives Ways and Means Committee the report required by Act 95, which included a recommendation of one bid for sale (NextEra Energy, Inc.) and one management proposal (Dominion Energy, Inc.), as well as the recommendation for the implementation of the Authority's Act 95 Reform Plan.

Within 30 days of the receipt of DOA's report, during the week of March 2, 2020, the respective House and Senate committees of jurisdiction made a recommendation to their respective legislative bodies, which was to reject all of DOA's recommendations. After the committee vote in the Senate, the Finance Committee and the Judiciary committee each held hearings related to reforming Santee Cooper. The House Ways and Means committee proposed legislation that would both reform Santee Cooper and continue further negotiations with NextEra outside the scope of Act 95. Due to the COVID-19 public health emergency and disruption at that time of the legislative session, further consideration of the Authority was suspended after the passage of Act 135 of 2020 (H.3411) ("Act 135"), described below on May 12, 2020.

Section 11 of Act 135, a budget continuing resolution that was signed by the Governor on May 18, 2020, establishes certain operational guidelines for the Authority and prohibits the Authority from taking any action which would impair, hinder, or otherwise undermine from an economic, operational, feasibility, or any other perspective the ability of the General Assembly to complete its consideration regarding the Authority's status under Act 95. The provisions of Act 135 not only continue certain of the oversight and operational parameters that limited certain actions that could be taken by the Authority during the Act 95 Process but also expressly permit and authorize the Authority to advance some of the key principles set forth in the Authority's Act 95 Reform Plan. The provisions of Act 135 are to remain in effect through the earlier of May 31, 2021 or until an act of the General Assembly expressly supersedes the provisions of Act 135 applicable to the Authority.

Subsection (E) of Act 135 ("Subsection (E)") authorizes the Authority to continue to operate in the ordinary course and nothing in the Act prohibits the Authority from:

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

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

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

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

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

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

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

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

(9) resolving outstanding lawsuits and claims;

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

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

Act 135 specifically prohibits the Authority from taking any of the following actions (without the prior approval of the Santee Cooper Oversight Committee described below): (1) entering into contracts with a duration of longer than one year, except those contracts necessary in the ordinary course of business, and (2) entering into employment contracts with executive management with a duration longer than six months, or extension of existing executive management contracts for a period longer than six months.

Act 135 also requires the Office of Regulatory Staff (the "ORS") to conduct monthly reviews of the Authority to ensure the Authority is in compliance with certain provisions of Act 135 and creates an Oversight Committee (the "Santee Cooper Oversight Committee") whose membership consists of the Governor, the President of the Senate, the Speaker of the House, the Chair of the Senate Finance Committee and the Chair of the House Ways and Means Committee. The ORS began reviewing the Authority's operational activity for compliance with the provisions of Act 135 in May of 2020 and provides monthly reports to the Santee Cooper Oversight Committee and makes reports available publicly on the ORS website. As of the date of this Annual Report, all reports by the ORS have concluded there were no actions taken by the Authority in violation of Act 135.

On February 1, 2021, the Authority submitted two requests to the Santee Cooper Oversight Committee under Act 135. One request asked that the committee approve a 3-year power agreement with Century Aluminum, Inc. and the other request asked the committee to allow the Authority to hedge natural gas fuel beyond 2024.

Two other legislative initiatives passed in 2020 include Act 187 of 2020 ("Act 187") and the Broadband Accessibility Act. Act 187 provided for the establishment of a legislative committee to study the electric market in South Carolina and consider energy market alternatives and whether the legislature should adopt market reform measures affecting the provision of electric service in South Carolina and the public benefits associated with such measures. Act 187, among other things, provides that the committee study whether the General Assembly should take actions necessary to implement one or more of the studied electricity market reform measures. Act 187 also proposes the establishment of an advisory committee to the legislative study committee and the CEO of the Authority is a designated member of that advisory committee. The study committee is directed to issue a report related to South Carolina's electric market structure by November 1, 2021. To date, the members of the legislative committee have not been named.

On September 29, 2020, the Governor signed the Broadband Accessibility Act which seeks to expand access to broadband in the State. It sets out terms under which the Authority may provide access to its excess communications fiber capacity, transmission structures and rights of way. If the Authority elects to provide such access, it must do so in a nondiscriminatory manner and pursuant to established terms and conditions. The Authority has published principles to guide its efforts to assist in broadband and is currently establishing a program for offering broadband.

A new two-year legislative session began for the State General Assembly in January 2021. Several bills have been introduced related to Santee Cooper. H.3194, introduced by the House Speaker proposes several reform proposals for Santee Cooper and establishes a new process for the sale of Santee Cooper by proposing to authorize the sale of Santee Cooper and proposing the negotiation be conducted by a six-member legislative committee. H.3194 has passed the SC House and was sent to the Senate where it was introduced and referred to the Senate Judiciary Committee. S.444, introduced by the Chair of the Senate Finance Committee, proposes the sale of Santee Cooper and proposes a six-member committee negotiate terms with NextEra Energy, the Act 95 preferred bidder to purchase Santee Cooper. S.464, introduced by the Chair of the Senate Judiciary Committee, proposes several reform proposals for Santee Cooper. The regular legislative session is scheduled to run through to May 12, 2021. Reform and sale discussions are expected to continue during the remainder of the session.

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 are subject to trial by jury or judge, which serves as the final trial trier of facts and awards. Alternatively, the Authority may decide to enter into 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 Nuclear-Related Litigation

(a) Jessica S. Cook et al. ("Plaintiffs") v. Santee Cooper, Santee Cooper's Board of Directors (certain former and current Directors named), SCE&G, SCANA Corporation, SCANA Services, Inc., Palmetto Elec. Coop., & Central Elec. Pwr. Coop. (collectively "Defendants").

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.

On February 20, 2020, the parties entered term sheets to fully resolve all claims (including cross-claims brought by Central Elec. Cooperative against Santee Cooper and cross-claims against SCE&G/SCANA brought by Santee Cooper) in this matter as well as other matters. The agreement between the Plaintiffs and Defendants resolved this matter and a separate matter known as Glibowski (described below) (the "Cook and Glibowski Settlement Agreement" or the "Settlement Agreement"). On March 12, 2020, the Authority's Board approved the settlement agreements more fully memorializing the parties' agreements in the term sheets. On July 31, 2020, the Court entered an amended order approving the settlement, and dismissing the claims with prejudice, consistent with the parties' agreements.

The Cook and Glibowski Settlement Agreement generally provides for the dismissal and the release of all claims belonging to the class members against the Defendants, including those against Santee Cooper. The class members are defined as all customers of Santee Cooper 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) Dominion Energy South Carolina, Inc. and Santee Cooper agreed to make certain payments to a Common Benefit Fund (the "Fund") to be paid to Class Members. Santee Cooper's portion of the payments to the Fund is $200 million, to be 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, Santee Cooper 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 and Glibowski 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.

In connection with the Cook settlement, Santee Cooper and SCE&G/SCANA (n/k/a Dominion Energy of South Carolina) entered into separate settlement agreement to resolve related claims, with Santee Cooper agreeing to cooperate in the defense of and DESC agreeing to indemnify Santee Cooper as to WARN Act litigation, SCDOR sales tax assessment, arbitration proceedings with Cameco, and litigation brought by Fairfield County related to fees in lieu of taxes.

(b) Timothy Glibowski et al. v. SCANA, SCE&G, Santee Cooper, et al.

Plaintiffs filed this putative class action 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 arise 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 Cooperative customers who paid advance charges for costs associated with the construction of the units from 2007 until the time of settlement.

Amended pleadings were filed, up to and including a Third Amended Complaint filed on July 30, 2019. The Third Amended Complaint asserts RICO and RICO Conspiracy claims against SCANA, SCE&G, SCANA's officers, the Authority and the following former employees of the Authority: Lonnie Carter, Marion Cherry, and Michael Crosby, as well as a takings claim against the Authority.

The claims in this matter were fully resolved as part of the settlement of the Cook matter described above. The Cook and Glibowski Settlement Agreement is described above in the preceding subparagraph (a). On May 15, 2020, the Court entered an order dismissing this matter.

(c) Murray C. Turka v. South Carolina Public Service Authority and Lonnie Carter.

Plaintiffs filed this putative class action in the Charleston Division of the United States District Court for the District of South Carolina on April 15, 2019. The action asserts securities law claims against the Authority and Mr. Carter (ret. President & CEO of Authority) under Section 10(b) and Rule 10b-5 of the Exchange Act and against Mr. Carter under Section 20(a) of the Exchange Act the arising out of alleged misrepresentations made in the Authority's mini-bond offering documents regarding the status of Summer Nuclear Units 2 and 3. Specifically, Plaintiffs allege the disclosure statements in the mini-bond offerings understated the extent of the risks associated with construction of Summer Nuclear Units 2 and 3 and, as a result, the interest rate on the mini-bonds was artificially deflated. Plaintiffs further alleged had they known the interest rate was artificially deflated, they would not have purchased the mini-bonds. The class includes purchasers of the Authority's mini-bonds from August 23, 2013 to July 31, 2017.

The claims in this matter were fully resolved with Santee Cooper agreeing to pay $2,000,000 to the class benefit fund and up to $35,000 in settlement administration costs. On February 11, 2021, the Order Preliminarily Approving Settlement was entered. A hearing on final approval is scheduled for May 12, 2021.

(d) Westinghouse Electric Company, LLC, as reorganized v. South Carolina Public Service Authority.

On April 5, 2019, Westinghouse filed an adversary proceeding complaint in the United States Bankruptcy Court for the Southern District of New York against the Authority, claiming that it is the owner of and has title to certain equipment related to the construction of Summer Nuclear Units 2 and 3 pursuant to the EPC Agreement. On August 21, 2019, the Authority answered Westinghouse's Complaint and counterclaimed for declaratory judgment and to quiet title to the equipment. The parties settled the matter on August 29, 2020 and agreed that Santee Cooper owns all of the non-nuclear equipment and that proceeds from sales of nuclear-related equipment will be split between Westinghouse and the Authority as provided in the settlement agreement (the "Westinghouse Settlement Agreement"). The Westinghouse Settlement Agreement can be found at :

https://www.santeecooper.com/About/Increasing-Value/_pdfs/Agreement-for-Sale-of-Project-Equipment.pdf.

Other Nuclear-Related Actions

(a) State of South Carolina Department of Revenue – Sales Tax Audit

On January 26, 2018, the DOR notified SCE&G that the sales and use tax returns for Summer Nuclear Units 2 and 3 had been selected for audit. Subsequently, the DOR determined that because Summer Nuclear Units 2 and 3 were not completed and would not produce electricity, the materials for Summer Nuclear Units 2 and 3 were no longer entitled to exemption from State sales taxes. On May 31, 2018, the DOR issued its Proposed Notice of Assessment in the approximate amount of $421 million, identifying SCE&G as the taxpayer.

DOR calculates interest on unpaid assessments from the date the assessment was due until the assessment is paid in its entirety, at a fluctuating interest rate determined by DOR from time to time, compounded daily. The DOR is also empowered to charge certain penalty payments, though no such penalty payments have been asserted to date.

On October 1, 2018, each of SCE&G and the Authority, acting on its own behalf and asserting its separate defenses, submitted a protest to the Notice of Proposed Assessment. Following attempted mediation, on May 14, 2019, the DOR issued a Department Determination affirming its assessment.

As part of the agreement reached between the Authority and Dominion in the above-referenced Cook matter, Dominion agreed to indemnify the Authority for any liability it is alleged to have in this matter.

(b) V.C. Summer Governmental Inquiries

Various governmental entities requested in the past information related to Summer Nuclear Units 2 and 3. Specifically, the Authority received subpoenas for business records from the U.S. Securities & Exchange Commission and subpoenas from the U.S. Department of Justice seeking certain information. The Authority also received information requests and directives to provide information from the Governor of the State, as well as legislative inquiries from the State's House of Representatives and Senate. The Authority continues to comply and cooperate with these subpoenas, information requests and directives and legislative inquiries.

Non-Nuclear Litigation

(a) Hearn v. South Carolina Public Service Authority

On August 16, 2017, Plaintiff George Hearn, on behalf of a putative class of retail customers, filed a class action complaint in Horry County alleging the Authority acted negligently when it decided to build the Pee Dee coal generating facility in Florence County and acted negligently when the decision to cancel construction of the facility was made and that the Authority was negligent in accounting for the Pee Dee assets. The specific claims in the complaint include breach of duty to ratepayers, breach of contract, declaratory judgment/injunctive relief, unjust enrichment, money had and received, affirmative injunctive relief, and violation of due process. The Authority filed a motion to dismiss and an order denying the same was entered on April 4, 2019. Mediation was conducted on February 3, 2021, and subsequent negotiations, after insurance considerations, are expected to result in minimal impact to the Authority.

(b) South Carolina Public Service Authority v. U.S. Army Corps of Engineers

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 and that the COE owes the Authority approximately $1.4 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 ASBCA denied Santee Cooper'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." Negotiations are ongoing.

Matters Relating to Electric Service by City of Goose Creek to Century Aluminum

(a) City of Goose Creek v. Santee Cooper

On March 31, 2020, the City of Goose Creek, South Carolina ("Goose Creek") filed a civil action (the "Goose Creek Action") against Santee Cooper in South Carolina's Court of Common Pleas in Berkeley County, concerning Goose Creek's attempts to establish a municipal utility for the purpose of providing electricity to the Mt. Holly Smelter, an aluminum plant, operated by Century Aluminum (defined below) ("Century") on lands Goose Creek alleges it intends to annex. More specifically, the Goose Creek Action seeks a declaration of the Court that (i) Goose Creek has the right and authority under state law to provide electric utility service within its city limits and in areas that are to be annexed into the city, including but not limited to Century Aluminum's Mt. Holly Smelter; (ii) Santee Cooper shall take no action inconsistent with the proposed declaration, including but not limited to any action to attempt to prevent Goose Creek's efforts to supply electricity to customers within the city limits, including, but not limited to the Mt. Holly Smelter, and (iii) Santee Coper shall cooperate with Goose Creek so that Goose Creek may supply electricity to municipal customers.

On June 1, 2020, Santee Cooper filed a motion to dismiss Goose Creek's complaint on multiple grounds, including, but not limited to: (1) the dispute is pending before the Federal Energy Regulatory Commission, (2) the relief sought by Goose Creek is within the FERC's exclusive or primary jurisdiction, (3) Goose Creek's claims are preempted by applicable federal law, (4) Goose Creek's Complaint is inappropriate under the South Carolina Uniform Declaratory Judgment Act, and (5) the controversy is not ripe. On August 17, 2020, Goose Creek filed a motion for judgment on the pleadings.

The court entered a declaratory judgment order on October 12, 2020 in favor of Santee Cooper. Goose Creek filed a notice of appeal and then filed a motion to stay the appeal because Santee Cooper and Century reached an agreement to extend their current agreement through March 31, 2021 and reached an agreement in principle regarding power over the next three years.

(b) City of Goose Creek v. Santee Cooper

On April 13, 2020, Goose Creek filed a Petition for Original Jurisdiction before the South Carolina Supreme Court. Goose Creek requested the South Carolina Supreme Court, in effect, remove the case filed in the Berkeley County Common Pleas (2020-CP-08-00821), grant the petition, and set the docket for expedited briefing and argument. Goose Creek attached to its Petition the complaint filed in Berkeley County Common Pleas. On April 16, 2020, the Supreme Court denied the City's request to expedite the matter.

On May 26, 2020, Santee Cooper filed its Return in Opposition to Goose Creek's Petition for Original Jurisdiction. Santee Cooper's position is that the exercise of the Supreme Court's original jurisdiction pursuant to Rule 245 of the South Carolina Appellate Court Rules is not appropriate under these circumstances.

On July 10, 2020, the S.C. Supreme Court entered an order denying Goose Creek's Petition for Original Jurisdiction.

(c) Century Aluminum of South Carolina, Inc. v. Santee Cooper & Directors

On April 27, 2020, Century Aluminum of South Carolina, Inc. ("Century" or "Century Aluminum") filed an action (the "Action") against Santee Cooper and its Board of Directors related to Santee Cooper's service to the Mt. Holly Smelter located near Goose Creek, South Carolina. In that Action, filed in South Carolina's Court of Common Pleas in Berkeley County, Century generally asserts that it is entitled to purchase electricity from the City of Goose Creek rather than Santee Cooper for use at the Mt. Holly Smelter plant, and that Santee Cooper's position that it has an exclusive right to provide such service was allegedly in violation of law. Century asserted the following claims in the Action: (i) unconstitutional taking under the South Carolina Constitution, (A), (ii) declaratory judgment, (iii) violation of the due process clause of the South Carolina Constitution, (iv) breach of Directors' statutory duties, (v) tortious interference with prospective contract, (vi) violation of the Unfair Trade Practices Act and (vii) injunctive Relief. Century seeks its alleged damages arising from the dispute, and seeks an injunction asking the Court to bar Santee Cooper from opposing the establishment of a municipal utility in Goose Creek that would provide electricity to Century.

On June 29, 2020, Santee Cooper and the Directors filed motions to dismiss the Action (the "Motions") on the following grounds: (i) release, (ii) res judicata, (iii) Santee Cooper's statutorily granted exclusive right to serve Mt. Holly, (iv) justiciability (claims not ripe for adjudication), (v) failure to allege facts supporting a cause of action (regarding Santee Cooper's assertion of a legal position), (vi) FERC's primary exclusive jurisdiction. The Directors asserted additionally that Century failed to allege facts related to any act taken subject to Section 58-31-55 of the Act which establishes the standards for the discharge of duties by the Authority's directors.

On November 9, 2020, an order staying the case was entered. Santee Cooper and Century reached an agreement to extend their current agreement through March 31, 2021 and reached an agreement in principle regarding power over the next three years.

(d) City of Goose Creek v. Santee Cooper (before Federal Energy Regulatory Commission)

On March 16, 2020, Goose Creek filed with the Federal Energy Regulatory Commission ("FERC" or the "Commission") a complaint, docketed as matter No. EL-20-33-000, under sections 206, 210, 211, and 306 of the Federal Power Act ("FPA"), arguing that Santee Cooper was not authorized to deny it interconnection and transmission services under Santee Cooper's Open Access Transmission Tariff ("OATT") and requesting that FERC direct Santee Cooper to provide such services (the "Original Complaint"). On March 26, 2020, Goose Creek filed an amended complaint making certain changes and amendments to the complaint but seeking substantially the same relief (the "Amended Complaint"). On March 31, 2020, Goose Creek filed a motion to withdraw its Original Complaint in lieu of the Amended Complaint, and the Original Complaint was thereafter withdrawn.

On March 30, 2020, Goose Creek filed with FERC an application (the "Interconnection Application") docketed as matter No. TX20-2-000, pursuant to sections 210 and 212 of the FPA, requesting that the Commission direct Santee Cooper to interconnect with Goose Creek at the Mt. Holly Smelter substation.

On April 23, 2020, Goose Creek filed with FERC an application (the "Transmission Service Application"), docketed as matter No. TX20-3-000, pursuant to sections 211 and 212 of the FPA, requesting that the Commission direct Santee Cooper to provide transmission service to Goose Creek with a delivery point at the Mt. Holly Smelter substation in accordance with the rates, terms, and conditions of Santee Cooper's OATT.

On August 27, 2020, FERC entered a proposed order in which it dismissed certain provisions of Goose Creek's Amended Complaint under sections 206 and 306 of the FPA on the basis that Santee Cooper is not a Commission-jurisdictional public utility subject to section 206, and Goose Creek failed to demonstrate that Santee Cooper violated the FPA (the "Order"). Pursuant to the Order, FERC further directed that Santee Cooper provide interconnection and transmission service under sections 210 and 211 of the FPA and directed the parties to negotiate the rates, terms, and conditions of interconnection and transmission service at the Mt. Holly Smelter substation within 60 days of the proposed Order.

On September 11, 2020, Santee Cooper filed with FERC a motion to re-open, reconsider or stay the proposed Order, and on September 29, 2020, Goose Creek filed a response to that motion. Santee Cooper's motion to re-open, reconsider or stay the proposed Order remains pending.

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 a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR 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 15.41 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 10.41 percent is contributed to the SCRS. As of December 31, 2020, the Authority had 85 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, 2022, with the ultimate employer rate reaching 18.56 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 will expire July 1, 2021 and 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 15.41 percent of the total payroll for SCRS retirement. For 2020, the Authority also contributed an additional 0.15 percent of total payroll for group life. The contribution requirements for the prior four years were as follows:

Years Ended December 31,	**2020**	2019	2018	2017
		(Millions)		
From the Authority	**$ 22.10**	$ 20.60	$ 19.80	$ 17.70
From employees	**12.90**	12.40	12.80	12.60
Authority's covered payroll	**143.6**	138.2	142.3	142.7
Authority's contributions as a percentage of covered payroll	**15.4%**	14.9%	13.9%	12.4%

The Authority made 100 percent of the required contributions for each of the four years.

Liabilities, Expense and Deferred Outflows (Inflows) of Resources Related to Pensions - At December 31, 2020, the Authority reported a liability of $344.8 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, 2020 and determined by an actuarial valuation as of July 1, 2019. The Authority's proportionate share of the total net pension liability was based on the ratio of our actual contributions of $20.7 million paid to SCRS for the year ended June 30, 2020 relative to the actual contributions of $1.6 billion from all participating employers. The schedule of the Authority's proportionate share of the net pension liability for the years ended June 30, 2020 and 2019 are as follows:

	June 30, 2020	June 30, 2019
Authority's proportion of the net pension liability (%)	**1.28%**	1.35%
Authority's proportion of the net pension liability (millions)	**$ 327.9**	$ 309.7
Authority's covered employee payroll (millions)	**$ 143.6**	$ 138.2
Authority's proportion of the net pension liability as a percentage of its covered employee payroll	**228%**	224%
Plan fiduciary net position as a percentage of the total pension liability	**50.70%**	54.40%

For the year ended December 31, 2020, the Authority recognized a pension expense of $27.8 million, our proportionate share of the total pension expense. At December 31, 2020, 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	**$ 3,803**	**$ 1,241**
Changes of assumptions	**424**	**0**
Net difference between projected and actual earnings on pension plan investments	**27,693**	**3,516**
Changes in proportion and differences between Authority's contributions and proportionate share of plan contributions	**94**	**20,911**
Authority's contributions subsequent to the measurement date	**10,268**	**0**
Total	**$ 42,282**	**$ 25,668**

The Authority reported $10.3 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, 2021. 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, 2020. Average remaining service lives of all employees provided with pensions through the pension plans at July 1, 2019, was 3.984 years for SCRS.

Year Ending December 31:	
	(Thousands)
2021	**$ (3,416)**
2022	**(663)**
2023	**4,266**
2024	**6,158**
Total	**$ 6,345**

For the year ended December 31, 2019, the Authority recognized a pension expense of $30.8 million, our proportionate share of the total pension expense. At December 31, 2019, 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	**$ 253**	**$ 2,225**
Changes of assumptions	**6,281**	**0**
Net difference between projected and actual earnings on pension plan investments	**9,727**	**6,977**
Changes in proportion and differences between Authority's contributions and proportionate share of plan contributions	**200**	**13,637**
Authority's contributions subsequent to the measurement date	**9,314**	**0**
Total	**$ 25,775**	**$ 22,839**

The Authority reported $9.3 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, 2020. 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, 2019. Average remaining service lives of all employees provided with pensions through the pension plans at July 1, 2018, was 4.026 years for SCRS.

Year Ending December 31:	
	(Thousands)
2020	**$ 3,539**
2021	(6,884)
2022	(3,981)
2023	948
Total	$ (6,378)

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, 2020:

- **Measurement Date**	**June 30, 2020**
- **Valuation Date**	**July 1, 2019**
- **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 year 2016 Males multiplied by 100%. Females multiplied by 111%**

Significant actuarial assumptions and other inputs used to measure the total pension liability as of December 31, 2019:

- Measurement Date	June 30, 2019
- Valuation Date	July 1, 2018
- 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 year 2016 Males multiplied by 100%. Females multiplied by 111%

Discount Rate - The discount rate used to measure the total pension liability was 7.25 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, 2020, 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 2020 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 7.25 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 5.00 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			
Global Public Equity	**35.00%**	**7.81%**	**2.73%**
Private Equity	**9.00%**	**8.91%**	**0.80%**
Equity Options Strategies	**7.00%**	**5.09%**	**0.36%**
Real Assets			
Real Estate (Private)	**8.00%**	**5.55%**	**0.44%**
Real Estate (REITs)	**1.00%**	**7.78%**	**0.08%**
Infrastructure (Private)	**2.00%**	**4.88%**	**0.10%**
Infrastructure (Public)	**1.00%**	**7.05%**	**0.07%**
Opportunistic			
GTAA/Risk Parity	**7.00%**	**3.56%**	**0.25%**
Other Opportunistic Strategies	**1.00%**	**4.41%**	**0.04%**
Diversified Credit			
High Yield Bonds/ Bank Loans	**4.00%**	**4.21%**	**0.17%**
Emerging Markets Debt	**4.00%**	**3.44%**	**0.14%**
Private Debt	**7.00%**	**5.79%**	**0.40%**
Conservative Fixed Income			
Core Fixed Income	**13.00%**	**1.60%**	**0.21%**
Cash and Short Duration (Net)	**1.00%**	**0.56%**	**0.01%**
Total Expected Real Return	**100.0%**		**5.80%**
Inflation for Actuarial Purposes			**2.25%**
Total Expected Nominal Return			**8.05%**

For the measurement date as of June 30, 2019, 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 2019 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 7.25 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 5.00 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			
Global Public Equity	35.00%	7.29%	2.55%
Private Equity	9.00%	7.67%	0.69%
Equity Options Strategies	7.00%	5.23%	0.37%
Real Assets			
Real Estate (Private)	8.00%	5.59%	0.45%
Real Estate (REITs)	1.00%	8.16%	0.08%
Infrastructure (Private)	2.00%	5.03%	0.10%
Infrastructure (Public)	1.00%	6.12%	0.06%
Opportunistic			
GTAA/Risk Parity	7.00%	3.09%	0.22%
Other Opportunistic Strategies	1.00%	3.82%	0.04%
Diversified Credit			
High Yield Bonds/ Bank Loans	4.00%	3.14%	0.13%
Emerging Markets Debt	4.00%	3.31%	0.13%
Private Debt	7.00%	5.49%	0.38%
Conservative Fixed Income			
Core Fixed Income	13.00%	1.62%	0.21%
Cash and Short Duration (Net)	1.00%	0.31%	0.00%
Total Expected Real Return	100.0%		5.41%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.66%

Sensitivity Analysis - For the measurement date as of June 30, 2020, the following table presents the Authority's collective net pension liability calculated using the Authority's discount rate of 7.25% as well as SERP discount rates of 2.00% 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	**$ 424,440**	**$ 344,795**	**$ 278,203**

For the measurement date as of June 30, 2019, the following table presents the Authority's collective net pension liability calculated using the Authority's discount rate of 7.25% as well as SERP discount rates of 3.50% 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	$ 407,873	$ 326,229	$ 257,995

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, 2020, the Authority reported an asset of $3.9 million and a liability of $16.9 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	**$ 280**	**$ 682**
Changes of assumptions	**120**	**10**
Net difference between projected and actual earnings on pension plan investments	**330**	**644**
Authority's contributions subsequent to the measurement date	**187**	**0**
Total	**$ 917**	**$ 1,336**

The Authority reported $187,000 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, 2021. 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, 2020.

Year Ending December 31:	
	(Thousands)
2021	**$ (58)**
2022	**(279)**
2023	**(207)**
2024	**(61)**
2025	**0**
Total	**$ (605)**

At December 31, 2019, the Authority reported an asset of $3.4 million and a liability of $16.5 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	$ 949	$ 1,366
Changes of assumptions	273	57
Net difference between projected and actual earnings on pension plan investments	515	634
Authority's contributions subsequent to the measurement date	114	0
Total	$ 1,851	$ 2,057

The Authority reported $114,000 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, 2020. 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, 2019.

Year Ending December 31:	
	(Thousands)
2020	$ (18)
2021	25
2022	(196)
2023	(129)
2024	0
Total	$ (318)

Summer Nuclear Unit 1 Retirement - The Authority and Dominion Energy, Inc. 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, 2020, and 2019, the Authority had a noncurrent pension liability of $9.1 million and $8.6 million, respectively.

In accordance with FASB ASC 715, the Authority has a regulatory asset balance of approximately $9.7 million and $10.6 million for the unfunded portion of pension benefits at December 31, 2020 and 2019, respectively. Additional information may be obtained by reference to the Dominion Energy Inc. Annual Report on Form 10K as filed with the Securities Exchange Commission as of December 31, 2020.

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 under 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 1,100 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, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,107
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	1,623
Total Plan Members	**2,730**

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 will result in a lower OPEB liability and establishes a method for amortizing the regulatory asset as funding occurs.

Net OPEB Liability - The components of the net OPEB liability at June 30, 2020 were as follows:

	(Thousands)
Total OPEB Liability	$ 274,983
Plan fiduciary net position	98,874
Authority's net OPEB liability	$ 176,109
Plan fiduciary net position as a percentage of the total OPEB liability	35.96%

Actuarial Methods and Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 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; 27 years remaining as of the beginning of FYE20
Asset Valuation	Market Value
Investment Rate of Return	3.50%, net of investment expenses, including inflation
Inflation	2.25%
Salary Increases	3.00% to 7.00%, including inflation
Demographic Assumptions	Based on the experience study covering the five year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems (SCRS)
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members.
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 6.40% declining to an ultimate rate of 4.00% after 16 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	.81%	0.1%
Fixed Income	99.19%	2.6%
Total Blended Average	**100.0%**	**2.5%**

Asset Allocation at June 30, 2020

The rate of return for 2020 on the Trust was 3.99%.

Discount rate. A Single Discount Rate of 3.50% was used to measure the total OPEB liability. The expected rate of return on OPEB plan investments is 3.50%. The municipal bond rate is 2.45% (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 3.50%

Schedule of Changes in Net OPEB Liability
Fiscal Year Ended December 31, 2020

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
		(Thousands)	
Beginning balance	$ 270,563	$ 83,849	$ 186,714
Service cost	6,821		6,821
Interest on the total OPEB liability	9,425		9,425
Changes of benefit terms	0		0
Difference between expected and actual experience	242		242
Changes of assumptions	(2,717)		(2,717)
Employer contributions		18,812	(18,812)
Net investment income		5,717	(5,717)
Benefit payments	(9,351)	(9,351)	0
Administrative expense		(153)	153
Other		0	0
Net changes	4,420	15,025	(10,605)
Ending balance	$ 274,983	$ 98,874	$ 176,109

Ending balances are as of the measurement date, June 30, 2020.

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 3.50% 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.

	1.00% Decrease	Current Discount Rate	1.00% Increase
		(Thousands)	
Net OPEB liability	$ 221,141	$ 176,109	$ 139,752

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 Authority's healthcare cost trend rate of 7.00% 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.

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
		(Thousands)	
Net OPEB liability	$ 130,414	$ 176,109	$ 235,077

OPEB Expense and Deferred Outflows (Inflows) of Resources Related to OPEB - For the year ended December 31, 2020, the Authority recognized OPEB expense of $17 million. At December 31, 2020, 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	**$**	**207**	**$**	**9,336**
Changes of assumptions		**31,836**		**2,327**
Net difference between projected and actual earnings on OPEB plan investments		**0**		**2,464**
Authority's contributions subsequent to the measurement date		**10,233**		**0**
Total	**$**	**42,276**	**$**	**14,129**

The Authority reported $10.2 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, 2021 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, 2020.

Year Ending December 31:		
		(Thousands)
2021		3,692
2022		3,692
2023		3,160
2024		3,639
2025		4,078
Thereafter,		(344)
Total	$	17,915

Schedule of Changes in Net OPEB Liability and Related Ratios
Fiscal Year Ended December 31, 2020

Measurement period ending June 30	2020	2019
	(Thousands)	
Service Cost	$ 6,821	$ 4,641
Interest on the total OPEB liability	9,425	10,375
Difference between expected and actual experience	242	(12,859)
Changes of Assumptions	(2,717)	44,641
Benefit payments	(9,351)	(8,937)
Net change in total OPEB liability	4,420	37,861
Total OPEB liability - beginning	270,563	232,702
Total OPEB liability - ending (a)	$ 274,983	$ 270,563
Plan fiduciary net position		
Employer contributions	$ 18,812	$ 27,483
OPEB plan net investment income	5,717	5,501
Benefit payments	(9,351)	(8,937)
OPEB plan administrative expense	(153)	(126)
Net change in plan fiduciary net position	15,025	23,920
Plan fiduciary net position - beginning	83,849	59,928
Plan fiduciary net position - ending (b)	$ 98,874	$ 83,849
Net OPEB liability - ending (a) - (b)	$ 176,109	$ 186,714
Plan fiduciary net position as a percentage of total OPEB liability	35.96 %	30.99 %
Covered-employee payroll (dollars)	$ 149,128,347	$ 149,862,640
Net OPEB liability as a percentage of covered-employee payroll	118.09 %	124.59 %

Schedule of Contributions
(Thousands)

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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%

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, 2020 and 2019 were both approximately $11.9 million and $11.8 million, respectively.

In accordance with FASB ASC 715, the Authority recorded a regulatory liability of approximately $600,000 and $2.8 million for the unfunded portion of OPEB costs at December 31, 2020 and 2019, respectively. Additional information may be obtained by reference to the Dominion Energy, Inc. Annual Report on Form 10K as filed with the Securities Exchange Commission as of December 31, 2020.

Note 13 – Credit Risk and Major Customers

In 2020, the Authority had one customer that accounted for more than 10 percent of the Authority's sales:

Customer:		**2020**		2019
		(Millions)		
Central	**$**	**968**	$	994

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, 2020 and 2019 was $2.4 million and $2.3 million, respectively.

Note 14 – Impact of Novel Coronavirus (COVID-19) Pandemic

In March 2020, a Presidential Declaration of Disaster was issued for the Federal Reimbursement of Protective Measure costs incurred from the COVID-19 Pandemic through FEMA Public Assistance Program. Protective Measure costs are defined as those that are directly related to accomplishing the specified emergency health and safety measures to ensure the Authority maintains a safe environment for its employees and customers. FEMA Public Assistance Program guidelines provide these Protective Measure costs must be directly related to the event and would not be incurred if not for the event.

The Authority will continue to collect cost associated with the COVID-19 pandemic until the end of the incident period based upon the Declaration of Disaster guidelines which has been extended into 2021. Federal Reimbursement for the COVID-19 Protective Measure Expenses are anticipated in 2021 and 2022.

The Authority captured all costs associated with the Protective Measures incurred in 2020. This amount was approximately $13.7 million. The Authority recorded a $4.3 million receivable for the anticipation of reimbursement of a portion of the Protective Measure Cost incurred during 2020. 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.

Note 15 – 2019 Special Item

In 2020, the Authority engaged in mediation for the Cook case (see Note 10 – Commitments and Contingencies, Legal Matters). On February 20, 2020, the parties to this litigation entered into term sheets to fully resolve all claims in the Cook Case as well as other matters. The agreements between the plaintiffs and defendants (the "Cook Settlement Agreement") resolved this matter and a separate matter known as *Glibowski* (see Note 10 – Commitments and Contingencies, Legal Matters). On March 12, 2020, the Authority's Board approved the terms of the settlement agreement more fully memorializing the parties' agreements set forth in the term sheets. On July 31, 2020, the Court entered an Amended Order Approving Settlement, which dismissed the claims with prejudice, consistent with the parties' agreements. The settlement amount, which was recorded as a Special item on the 2019 Statement of Revenues, Expenses, and Changes in Net Position-Business Type Activities, was $200.0 million to be paid in three (3) annual installments beginning in 2020, payable in the third quarter of each year, in the amounts of $65.0 million, $65.0 million, and $70.0 million. The Authority will not recover the cost of the settlement in rates. The Authority's payment for 2020 was made on September 25, 2020.

Note 16 – Cook Settlement as to Rates

On July 31, 2020, the Board authorized management to implement the terms of the Cook Settlement Agreement reached with plaintiff's counsel in settlement of the Cook Case. The Cook Settlement Agreement provides, in part, for "Settlement Rate(s)" described below effective as follows: (i) for the customers other than Central whose rates are subject to the rate lock, effective for all bills rendered on or after August 16, 2020 through all bills rendered on or before January 15, 2025, and (ii) for Central, effective for service rendered on or after August 1, 2020, through service rendered on or before December 31, 2024. The period from August 1, 2020 through January 15, 2025 is referred to as the "Settlement Rate Period."

In accordance with the terms of the Cook Settlement Agreement, the Board has authorized management to lock the 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 Settlement Rate Period. The Settlement Rates impact a vast majority of the Authority's customers, and locks 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 Rate suspends the operations 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 locked for almost all residential and commercial customers participating in the Settlement Rate, as well as industrial customers served under the Schedule L rate and the Interruptible and Economy Power Optional riders. The Settlement Rate under Schedule B also applies to customers with contractual rates based on the Municipal Street Lighting rate (ML), the cities of Bamberg, Georgetown and Seneca. The rate lock agreed to in the Cook Settlement Agreement is consistent with rates and the rate stabilization period projected in the Authority's Act 95 Reform Plan.

Consistent with being a rate lock, the Authority has agreed in the Cook Settlement Agreement not to defer any costs and expenses incurred or otherwise appropriately attributable to any year during the Settlement Rate Period to any other year or years during or after the Settlement Rate Period, except that the Authority may defer to rates charged in years after the Settlement Rate Period just and reasonable costs and expenses incurred during the Settlement Rate Period directly resulting from the following circumstances: (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 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 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 currently expects that projected Revenues using the Settlement Rates described herein will be sufficient to the meet the obligations of the Authority under the Revenue Obligations Resolution. To date, the Board has not approved any related deferrals.

Note 17 – Subsequent Events

Clean Air Act - 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 in 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 EGUs, was vacated and remanded by the D.C. Circuit Court of Appeals on January 19, 2021. The next likely step will be for the Biden administration to draft new regulations for existing sources under the Clean Air Act addressing greenhouse gas emissions.

Legislative Matters - On February 1, 2021, the Authority submitted two requests to the Santee Cooper Oversight Committee under Act 135. One request asked that the committee approve a 3-year power agreement with Century Aluminum, Inc. and the other request asked the committee to allow the Authority to hedge natural gas fuel beyond 2024.

Two other legislative initiatives passed in 2020 include Act 187 of 2020 ("Act 187") and the Broadband Accessibility Act. Act 187 provided for the establishment of a legislative committee to study the electric market in South Carolina and consider energy market alternatives and whether the legislature should adopt market reform measures affecting the provision of electric service in South Carolina and the public benefits associated with such measures. Act 187, among other things, provides that the committee study whether the General Assembly should take actions necessary to implement one or more of the studied electricity market reform measures. Act 187 also proposes the establishment of an advisory committee to the legislative study committee and the CEO of the Authority is a designated member of that advisory committee. The study committee is directed to issue a report related to South Carolina's electric market structure by November 1, 2021. To date, the members of the legislative committee have not been named.

A new two-year legislative session began for the State General Assembly in January 2021. Several bills have been introduced related to Santee Cooper. H.3194, introduced by the House Speaker, proposes several reform proposals for Santee Cooper and establishes a new process for the sale of Santee Cooper by proposing to authorize the sale of Santee Cooper and proposing the negotiation be conducted by a six-member legislative committee. H.3194 has passed the SC House and was sent to the Senate where it was introduced and referred to the Senate Judiciary Committee. S.444, introduced by the Chair of the Senate Finance Committee, proposes the sale of Santee Cooper and proposes a six-member committee negotiate terms with NextEra Energy, the Act 95 preferred bidder to purchase Santee Cooper. S.464, introduced by the Chair of the Senate Judiciary Committee, proposes several reform proposals for Santee Cooper. The regular legislative session is scheduled to run through to May 12, 2021. Reform and sale discussions are expected to continue during the remainder of the session.

Legal Matters –

(a) Murray C. Turka v. South Carolina Public Service Authority and Lonnie Carter.

The claims in this matter were fully resolved with Santee Cooper agreeing to pay $2,000,000 to the class benefit fund and up to $35,000 in settlement administration costs. On February 11, 2021, the Order Preliminarily Approving Settlement was entered. A hearing on final approval is scheduled for May 12, 2021.

(b) Hearn v. South Carolina Public Service Authority

On August 16, 2017, Plaintiff George Hearn, on behalf of a putative class of retail customers, filed a class action complaint in Horry County alleging the Authority acted negligently when it decided to build the Pee Dee coal generating facility in Florence County and acted negligently when the decision to cancel construction of the facility was made and that the Authority was negligent in accounting for the Pee Dee assets. The specific claims in the complaint include breach of duty to ratepayers, breach of contract, declaratory judgment/injunctive relief, unjust enrichment, money had and received, affirmative injunctive relief, and violation of due process. The Authority filed a motion to dismiss and an order denying the same was entered on April 4, 2019. Mediation was conducted on February 3, 2021, and subsequent negotiations, after insurance considerations, are expected to result in minimal impact to the Authority.

Impact of Novel Coronavirus (COVID-19) Pandemic - The Authority will continue to collect costs associated with COVID-19 until the end of the incident period based upon the Declaration of Disaster guidelines which has been extended into 2021. Federal Reimbursement for the COVID-19 Protective Measure Expenses are anticipated in 2021 and 2022.

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REQUIRED SUPPLEMENTAL FINANCIAL DATA:

Santee Cooper's Proportionate Share of the Net Pension Liability
Required Supplementary Information

Years Ended in June 30,	**2020**	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability (%)	**1.28%**	1.35%	1.43%	1.43%	1.45%	1.44%	1.45%
Authority's proportion of the net pension liability (millions)	**$ 327.9**	$ 309.7	$ 321.8	$ 323.1	$ 309.7	$ 273.6	$ 249.7
Authority's covered payroll (millions)	**$ 143.6**	$ 138.2	$ 142.3	$ 142.7	$ 140.1	$ 136.4	$ 131.5
Authority's proportion of the net pension liability as a percentage of its covered payroll	**228%**	224%	226%	226%	221%	201%	190%
Plan fiduciary net position as a percentage of the total pension liability	**50.7%**	54.4%	54.1%	53.3%	56.9%	59.9%	59.9%

Santee Cooper's Contributions
Required Supplementary Information

Years Ended December 31,	2020	2019	2018	2017	2016	2015	2014
				(Millions)			
Required Contributions:							
From the Authority	**$ 22.1**	$ 20.6	$ 19.8	$ 17.7	$ 15.6	$ 14.8	$ 13.9
From employees	**12.9**	12.4	12.8	12.6	11.8	11.0	10.2
Contributions in relation to the required contributions:							
From the Authority	**$ 22.1**	$ 20.6	$ 19.8	$ 17.7	$ 15.6	$ 14.8	$ 13.90
From employees	**12.9**	12.4	12.8	12.6	11.8	11.0	10.2
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	**143.6**	138.2	142.3	142.7	140.1	136.4	131.5
Authority's contributions as a percentage of covered payroll	**15.40%**	14.90%	13.90%	12.40%	11.10%	10.90%	10.50%

Schedule of Changes in Net OPEB Liability and Related Ratios
Fiscal Year Ended December 31, 2020

Measurement period ending June 30	2020	2019	2018
	(Thousands)		
Service Cost	**$ 6,821**	$ 4,641	$ 5,405
Interest on the total OPEB liability	**9,425**	10,375	10,073
Difference between expected and actual experience	**242**	(12,859)	(291)
Changes of Assumptions	**(2,717)**	44,641	0
Benefit payments	**(9,351)**	(8,937)	(7,253)
Net change in total OPEB liability	**4,420**	37,861	7,934
Total OPEB liability - beginning	**270,563**	232,702	224,768
Total OPEB liability - ending (a)	**$ 274,983**	$ 270,563	$ 232,702
Plan fiduciary net position			
Employer contributions	**$ 18,812**	$ 27,483	$ 14,455
OPEB plan net investment income	**5,717**	5,501	(120)
Benefit payments	**(9,351)**	(8,937)	(7,253)
OPEB plan administrative expense	**(153)**	(126)	(104)
Net change in plan fiduciary net position	**15,025**	23,920	6,978
Plan fiduciary net position - beginning	**83,849**	59,928	52,950
Plan fiduciary net position - ending (b)	**$ 98,874**	$ 83,849	$ 59,928
Net OPEB liability - ending (a) - (b)	**$ 176,109**	$ 186,714	$ 172,774
Plan fiduciary net position as a percentage of total OPEB liability	**35.96 %**	30.99 %	25.75 %
% Covered-employee payroll	**$ 149,128,347**	$ 149,862,640	$ 156,059,022
Net OPEB liability as a percentage of covered-employee payroll	**118.09%**	124.59%	110.71%

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
2020	**3.50%**
2019	3.50%
2018	4.50%

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Board of Directors

Dan J. Ray
Acting Chairman
Georgetown County
Georgetown, S.C.

Director Ray is president of DR Capital Group, a Pawleys Island-based financial advisory and investment company.

David F. Singleton
2nd Vice Chairman
Horry County
Myrtle Beach, S.C.

Director Singleton is president of Singleton Properties, a real estate investment and sales firm.

Kristofer D. Clark
3rd Congressional District
Easley, S.C.

Director Clark is a broker with Easlan Capital and owner of Pristine Properties LLC.

William A. Finn
1st Congressional District
Mount Pleasant, S.C.

Director Finn is a retired chairman of AstenJohnson Inc., a specialty textile company for the printing and papermaking industries based in Charleston.

Merrell W. Floyd
7th Congressional District
Conway, S.C.

Director Floyd is a retired staff coordinator for Horry Electric Cooperative.

J. Calhoun Land IV
6th Congressional District
Manning, S.C.

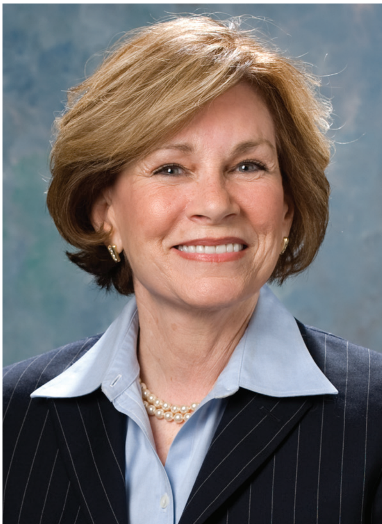
Director Land is a partner in Land, Parker & Welch, a general practice firm in Manning.

Charles H. "Herb" Leaird
5th Congressional District
Sumter, S.C.

Director Leaird is the former CEO of Black River Electric Cooperative and also served as CEO of Lynches River Electric Cooperative.

Stephen H. Mudge
At-Large
Clemson, S.C.

Director Mudge is the cofounder, president and CEO of Serrus Capital Partners Inc., a Greenville, S.C.-based real estate investment firm.



Peggy H. Pinnell
Berkeley County
Moncks Corner, S.C.

Director Pinnell is the owner of the Peggy H. Pinnell Insurance Agency in Moncks Corner, a State Farm agency.

Barry D. Wynn
4th Congressional District
Spartanburg, S.C.

Director Wynn is president of Colonial Trust Company, a private trust company specializing in investment management and estate services.

Advisory Board

Henry D. McMaster	Governor
Alan Wilson	Attorney General
Mark Hammond	Secretary of State
Richard Eckstrom	Comptroller General
Curtis M. Loftis Jr.	State Treasurer

Leadership*

Mark B. Bonsall	President and Chief Executive Officer
Charlie B. Duckworth	Deputy CEO and Chief of Planning and Innovation Officer
Thomas B. Curtis	Chief Generation Officer
Kenneth W. Lott III	Chief Financial and Administration Officer
J. Michael Poston	Chief Customer Officer
Monique L. Washington	Chief Audit Executive
Pamela J. Williams	Chief Public Affairs Officer and General Counsel

**Reflects President and CEO Mark B. Bonsall's comprehensive reorganization, effective March 7, 2020.*

Other Officers

B. Shawan Gillians	Director of Legal Services and Corporate Secretary
Dominick G. Maddalone	Senior Director of Innovation and Chief Information Officer
Daniel T. Manes	Controller
Suzanne H. Ritter	Treasurer

Office Locations

MONCKS CORNER OFFICE

Santee Cooper Headquarters
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Moncks Corner, SC 29461
843-761-8000
843-761-4122 (fax)

MYRTLE BEACH OFFICE

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Myrtle Beach, SC 29577
843-448-2411
843-626-1923 (fax)