

Speaker Lucas

**Baxley, Mike**

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**From:** Baxley, Mike  
**Sent:** Monday, April 6, 2020 9:54 AM  
**To:** 'jluclaw@gmail.com'  
**Subject:** Santee Cooper

(sent 9:54 AM Monday)

Mr. Speaker,

Hope you and family are well. Best wishes to you on Wednesday, be safe.

Santee Cooper is trying to comply with the Cook settlement. The 6 points below are needed to be able to comply. Rob Hochstetler of Central concurs with this request, feel free to reach out to him directly to confirm. Thank you for considering this request, granting it will only enhance the value of Santee Cooper for whatever decision is ultimately made about the agency.

My cell is 843-499-2060, please call me should you have any questions.

The General Assembly will not be able to conclude its consideration of Santee Cooper legislation this session due to the exigencies of the Coronavirus pandemic. However, the General Assembly respects the importance to Santee Cooper ratepayers of the four year rate freeze under the settlement of the Cook litigation and the need for Santee Cooper to be able to meet its obligations under the settlement agreement. Therefore, it is recognized that Santee Cooper must take any and all steps necessary to fulfill its obligations under this critically important settlement.

These steps include the following and the overall savings over the 2020 - 2024 timeframe from these actions is an estimated \$700 million:

- 1- Negotiate coal contracts and rail contract extensions that reduce the cost to ratepayers within the 4-year rate freeze period during the current advantageous market environment.
- 2- Execute on operational efficiency arrangements with neighboring utilities, including joint dispatch. Such agreements will be subject to regulatory review

once established by the General Assembly and will be structured with exit provisions.

- 3- Conduct the resource planning coordination process with Central. Include ORS in this process and complete it within six months to facilitate the phased retirement of Winyah. Such timing is critical so that the steps necessary to ensure system reliability and the required permitting can be completed in time.
- 4- Complete the RFP process for solar resources and execute contracts for the additions included in the Reform Plan (1000 MW over 2022 - 2024). Contract terms of 20 - 30 years will be necessary to achieve the most attractive pricing.
- 5- Without any commitments, conduct normal course planning activities necessary for longer term Reform Plan items.
- 6- Issue short and long term debt as necessary for operations and pay off, defease or refinance existing debt where favorable. At lower interest rates, these activities can reduce both the total debt outstanding and the average life of that debt.

Mike

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