

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
SOUTH CAROLINA ELECTRIC &)
GAS COMPANY, et al.)
)
(Virgil C. Summer Nuclear)
Station))

Docket No. 50-395A



SOUTH CAROLINA ELECTRIC AND GAS COMPANY'S MOTION
TO DISMISS OR, IN THE ALTERNATIVE, FOR
SUMMARY DISPOSITION RE PETITION BY CENTRAL ELECTRIC
POWER COOPERATIVE, INC. FOR A FINDING OF
SIGNIFICANT CHANGE AND REQUEST FOR
ANTITRUST HEARING ON OPERATING LICENSE

Executive Summary

On December 6, 1978, Central Electric Power Cooperative, Inc. filed its "Petition for a Finding of Significant Change and Request for Antitrust Hearing on Operating License," seeking further antitrust review in the captioned proceeding. Inasmuch as the Commission must itself first determine whether "significant changes" have occurred in the Licensee's activities since the review at the construction permit stage,^{1/} South Carolina Electric and Gas moves the Commission to dismiss the Petition because it presently fails to allege such "significant changes" or, alternatively, to grant summary dispo-

1/ See Houston Lighting & Power Co. (South Texas Project, Units Nos. 1 and 2), CLI-78-5, 7 NRC 397 (1978). Thus, the determination of "significant changes" under Section 105c(2) of the Atomic Energy Act, as amended, triggers referral to the Attorney General for his advice and recommendations. Once the matter is referred, the Attorney General has 180 days to respond. See Section 105c(1). Under the South Texas decision, a hearing is required if recommended by the Attorney General.

sition because the pleadings and supporting affidavits establish that no genuine issue of fact exists. As the Commission recognized in the South Texas proceeding,^{2/} a determination that the matter should be referred to the Attorney General would set into motion a full-blown antitrust review with its attendant delay and uncertainty.^{3/} As the Commission has also recognized, such hearings tend to be time consuming and inherently unfair unless there has been "significant intervening changes" in that utilities must "run the antitrust gauntlet twice."^{4/} The Commission itself concluded:

We see no reason why the Attorney General, our staff, and possibly a hearing board should plow the same ground twice. Nor, in fairness to utilities engaged in long range planning, should a potential petitioner for antitrust intervention be able to stand on the sidelines at the construction permit stage and raise a claim at the operating license stage that could have been raised earlier.^{5/}

The Licensee^{6/} submits that it is clear that Petitioner, which is represented by counsel experienced in the trial of antitrust matters before the Commission, has failed to meet its statutory burden of showing "significant changes" and has not otherwise shown itself entitled to a hearing at this late juncture. In this respect, the Petition entirely fails to describe the situation allegedly inconsistent with the anti-trust laws that would provide a basis for a finding of

^{2/} Houston Lighting & Power Co. (South Texas Project, Unit Nos. 1 and 2), CLI-77-13, 5 NRC 1303, 1319 (1977).

^{3/} Id. at 1321.

^{4/} Id.

^{5/} Id.

^{6/} We are advised that the South Carolina Public Service Authority will file a separate response.

"significant changes" or how that situation conflicts or is otherwise inconsistent with the policies underlying the antitrust laws, and further fails to identify the specific relief sought by the Petition.

Also, the Petition addresses the validity of State regulatory legislation,^{7/} a matter clearly beyond the NRC's jurisdiction and immune in any event to federal antitrust laws under the decisions of the Supreme Court. Furthermore, although the gist of the Petition goes to Petitioner's relationship with South Carolina Public Service Authority, Central Electric failed to intervene when given notice in 1974 that the Commission was considering an amendment to the construction permit to reflect the Authority's proposed one-third ownership in the Summer facility. Finally, the Petition is submitted, without a showing of good cause, some 22 months after receipt of the application for an operating license had been publically noticed. Therefore, Central Electric's request for an additional antitrust review at this date is out of time. Accordingly, no finding of "significant changes" can be made on the basis of this petition.

^{7/} While the Petition is not clear, it appears that Central Electric believes itself aggrieved by a South Carolina statute enacted in 1973 as South Carolina Acts No. 412, amending South Carolina Code §§59-18 to 28 (copy attached), which establishes a "service area" for the Authority, including the right to serve Central Electric. This 1973 State enactment is apparently Central Electric's only evidence of "changed circumstances" since the issuance of the construction license so as to justify a hearing at the operating license stage. Although ambiguous, the thrust of the Petition seems to be that the statute enabled the South Carolina Public Service Authority to enter into an anticompetitive agreement with SCE&G and other utilities to restrict the sale of electric power. The other allegations in the Petition are seemingly predicated on the existence of that alleged agreement. The July 9, 1973 date noted on page 2 of the Petition coincides with the date of the Governor's signature and the effectiveness of the legislation.

In the event the Commission decides it cannot dismiss the Petition out of hand, in order to avoid setting in motion the protracted hearing procedures discussed above, it should exercise its plenary authority^{8/} to consider Licensee's motion for summary disposition.^{9/} The allegations of the Petition are squarely refuted by the attached affidavits of the Licensee's principal officers.

Moreover, the Petition is so factually deficient and obscure in its meaning that it could not possibly support a recommendation by the Attorney General for a full antitrust hearing.

Statement of Facts

Construction of the Virgil C. Summer Nuclear Station, Unit 1 ("Summer"), was authorized by Construction Permit No. CPPR-94, issued by the Commission to SCE&G on March 21, 1973. Issuance of the construction permit was preceded by the statutory antitrust review required by Section 105 of

^{8/} The Commission has previously recognized that it has inherent supervisory authority over the conduct of adjudicatory proceedings. United States Energy Research and Development Administration (Clinch River Breeder Reactor Plant), CLI-76-13, 4 NRC 67, 75-76 (1976).

^{9/} As the Appeal Board explained in Alabama Power Co. (Joseph M. Farley Nuclear Plant, Units 1 and 2), ALAB-182, 7 AEC 211, 217 (1974):

[T]he summary disposition procedure provided by Section 2.749 finds a judicial counterpart in Rule 56 of the Federal Rules of Civil Procedure, which authorizes the filing of a motion for summary judgement as to any claim or part thereof asserted in the action. In contrast to a motion to dismiss, such a motion enables the court to go beyond the complaint itself and to determine, on the basis of extrinsic matter such as affidavits submitted by one or more of the parties, whether there is warrant for an evidentiary trial; i.e., whether there is "a genuine issue as to any material fact" bearing upon the claim or claims as to which summary resolution is sought.

the Atomic Energy Act of 1954, as amended, which reads in pertinent part as follows:

c.(1) The Commission shall promptly transmit to the Attorney General a copy of any license application provided for in paragraph (2) of this subsection, and a copy of any written request provided for in paragraph (3) of this subsection; and the Attorney General shall, within a reasonable time, but in no event to exceed 180 days after receiving a copy of such application or written request, render such advice to the Commission as he determines to be appropriate in regard to the finding to be made by the Commission pursuant to paragraph (5) of this subsection. Such advice shall include an explanatory statement as to the reasons or basis therefor.

* * * * *

c.(5) Promptly upon receipt of the Attorney General's advice, the Commission shall publish the advice in the Federal Register. Where the Attorney General advises that there may be adverse anti-trust aspects and recommends that there be a hearing, the Attorney General or his designee may participate as a party in the proceedings thereafter held by the Commission on such licensing matter in connection with the subject matter of his advice. The Commission shall give due consideration to the advice received from the Attorney General and to such evidence as may be provided during the proceedings in connection with such subject matter, and shall make a finding as to whether the activities under the license would create or maintain a situation inconsistent with the antitrust laws as specified in subsection 105a.

The Commission's request for advice from the Attorney General required by the statute was received by letter dated March 31,

1972. Responding for the Attorney General, the Acting Assistant Attorney General for the Antitrust Division of the Department of Justice carefully reviewed the status of South Carolina Electric and Gas as a public utility, its relationship with other utilities, including the South Carolina Public Service Authority (also known as "Santee-Cooper"), all relevant competitive considerations, and offered the following conclusion:

No competing utility has indicated to us any antitrust objection to licensing the Summer nuclear facility. Santee-Cooper is presently negotiating with SCEG for participation in a substantial share of the plant's output, either on an ownership or a purchase basis, and we are advised that negotiations are proceeding smoothly. [As noted earlier with respect to the 1974 amendment of the Summer construction permit, these negotiations ultimately resulted in an agreement whereby the Authority has a one-third ownership interest in the Summer facility.] Central is definitely interested in obtaining the benefits of a share in the Summer facility, but because of its contractual relations with Santee-Cooper is awaiting the outcome of the negotiations between the latter and SCEG. I[t] has no plans to intervene in this proceeding.

With the comparatively large number of distribution coops scattered throughout SCEG's service area, there has been considerable scope for retail competition in the past. This will be seriously curtailed in [the] future, but only as a result of the change in South Carolina law. To the extent that retail competition is still permitted, the cooperatives should be effective competitors with SCEG since they are not dependent upon it for bulk power supply. In wholesale purchasing, the power output of Santee-Cooper, as supplemented by SEPA and made available by the Central-Santee-Cooper transmission system, provides a competitive alternative to SCEG. Aside from the pending negotiations concerning the Summer facility, Santee-Cooper also has independent generation expansion plans. Thus it would appear that

competing utilities in the area will have an adequate alternative in bulk power supply to enable them to compete with SCEG for load growth in terms of cost and power supply reliability. [Emphasis added.]

Thus, the Department of Justice carefully evaluated all aspects of retail and wholesale competition affected by the relationship of both Licensees to each other as well as other competitors in the area, including Central Electric, and concluded that the retail and wholesale electric power markets would be adequately competitive. The advice of the Attorney General was published in the Federal Register on April 12, 1972, in accordance with Section 105c(5).^{10/}

As a result of the conclusions and recommendations of the Department of Justice, a construction permit was issued to SCE&G on March 21, 1973, which recited the following finding required by Section 105c of the Act:

In view of the fact that the Attorney General has not recommended an antitrust hearing in this matter, that no antitrust issues have been raised by another in a manner according with the Commission's Rules of Practice, and that no finding has been made that an antitrust hearing is otherwise required (10 C.F.R., Part 2, §2.104(d)), antitrust review of the application for this construction permit under Section 105c of the Atomic Energy Act of 1954, as amended, has been completed and a hearing thereon determined to be unnecessary.

By letter dated May 17, 1974, SCE&G filed Amendment of Application and Request for Amendment of CPPR-94 to reflect the newly acquired one-third ownership interest in the Summer

^{10/} See 37 Fed. Reg. 7265 (April 12, 1972).

facility by the South Carolina Public Service Authority.^{11/} Thereafter, the Commission gave formal notice of the proposed amendment of SCE&G's construction permit to include the Authority by publication in the Federal Register on October 17, 1974.^{12/} However, Central Electric did not raise an objection to the proposed amendment, and on December 3, 1974, the Commission issued the requested amendment.

The application for an operating license for Summer was submitted to the Commission on February 24, 1977. Contemporaneously, the Licensees filed the required Information for Anti-trust Review of Operating License Application in accordance with Regulatory Guide 9.3, pertaining to any changes which had occurred or were planned to occur since submission of the construction permit application. Paragraph (h) of the response by each Licensee indicates that Central Electric was at that time negotiating with South Carolina Electric & Gas and with the Authority, and had, or should have had, knowledge of its submission.

^{11/} The Amendment and Request states at page one that it "reflects the successful conclusion of the negotiations between Applicant and Authority which were referred to by the Attorney General in his letter of advice to the Commission on March 31, 1972, pursuant to Section 105 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2135."

^{12/} See 39 Fed. Reg. 37088 (October 17, 1974). No party requested intervention or a hearing.

On publication in the Federal Register on April 18, 1977, the Commission gave formal notice that it had received the application for an operating license.^{13/} At that time, Central Electric did not request a finding of "significant changes" or an antitrust hearing with respect to the activities or proposed activities of the Licensees. It was not until December 6, 1978, some twenty-two months later, that Petitioner now asserts that "significant changes" in the Licensee's activities and proposed activities had occurred subsequent to the antitrust review previously conducted by the Commission and the Attorney General in 1972.

^{13/} 42 Fed. Reg. 20203 (April 18, 1977).

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^{13/} 42 Fed. Reg. 20203 (April 18, 1977).

Argument

1. The Petition is insufficient to invoke the authority of the Commission to require a further antitrust review under Section 105c(2) because there is no well-pleaded allegation of "significant changes." As Central Electric necessarily concedes, additional antitrust hearings are not required unless there is some showing of "significant changes" since issuance of the construction permit. Although Central Electric pays lip service to this jurisdictional prerequisite, nothing in its Petition purports to allege such significant changes. Much of the Petition concerns itself with an historical analysis of events clearly preceding issuance of the construction permit to SCE&G on March 21, 1973. Allegations are made with respect to an agreement concerning the sale of electrical power^{14/} and the Authority's purported "policy" of "dual rates" for supplying power to Central Electric for resale. But nowhere does Central Electric explain how either allegation represents a "significant change."

Equally important, Central Electric does not allege any significant changes occurring after issuance of the amendment of the construction permit on December 3, 1974, adding the Authority as a licensee. The addition of the Authority as licensee, reflecting its ownership interest in the Summer Facility, was anticipated by the Attorney General in issuing his advice

^{14/} As we shall demonstrate at page 24, infra, no such restrictive or anticompetitive agreement ever existed or exists at this time.

under Section 105c(1). Yet, Central Electric alleges nothing new in the way of significant changes occurring after this juncture. In short, the Petition leaves the reader to speculate as to what Central Electric alleges to be a significant change and why it is significant, and thus has failed to meet its burden.

It appears that the only action alleged by the Petition that one may reasonably infer to have occurred after March 21, 1973, is the enactment of South Carolina Acts No. 412 (1973), which was signed into law by the Governor on July 9, 1973.^{15/} Central Electric appears to suggest that anticompetitive provisions of South Carolina Acts No. 412 (1973), as that law affects South Carolina Public Service Authority and other private electric companies operating in South Carolina, are a violation of the antitrust laws because they allegedly restrict electric power. Obviously, the NRC has no authority retail electric power. Obviously, the NRC has no authority

^{15/} It was the express intent of Congress that Licensees not be held accountable for activities reasonably beyond the control of the Licensee, such as the passage of State regulatory laws. Thus, it was stated in the House Report on the 1970 amendments that "significant changes . . . refers to the licensee's activities or proposed activities; the committee considers that it would be unfair to penalize a licensee for significant changes not caused by the licensee or for which the licensee could not reasonably be held responsible or an answerable." H.Rep. No. 1470, 91st Cong., 2d Sess. (1970), cited in 3 U.S. Code Cong. & Admin. News 4981 at 5009-5010 (1970). Accordingly, enactment of South Carolina Acts No. 412 could not, in any event, be considered a significant change in the activities or proposed activities of the Licensee.

to review or invalidate this State statute. In any event, it is evident from the long-standing doctrine of Parker v. Brown, 317 U.S. 338 (1948), that such anticompetitive effects of the statute are immune from scrutiny or challenge. The Supreme Court in Parker v. Brown held that the State, acting in its sovereign capacity, could lawfully impose certain anticompetitive restraints on State regulatees, notwithstanding apparent inconsistencies with federal antitrust laws.

This doctrine has been very recently reiterated and sustained by the Supreme Court in City of Lafayette v. Louisiana Power and Light Co., 46 U.S.L.W. 4265 (March 29, 1978), where the Supreme Court concluded "that the Parker doctrine exempts . . . anticompetitive conduct as an act of government by the State as sovereign, or, by its subdivisions, pursuant to state policy to displace competition with regulation or monopoly public service."^{16/} As the Court explained, the Parker doctrine, "preserves to the States their freedom under our dual system of federalism to use their municipalities to administer state regulatory policies free of the inhibitions of the federal antitrust laws without at the same time permitting purely parochial interests to disrupt the Nation's free market goals."^{17/} Accordingly, any restrictions by State statute

^{16/} 46 U.S.L.W. 4271 (emphasis added).

^{17/} 46 U.S.L.W. 4272.

against competition are clearly privileged by virtue of the Parker and Louisiana Power & Light decisions.

While not squarely implicating the Parker doctrine, the licensing board in the Fermi proceeding, likewise recognized that allegedly anticompetitive actions are not objectionable under federal antitrust laws if they result from governmental mandate.^{18/} Moreover, the Supreme Court observed in Louisiana Power & Light that "regardless of anticompetitive purpose or intent, a concerted effort by persons to influence lawmakers to enact legislation beneficial to themselves or detrimental to competitors [is] not within the scope of the antitrust laws."^{19/} Thus, Central's implication that South Carolina Electric & Gas in some sense sponsored or supported the legislation, even if true, is irrelevant. Such advocacy would not derogate from the authority of the State to enact anti-competitive legislation under the Parker doctrine, as confirmed by the Supreme Court's recent holding in Louisiana Power & Light.

^{18/} Detroit Edison Co. (Enrico Fermi Atomic Power Plant, Unit 2), LBP-78-13, 7 NRC 583, 596 (1978).

^{19/} 46 U.S.L.W. 4268, citing Eastern Railroad Presidents Conference v. Noerr Motor Freight, Inc., 365 U.S. 127 (1961). See generally Alabama Power Co. (Joseph M. Farley Nuclear Plant, Units 1 and 2), LBP-75-69, 2 NRC 822 (1975).

2. The Petition is further deficient under the Commission's Special Pleading Requirements for Antitrust Review. It is well settled that, in addition to the ordinary requirements under 10 C.F.R. Section 2.714, a party must satisfy certain conditions to request participation in a proceeding related to antitrust matters. Similarly, a request for a finding of "significant changes" at the operating license stage must inform the Commission at outset as to the specifics of the request and the relief desired in order to assure that the hearing process is not set in motion unnecessarily. Thus, we submit the instant petition must:

- (1) describe the situation allegedly inconsistent with the antitrust laws which is the basis for intervention;
- (2) describe how that situation conflicts with the policies underlying the Sherman Act, Clayton Act, or Federal Trade Commission Acts;
- (3) describe how the situation allegedly inconsistent with the antitrust laws would be created or maintained under the license; and
- (4) identify the specific relief sought.^{20/}

Particularly at this stage, it is crucial that these conditions be met since, as noted, supplementary antitrust review at this time is discretionary and, also important, the scope of review is limited to "significant changes."^{21/}

^{20/} Detroit Edison Company (Enrico Fermi Atomic Power Plant, Unit No. 2), LBP-78-13, 7 NRC 583, 597 (1978) (citing decisions).

^{21/} Houston Lighting & Power Co. (South Texas Project, Units Nos. 1 and 2), CLI-77-13, 5 NRC 1303, 1320-21 (1977).

Even a cursory examination of the instant petition demonstrates its obvious insufficiency under these basic requirements. Much of the Petition does not even purport to deal with any existing "situation" required for consideration under Section 105c, but merely describes how, in Central Electric's view, the Authority achieved its present position in the industry. A good portion of the Petition describes events alleged to have occurred as long ago as 1935, which are plainly irrelevant to present competitive circumstances. Central Electric's fleeting reference to a so-called "agreement" between South Carolina Public Service Authority and South Carolina Electric & Gas and other private electric companies operating in South Carolina to restrict competition -- an utter falsity as we shall show -- entirely fails to describe the situation allegedly inconsistent with the antitrust laws. Further, Central Electric makes no effort whatever to describe how that alleged situation conflicts with the policies underlying federal antitrust laws or how the alleged situation would be created or maintained by activities under the operating license sought by the Licensees.^{22/}

^{22/} Notably, "the Commission's antitrust mandate extends only to anticompetitive situations intertwined with or exacerbated by the award of a license to construct or operate a nuclear facility." Karsas City Gas & Electric Co. (Wolf Creek Generating Station, Unit No. 1), ALAB-279, 1 NRC 559, 569 (1975); see also ALAB-299, 2 NRC 740, 749 (1975) (finding sufficient "nexus between the [Applicants'] refusal to wheel and the inability of [petitioner] to participate in the Wolf Creek project"); Consumers Power Co. (Midland Power Plant, Units 1 and 2), ALAB-452, 6 NRC 892, 915-917 (1977).

Central Electric merely notes that it is very dependent upon the Authority for its power supply, a fact which is obvious in light of the 1973 State statute and just as obvious in 1974 when SCE&G and the Authority applied to amend the construction permit to add the Authority as a Licensee. Indeed, Central Electric concedes that the Authority is "continuing for the present to fulfill its contractual commitments to Central."^{23/}

Petitioner's allegations that the Authority has initiated a policy of "dual rates" for supplying power to Central Electric is likewise barren of factual background or description, as well as any analysis of how this alleged rate policy conflicts with antitrust policy or would be maintained by activities under the operating license sought by the Licensees. Moreover, the Petition is plainly deficient because it fails to identify the specific relief sought to remedy the alleged antitrust problems.

The deficiencies in the instant Petition are far greater than those discussed by the NRC in decisions holding antitrust petitions invalid. For example, in Kansas Gas and Electric Co. (Wolf Creek Generating Station, Unit No. 1), ALAB-279, 1 NRC 559 (1975), a proceeding at the construction permit stage, a petition was rejected in which a power cooperative alleged that it had been offered an eight percent interest in the applicant's nuclear facility; that it desired to accept that offer and compete with the applicant in the sale of bulk power

^{23/} Petition of Central Electric Power Cooperative at 4.

but was effectively precluded from doing so by the terms of the applicant's offer; that the applicant was the dominant electric utility controlling all essential transmission facilities in the area; and that it refused to wheel supplemental power to the cooperative, resulting in the cooperative's inability to compete with the applicant. Agreeing that the petition may have been alleging either of two possible Sherman Act violations, the Commission nonetheless ruled that it could not tell for certain which claim was being pressed. The petition's "imprecision regarding how [the alleged] situation conflicts with the relevant antitrust laws and policies"^{24/} is nevertheless not even as objectionable as the ambiguous and conclusory assertion in the instant Petition that the Licensees have "entered into an agreement . . . to restrict their competition in the sale of electric power at wholesale and at retail" ^{25/}

As the Appeal Board noted in the Wolf Creek proceeding, "[t]he applicant is entitled to a fair chance to defend."^{26/} It is therefore necessary, as stated by the Appeal Board in a subsequent decision in the Wolf Creek proceeding, for the Petition to be self-explanatory:

What must be decided in evaluating the adequacy of an intervention petition in one of our antitrust cases is whether, in the totality of the circumstances of the particular case, that petition describes the alleged inconsistent situation with

^{24/} 1 NRC at 575.

^{25/} Petition of Central Electric Power Cooperative at 2.

^{26/} ALAB-279, 1 NRC at 576.

enough clarity and precision to enable the applicant and the Licensing Board to determine the nature of the claim and upon what it is founded.^{27/}

The instant Petition cannot pass muster under this standard. In fact, it is very comparable to one that was rejected by a licensing board in Detroit Edison Company (Enrico Fermi Atomic Power Plant, Unit No. 2), LBP-78-13, 7 NRC 583 (1978), which similarly alleged that a contract between a generation and transmission cooperative and a distribution cooperative violated the anti-trust laws. Observing preliminarily that the Fifth Circuit Court of Appeals had previously ruled that similar "all requirements" contracts between utilities "were the result of valid Governmental action and hence not contrary to the antitrust laws,"^{28/} a licensing board held that the petition "wholly fail[ed] to set forth with particularity any viable §105c anti-trust contentions."^{29/} Clearly, the Petition by Central Electric is no more descriptive or lucid than the petition dismissed as inadequate by the licensing board in the Fermi proceeding. Accordingly, the Petition fails to satisfy the requirements for further antitrust review and should be denied.

^{27/} Kansas Gas and Electric Company (Wolf Creek Generating Station, Unit 1), ALAB-299, 2 NRC 740, 749-50 (1975). See also Pacific Gas & Electric Company (Stanislaus Nuclear Project, Unit 1), LBP-77-26, 5 NRC 1017, 1021-23 (1977).

^{28/} 7 NRC at 596, citing Alabama Power Co. v. Alabama Electric Cooperative, Inc., 394 F.2d 672, 675-76 (5th Cir.), cert. denied, 393 U.S. 488 (1968).

^{29/} 7 NRC at 597.

In addition to the special requirements established by the Commission for antitrust pleadings, Central Electric must satisfy the ordinary conditions for specificity in pleading set forth in 10 C.F.R. 2.714(a)(2) and (d)(1), (2) and (3).^{30/}

Because Central Electric has not explained just what situation is alleged to be inconsistent with the antitrust laws, or how that situation conflicts with the policy underlying the federal antitrust laws or would be maintained by activities under the operating license, it is impossible to determine from the Petition "how [its] interest may be affected by the results of the proceeding." Likewise, the nature and extent of Central Electric's interest in the proceeding as well as the possible effect of any order which may be entered in its behalf cannot be determined because of the same deficiencies in its pleading.

^{30/} See, e.g., Detroit Edison Co. (Enrico Fermi Atomic Power Plant, Unit No. 2), LBP-78-13, 7 NRC 583, 596 (1978).

3. In any event, the Petition should be denied as unduly late. Whether viewed as a request for a finding of "significant changes" or as a request to participate in the operating license antitrust proceeding, the unexplained lateness of the request is grounds for denial. By publication in the Federal Register on April 18, 1977, the Commission gave formal notice to the public that it had received an application for an operating license for the Summer Nuclear Station. Equally important, the Commission had, on October 17, 1974, published notice that SCE&G had requested an amendment of its construction permit for the Summer facility to reflect the sale of a one-third ownership interest to the Authority. Although nebulous in detail, the thrust of Central Electric's antitrust allegations clearly derive from an alleged "agreement" between the Licensees and other private electric companies operating in South Carolina purportedly entered into in 1973. There is no good reason apparent on the face of the Petition why Central Electric could not or should not have filed within a reasonable period following publication in the Federal Register of SCE&G's application to amend its construction permit in 1974, or, at the very latest, at the time of the Licensees' request for operating license in 1977. There simply is no recitation of any "significant changes" occurring after the amendment of the

construction permit on December 3, 1974.^{31/} Thus, because it alleges only "old" matters predating 1974, the Petition is out of time.

It would be entirely inequitable and contrary to the spirit of Section 105c(2) -- that review at the operating license stage be expeditious and limited in scope to significant changes -- to permit the introduction of matters fully known to the Petitioner long ago but withheld until almost two years after the filing of the request for an operating license, and, even longer since amendment of the construction permit, at which time these matters could have been raised. A licensing board has stated as follows in this regard:

Inasmuch as neither the Attorney General nor the Staff has discerned any antitrust problems which would warrant a review under §105c, there would be no party or counsel to conduct protracted litigation other than the Petitioner pro se. Typically, such antitrust reviews under §105c have required substantial legal and expert resources necessary for evidentiary hearings covering many months, involving thousands of documents produced during discovery, hundreds of exhibits introduced into evidence, and up to 28,000 pages of transcripts of testimony. Since no prelicensing antitrust review will be required unless this intervention petition is allowed, before such extended litigation is thus triggered it should be reasonably clear that there are potential antitrust issues cognizant under §105c.^{32/}

^{31/} We reiterate that the published advice of the Attorney General noted and approved of the Authority's efforts at that time to acquire an ownership interest in the Summer facility. See 39 Fed. Reg. 7266 (April 12, 1972). Section 105c(5) requires publication of the Attorney General's advice to the Commission in the Federal Register.

^{32/} See Fermi, note 30, supra at 595 (footnote omitted) (emphasis added).

Accordingly, it would be unfair to the Licensees and contrary to the express mandate of the statute for expedition to permit the late introduction of antitrust issues by this lone Petitioner some 22 months after submission of the application for an operating license, and more than four years after SCE&G sought to add the Authority as a Licensee. In addition to the distinct considerations applicable to antitrust review already discussed, a determination as to whether a late petition should be accepted is governed by the separate criteria of 10 C.F.R. §2.714(a)(1), which establishes five factors, plus those set out in subsection (d), which we shall discuss as follows:

(i) Good cause, if any, for failure to file on time.

The Petition, which is based on "old" facts, is entirely silent as to the reason filing was delayed until this late date. It is readily inferrable from the Petition that Central Electric comprehended all the circumstances giving rise to its assertions years ago, and knew of the status of the proceedings herein. Nonetheless, Central Electric chose not to intervene on anti-trust issues during the 1974 amendment proceedings, and then elected to wait almost two years after operating license proceedings had commenced before seeking a finding of "significant changes" and requesting a hearing.

(ii) The availability of other means whereby the petitioner's interest will be protected. Central Electric has not alleged how any relief which could be granted by the

Commission would be unique. The traditional antitrust forums are available to it.

(iii) The extent to which the petitioner's participation may reasonably be expected to assist in developing a sound record; (iv) The extent to which the petitioner's interest will be represented by existing parties; (v) The extent to which the petitioner's participation will broaden the issues or delay the proceeding. The final three items to be weighed in reviewing a late petition may be considered together. Both the Attorney General and Staff have previously determined at the construction permit stage that the Licensee's activities and proposed activities will not be inconsistent with the anti-trust laws. If the instant petition is denied, no further hearings, and thus no further record, will be required. In light of the extensive review already conducted by the Attorney General and the Staff, the interests of Petitioner and other competitors, including the general public, have been and continue to be adequately protected by the Staff and the Attorney General. Further delay, especially where the Petitioner has submitted a pleading that is obviously defective under the requirements previously discussed, simply cannot be justified.

Central Electric cannot prevail on any of the five tests the Commission has promulgated in judging a late-filed petition and its requests should be denied.

4. Alternatively, SCE&G is entitled to Summary Disposition. It is difficult to exaggerate the protracted litigation and delay that could result if the Commission were to trigger the first step in an operating license antitrust proceeding. As discussed in footnote 1, supra, a determination of a significant change would require referral to and a recommendation by the Attorney General which, by statute, could take up to six months. If the Attorney General recommends a hearing, one would necessarily be held. Even if he should recommend against such a hearing, the NRC must publish the Attorney General's advice and recommendation. As the Appeal Board has noted in Fermi, such antitrust hearings have required substantial legal and expert resources necessary for many months of evidentiary hearings, involving thousands of documents produced during discovery, hundreds of exhibits introduced into evidence and up to 28,000 pages of transcripts of testimony.

With this as background, we would move the Commission, by way of the motion for summary disposition, to use its plenary powers to assure a genuine issue of fact exists prior to forwarding the matter to the Attorney General should it decide that it cannot dismiss it outright.

As we have demonstrated, the Petition fails to satisfy either the specific pleading requirements applicable to antitrust review or the general pleading rules under Part 2. However, even viewed on its merits, the Petition is wholly without grounds. The only implication pertaining to SCE&G with respect to an anticompetitive activity is the purported "agreement" between SCE&G, the Authority and other utilities

to restrict competition in the sale of electric power at wholesale and at retail on and after July 9, 1973. To the contrary, both Arthur M. Williams, Chairman of the Board and Chief Executive Officer of SCE&G, and Virgil C. Summer, President and Chief Operating Officer of SCE&G, attest by affidavit that no such restrictive agreement existed at any time, including July 9, 1973, or thereafter. As stated in these affidavits, the only agreements between SCE&G are as follows:

- (a) Joint Ownership Agreement for Virgil C. Summer Nuclear Station Unit #1 dated October 18, 1973 and Amendment No. 1 thereto dated June 1, 1976.
- (b) Agreement for the Construction, Maintenance and Operation of Certain Transmission Lines from the Project Substation at V. C. Summer Nuclear Station, Unit #1, dated November 1, 1978.
- (c) Interchange Agreement between SCE&G and the Authority dated January 1, 1975 and Modification No. 1 thereto dated August 21, 1978, which are filed with the Federal Energy Regulatory Commission under applicable provisions of Federal Power Act.
- (d) License Agreement dated February 2, 1967 wherein the Authority authorizes SCE&G to construct, operate and maintain an electric power line on Authority's easement crossing Belvedere Subdivision in Orangeburg County, South Carolina.

(e) Agreement between SCE&G and Authority dated August 9, 1972 as amended November 6, 1973 relating to delivery of power by SCE&G to Woodlands Hills Substation in Lexington County, South Carolina.

(f) Agreement dated March 16, 1976 among Authority, SCE&G and Duke Power Company advising Federal Power Commission that Head Water Benefits to Authority's hydroelectric project are de minimis.

(g) Agreement dated May 29, 1977 between Authority and SCE&G relating to delivery of power by Authority at SCE&G Substantion at Kempson's Bridge.

(h) Reliability Agreement: Virginia-Carolinas Reliability Group (VACAR) dated May 1, 1970 among Carolina Power & Light Company, Duke Power Company, South Carolina Electric & Gas Company, South Carolina Public Service Authority, Southeastern Power Administration and Virginia Electric and Power Company.

These agreements have been submitted with the attached affidavits for inspection by the Commission. The agreements are patently irrelevant to Central Electric's antitrust allegations, and could not have either an anticompetitive purpose or effect.

Each of these affiants is presently and has been for some time a highly placed officer within the corporate structure of SCE&G. Each is familiar with all agreements to which SCE&G has been a party, including those entered into with the Authority.

Each has read the Petition herein and attests categorically that no such restrictive agreement as alleged by Central Electric exists now or has ever existed. The date of July 9, 1973, is meaningful to each of them in this context only as the date South Carolina Acts No. 412 was enacted. Thus, SCE&G is entitled to summary disposition on the Petition as an alternative mode of relief.

Conclusion

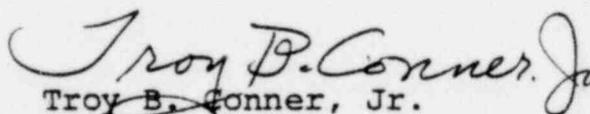
The 1970 Amendments to the Atomic Energy Act created a carefully structured procedure whereby the scope of anti-trust review at the operating license stage is restricted to significant changes in the Licensee's activities or proposed activities. Congress intended to avoid repetitious and unnecessary review at the later licensing stage, and therefore made a finding of "significant changes" a jurisdictional prerequisite to additional antitrust review at that time. Execution of this congressional mandate requires that the Commission give strict, meaningful application to the pleading requirements established by Congress under Section 105c(2) as well as the rules adopted by the Commission itself as a construction of the statute.

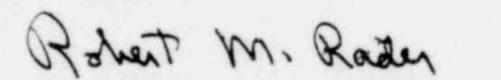
Neither the Commission nor the Licensees should have to speculate as to the "significant changes" alleged by a petitioner, nor should the Petition leave to conjecture its assertions of anticompetitive practices, how the alleged practices are inconsistent with federal policies, how they

would be created or maintained by the Licensees, or the specific relief sought. In order to give vitality to the underlying policy of the statute and the rules of the Commission that antitrust review at the operating stage be expeditious and narrow in scope, the Commission should determine, under its jurisdiction recognized in South Texas, that Central Electric has failed to make the showing of "significant changes" necessary to trigger referral to the Attorney General and other possible proceedings. For the same reasons, Central Electric's request for an antitrust hearing at the operating license stage should be denied. Alternatively, the Commission should grant Licensee's Motion for Summary Disposition.

Respectfully submitted,

CONNER, MOORE & CORBER


Troy B. Conner, Jr.


Robert M. Rader
Counsel for the Licensee

December 21, 1978

drawal shall take effect until one year after the Governor of the withdrawing state has given notice in writing of the withdrawal to the Governors of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

SECTION 2. Time effective.—This act shall take effect upon approval by the Governor.

Approved the 9th day of July, 1973.

(R671, S389)

No. 413

An Act To Amend The Code Of Laws Of South Carolina, 1962, By Adding Sections 59-18 Through 59-28, So As To Assure That The South Carolina Public Service Authority Shall Continue Electrical Service To Central Electric Power Cooperative, Inc. And Its Members, Without Prejudice To Those Customers And Areas Presently Served By It, By Authorizing The Public Service Authority To Service Such Electric Cooperatives, Its Present Customers And Service Area; Providing Definitions Relating Thereto; Defining The Present Service Area And Customers Of The Public Service Authority; Permitting The Public Service Authority To Acquire Distribution Facilities Of Other Electrical Utilities Located In Its Present Service Area; Providing Assurances For Bondholders And Creditors Of The Public Service Authority; Granting Exclusive Jurisdiction To The Circuit Court To Hear And Determine Any Disputes Arising Under This Chapter; To Provide For Certain Reports To The Public Service Commission And Notices Of Proposed Rate Increases; And To Add An Additional Member To The Board Of Directors Of The Authority And Provide For His Term.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. S. C. Public Service Authority—service area, etc.
—The 1962 Code is amended by adding Sections 59-18 through 59-28, which shall read as follows:

"Section 59-18. The following words and phrases as used in this chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

(1) The term 'electrical utility' includes persons and corporations, their lessees, assignees, trustees, receivers or other successors in interest owning or operating in this State equipment or facilities for generating, transmitting, delivering or furnishing electricity for street, railway or other public uses or for production of light, heat or power to or for the public for compensation; but it shall not include an electric cooperative or municipality and shall not include a person, corporation furnishing electricity only to himself or itself, their residents, employees or tenants when such electricity is not resold or used by others.

(2) The term 'present service area' means the area or areas hereinafter described, within which the Public Service Authority shall have the right to furnish electrical service to the exclusion of other electrical utilities.

(3) The term 'premises' means the building, structure or facility including any expansions or additions thereto, to which electricity is being or is to be furnished; *provided*, that two or more buildings, structures or facilities which are located on one tract or contiguous tracts of land and are utilized by one electric consumer for farming, business, commercial, industrial, institutional or governmental purposes, shall together constitute one 'premises' regardless of whether they are separately metered and the charges for such service are calculated independently of charges for service to any other building, structure or facility.

Premises are considered as being served by the Public Service Authority if on the effective date of this act a contract between the electric consumer and the Public Service Authority has been signed, or any of the facilities for electric service belonging to the Public Service Authority are attached to such premises.

Section 59-19. After the effective date of this act the Public Service Authority shall have the right to provide electric service only to, and it shall have the right to serve:

(1) Central Electric Power Cooperative, Inc., including (a) all electric cooperatives that are members of Central Electric Power Cooperative, Inc., on the effective date of this act, (b) any electric cooperative which after the effective date of this act becomes a member of Central Electric Power Cooperative, Inc., (c) any electric cooperative which after the effective date of this act ceases to be a member of Central Electric Power Cooperative, Inc., and (d) in the event Central Electric Power Cooperative, Inc., ceases to exist as a cor-

porate entity, any electric cooperative which was a member of Central Electric Power Cooperative, Inc., at the time of its dissolution;

(2) All premises, customers and electric cooperatives served by it on the effective date of this act;

(3) Its present service area as defined in Section 59-20;

(4) Those areas owned, leased or controlled by the Public Service Authority adjacent to the lakes and waterways of Federal Power Commission Project No. 199.

If, after the effective date of this act, any customers, premises or electric cooperatives located outside the present service area of the Public Service Authority as defined in Section 59-20 and being served by the Public Service Authority, including any subsequent expansions or additions by such customers, premises or cooperatives, ceases or discontinues accepting electrical service from the Public Service Authority, the Public Service Authority may subsequently sell and furnish electrical service to new customers, premises or electric cooperatives from its major transmission lines in an amount not exceeding the amount of power the sale of which was lost by reason of such discontinuation of service.

Nothing contained herein shall be construed to restrict the right of the Public Service Authority to furnish electric service to its own premises; to exchange or interchange electric service with, purchase electric energy from or sell electric energy to any other electrical utility; to construct additional facilities, within or without its present service area, as defined in Section 59-20; to construct additional delivery points to or for any of the premises or customers it is authorized to serve as provided for in this section; or to fulfill the growth needs of any customer legally served by it.

Section 59-20. Notwithstanding any other provisions of law, and except as hereinafter set forth, the present service area of the Public Service Authority shall consist of the counties of Berkeley, Georgetown and Horry; *provided*, however that the following described areas shall not be included in the Public Service Authority's present service area as defined herein:

(1) That portion of Berkeley County now being served by South Carolina Electric and Gas Company as indicated by cross-hatching on Authority Drawing No. E-1851, entitled 'Map of Berkeley County Showing Crosshatched Area being served by S. C. E. & G.'

(2) That portion of Georgetown County now being served by Carolina Power and Light Company, as indicated by cross-hatching

on Authority Drawing No. E-1850, entitled 'Map of Georgetown County Showing Crosshatched Area being served by C. P. & L. Co.'

(3) That portion of Horry County now being served by Carolina Power and Light Company as indicated by cross-hatching on Authority Drawing No. 1849, entitled 'Map of Horry County Showing Crosshatched Area being Served by C. P. & L. Co.'

The above described drawings, and all explanatory notes, symbols and legends thereon, as approved by the General Manager of the Public Service Authority or his designee and the President of the electrical utility involved or his designee, are made a part of this act by reference, and shall be filed, safeguarded and maintained as provided in Section 59-21.

Section 59-21. Each of the drawings referred to in Section 59-20 shall be filed in the place provided by law for recording the real estate records of the county concerned, and a certified copy of each drawing shall be filed in the Office of the Secretary of State. Certified copies of the drawings shall be kept available for examination by the public in the principal office of the Public Service Authority, and shall be furnished to the electrical utility concerned.

Inaccuracies in the drawings discovered after certification and filing shall be corrected by preparing revised drawings and approving and filing the revised drawings in the same manner as provided for original drawings.

Nothing contained in Sections 59-18 through 59-24 shall be construed to prevent the Public Service Authority from acquiring, by purchase, the electric facilities, or any part thereof, owned by another electrical utility and located in any of the cross-hatched areas described in Section 59-20. The areas served by any facilities purchased by the Public Service Authority shall become a part of the present service area of the Public Service Authority and shall be evidenced by revised drawings approved and filed as provided in this section.

Section 59-22. Distribution facilities belonging to another electrical utility which, after the effective date of this act, are located in the present service area of the Public Service Authority as defined in Section 59-20, shall be acquired by the Public Service Authority within two years of the effective date of this act and upon payment to the electrical utility concerned of just compensation therefor. Pending the acquisition of such facilities by the Public Service

Authority, electrical service shall continue to be furnished by the electrical utility owning the facilities.

For the purposes of this section, 'just compensation' shall consist of the total of the following:

(a) Reproduction cost, new, of the facilities being acquired, less depreciation on a straight line basis;

(b) Cost of reintegrating the system of the selling electrical utility after detaching the portion to be sold including allowance for idle substation capacity caused in the remaining portion of the system.

Just compensation shall otherwise be determined as provided in Section 24-76.

Section 59-23. In order to protect those subscribing to, purchasing or acquiring the notes, bonds, evidences of indebtedness or other obligations of the Public Service Authority, the State of South Carolina does hereby covenant and agree with any person, firm or corporation, the Government of the United States of America, and any corporation or agency created, designated or established by the United States, subscribing to, purchasing or acquiring the notes, bonds, evidences of indebtedness or other obligations heretofore or hereafter issued or incurred by the Public Service Authority for any authorized purpose, that the State will not alter, limit or restrict the power of the Public Service Authority to, and the Authority shall, fix, establish, maintain and collect rents, tolls, rates and charges for the use of the facilities of or for the services rendered or for any commodities furnished by the Public Service Authority, at least sufficient to provide for payment of all expenses of the Public Service Authority, the conservation, maintenance and operation of its facilities and properties and the payment of the principal of and interest on its notes, bonds, evidences of indebtedness or other obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such notes, bonds, evidences of indebtedness or obligations heretofore or hereafter issued or incurred. *Provided*, however, that prior to putting into effect any increase in rates the Public Service Authority shall give at least sixty days' notice of such increase to all customers who will be affected by the increase.

Section 59-24. The circuit court of this State shall have exclusive jurisdiction to hear and determine any dispute arising under Sections 59-18 through 59-23.

Section 59-25. The Public Service Authority shall annually report to the Public Service Commission in the same manner as electric cooperatives as to the rates charged by it.

Section 59-26. The Public Service Authority shall also have the right, if chosen by the customer, to serve any load of 750 KW or larger, within any territory which now, or in the future, is assigned by the South Carolina Public Service Commission to any of the cooperatives that are members of Central Electric Power Cooperative, Inc.

Section 59-27. Section 59-2 of the 1962 Code is amended by adding a new paragraph following the first paragraph to read:

"There shall be an additional member of the board of directors who shall have had experience with or is familiar with the operations of a rural electric cooperative. Such member shall be appointed by the Governor for a term of seven years."

Section 59-28. Notwithstanding the provisions of Section 59-2 the initial term of the additional member of the board of directors shall be for four years."

SECTION 2. Time effective.—This act shall take effect upon approval by the Governor.

Approved the 9th day of July, 1973.

(R672, S508)

No. 413

An Act To Amend Act 964 Of 1966, Relating To An Annual Tax Levy In The City Of Cheraw In Chesterfield County, So As To Increase Such Levy.

Be it enacted by the General Assembly of the State of South Carolina :

SECTION 1. Annual tax levy.—Section 1 of Act 964 of 1966 is amended on line three by striking "seventy-five" and inserting "one hundred". The section when amended shall read as follows:

"Section 1. The City Council of the City of Cheraw in Chesterfield County may levy an annual tax of not exceeding one hundred mills upon the assessed value of all taxable property within its corporate limits."

PERSONALLY APPEARED before me, ARTHUR M. WILLIAMS, who being duly sworn, does depose and declare:

(1) I am Chairman of the Board and Chief Executive Officer of South Carolina Electric & Gas Company (SCE&G). I was elected President of SCE&G in 1966 and elected Chief Executive Officer in 1967. In 1978 I was elected Chairman of the Board and Chief Executive Officer and I relinquished the title of President. In these capacities, it has been my responsibility to review, authorize and remain generally familiar with the principal agreements between SCE&G and other electric companies. I make this affidavit based on personal knowledge and belief with respect to these functions and responsibilities.

 (2) I have read a copy of a document filed by Central Electric Power Cooperative entitled "Petition for a Finding of Significant Change and Request for Antitrust Hearing on Operating License" dated December 6, 1978 (Petition), and filed with the Nuclear Regulatory Commission (NRC) in Docket No. 50-395 A.

(3) I have read the allegations on Page 2 of the Petition relating to an alleged agreement between the SCE&G and South Carolina Public Service Authority (Authority) to restrict competition in the sale of electric power at wholesale and at retail on and after July 9, 1973. No such agreement to restrict competition between SCE&G and the Authority exists now or ever existed.

(4) The only agreements between SCE&G and the Authority are written agreements. The following agreements are in effect:

(a) Joint Ownership Agreement for Virgil C. Sumner Nuclear Station Unit #1 dated October 18, 1973 and Amendment No. 1 thereto dated June 1, 1976.

(b) Agreement for the Construction, Maintenance and Operation of Certain Transmission Lines from the Project Substation at V. C. Sumner Nuclear Station, Unit #1, dated November 1, 1978.

(c) Interchange Agreement between SCE&G and the Authority dated January 1, 1975 and Modification No. 1 thereto dated August 21, 1978, which are filed with the Federal Energy Regulatory Commission under applicable provisions of Federal Power Act.

(d) License Agreement dated February 2, 1967 wherein the Authority authorizes SCE&G to construct, operate and maintain an electric power line on Authority's easement crossing Belvedere Subdivision in Orangeburg County, South Carolina.

(e) Agreement between SCE&G and Authority dated August 9, 1972 as amended November 6, 1973 relating to delivery of power by SCE&G to Woodlands Hills Substation in Lexington County, South Carolina.

(f) Agreement dated March 16, 1976 among Authority, SCE&G and Duke Power Company advising Federal Power Commission that Head Water Benefits to Authority's hydroelectric project are de minimis.

POOR ORIGINAL

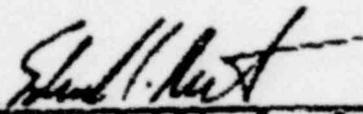
(g) Agreement dated May 29, 1977 between Authority and SCE&G relating to delivery of power by Authority at SCE&G Substation at Kempson's Bridge.

(h) Reliability Agreement: Virginia-Carolinas Reliability Group (VACAR) dated May 1, 1970 among Caroline Power & Light Company, Duke Power Company, South Carolina Electric & Gas Company, South Carolina Public Service Authority, Southeastern Power Administration and Virginia Electric and Power Company.

(5) The date of July 9, 1973 referred to in the Petition is meaningful to me only as the date on which the Governor of South Carolina signed into law Act No. 412 of 1973.


ARTHUR M. WILLIAMS


SWORN to before me this
20th day of December, 1978.


(L.S.)
Notary Public for South Carolina.

My Commission Expires: September 3, 1979.

POOR ORIGINAL

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

A F F I D A V I T

PERSONALLY APPEARED before me, VIRGIL C. SUMNER, who being duly sworn, does depose and declare:

WS
(1) I am President and Chief Operating Officer of South Carolina Electric & Gas Company (SCE&G). I was elected President of SCE&G in 1977. In 1966 I was elected Vice President of Operations and in 1968 I was elected Senior Vice President of Operations. In these capacities, it has been my responsibility to review, authorize and remain generally familiar with the principal agreements between SCE&G and other electric companies. I make this affidavit based on personal knowledge and belief with respect to these functions and responsibilities.

(2) I have read a copy of a document filed by Central Electric Power Cooperative entitled "Petition for a Finding of Significant Change and Request for Antitrust Hearing on Operating License" dated December 6, 1978 (Petition), and filed with the Nuclear Regulatory Commission (NRC) in Docket No. 50-395 A.

(3) I have read the allegations on Page 2 of the Petition relating to an alleged agreement between the SCE&G and South Carolina Public Service Authority (Authority) to restrict competition in the sale of electric power at wholesale and at retail on and after July 9, 1973. No such agreement to restrict competition between SCE&G and the Authority exists now or ever existed.

POOR ORIGINAL

(4) The only agreements between SCE&G and the Authority are written agreements. The following agreements are in effect:

(a) Joint Ownership Agreement for Virgil C. Summer Nuclear Station Unit #1 dated October 18, 1973 and Amendment No. 1 thereto dated June 1, 1976.

(b) Agreement for the Construction, Maintenance and Operation of Certain Transmission Lines from the Project Substation at V. C. Summer Nuclear Station, Unit #1, dated November 1, 1978.

WS
(c) Interchange Agreement between SCE&G and the Authority dated January 1, 1975 and Modification No. 1 thereto dated August 21, 1978, which are filed with the Federal Energy Regulatory Commission under applicable provisions of Federal Power Act.

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POOR ORIGINAL

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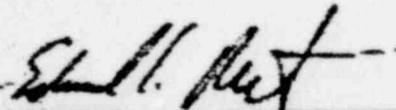
(h) Reliability Agreement: Virginia-Carolinas Reliability Group (VACAR) dated May 1, 1970 among Carolina Power & Light Company, Duke Power Company, South Carolina Electric & Gas Company, South Carolina Public Service Authority, Southeastern Power Administration and Virginia Electric and Power Company.

(5) The date of July 9, 1973 referred to in the Petition is meaningful to me only as the date on which the Governor of South Carolina signed into law Act No. 412 of 1973.


VIRGIL C. SUMMER

SWORN to before me this

20th day of December, 1978.



(L.S.)
Notary Public for South Carolina.

My Commission Expires: September 3, 1979.

POOR ORIGINAL

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

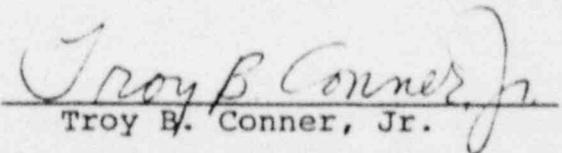
In the Matter of)
)
SOUTH CAROLINA ELECTRIC &) Docket No. 50-395A
GAS COMPANY, et al.)
)
(Virgil C. Summer Nuclear)
Station))

NOTICE OF APPEARANCE

Notice is hereby given that the undersigned attorney herewith enters an appearance on behalf of the Applicant in the captioned matter. In accordance with §2.713, 10 CFR Part 2, the following information is provided:

Name - Troy B. Conner, Jr.
Address - Conner, Moore & Corber
1747 Pennsylvania Avenue, N.W.
Suite 1050
Washington, D.C. 20006
Telephone number - Area Code 202/833-3500
Admission - United States Court of Appeals
District of Columbia Circuit
Name of Party - South Carolina Electric & Gas
Company

Notice is further given pursuant to §2.708, 10 CFR Part 2, that service upon the Applicant should be made upon the undersigned.


Troy B. Conner, Jr.

Dated at Washington, District of Columbia,
this 21st day of December, 1978.

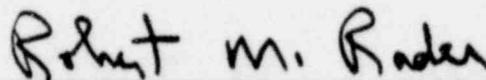
UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
SOUTH CAROLINA ELECTRIC &) Docket No. 50-395A
GAS COMPANY, et al.)
)
(Virgil C. Summer Nuclear)
Station))

NOTICE OF APPEARANCE

Notice is hereby given that the undersigned attorney herewith enters an appearance on behalf of the Applicant in the captioned matter. In accordance with §2.713, 10 CFR Part 2, the following information is provided:

Name - Robert M. Rader
Address - Conner, Moore & Corber
1747 Pennsylvania Avenue, N.W.
Suite 1050
Washington, D.C. 20006
Telephone number - Area Code 202/833-3500
Admission - United States Court of Appeals
District of Columbia Circuit
Name of Party - South Carolina Electric & Gas
Company



Robert M. Rader

Dated at Washington, District of
Columbia, this 21st day of December, 1978.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

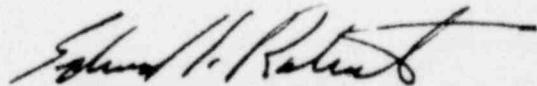
In the Matter of)
)
SOUTH CAROLINA ELECTRIC &)
GAS COMPANY)
SOUTH CAROLINA PUBLIC SERVICE) Docket No. 50-395 A
AUTHORITY)
)
(Virgil C. Summer Nuclear)
Station))

NOTICE OF APPEARANCE

Notice is hereby given that the undersigned attorney herewith enters an appearance on behalf of the Applicant in the captioned matter. In accordance with §2.713, 10 CFR Part 2, the following information is provided:

Name	- Edward C. Roberts
Address	- South Carolina Electric & Gas Company
Telephone Number	- Area Code 803/799-1234
Admission	- Supreme Court of South Carolina
Name of Party	- South Carolina Electric & Gas Company

Notice is further given pursuant to §2.708, 10 CFR Part 2, that service upon the Applicant should be made upon the undersigned.



Edward C. Roberts

Dated at Columbia, South Carolina,
this 21st day of December, 1978.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
SOUTH CAROLINA ELECTRIC &) Docket No. 50-395A
GAS COMPANY, et al.)
)
(Virgil C. Summer Nuclear)
Station))

CERTIFICATE OF SERVICE

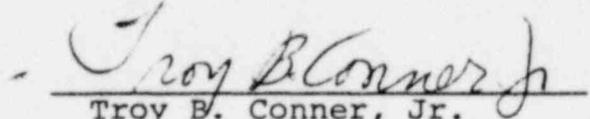
I hereby certify that copies of the following documents, in the captioned matter, have been served upon the following by deposit in the United States mail this 21st day of December, 1978: (1) "South Carolina Electric and Gas Company's Motion to Dismiss or, in the Alternative, for Summary Disposition Re Petition by Central Electric Power Cooperative, Inc. for a Finding of Significant Change and Request for Antitrust Hearing on Operating License," dated December 21, 1978; (2) "Notice of Appearance of Troy B. Conner, Jr.," dated December 21, 1978; (3) "Notice of Appearance of Robert M. Rader," dated December 21, 1978, and (4) "Notice of Appearance of Edward C. Roberts," dated December 21, 1978.

Wallace E. Brand, Esq. Pearce & Brand 1000 Connecticut Ave., N.W. Suite 1200 Washington, D.C. 20036	* Robert A. Jablon, Esq. Spiegel & McDiarmid 2600 Virginia Avenue, N.W. Washington, D.C. 20037
C. Pinckney Roberts, Esq. Dial, Jennings, Windham, Thomas & Roberts P.O. Box 1792 Columbia, South Carolina 29202	* Wallace S. Murphy, Esq. General Counsel South Carolina Public Service Authority 223 North Live Oak Drive Moncks Corner, South Carolina 29461
* Mr. P. T. Allen Executive Vice President and General Manager Central Electric Power Cooperative, Inc. P.O. Box 1455 Columbia, South Carolina 29202	* George H. Fischer, Esq. Vice President and General Counsel South Carolina Electric and Gas Company P.O. Box 764 Columbia, South Carolina 29202
* Hugh Morrison, Esq. Cahill, Gordon & Reindel Suite 900 1819 H Street, N.W. Washington, D.C. 20006	Docketing and Service Section Office of the Secretary U.S. Nuclear Regulatory Commission Washington, D.C. 20555

*without attachments (a)
through (h).

* Robert Medvecky, Esq.
Reid & Priest
1701 K Street, N.W.
Washington, D.C. 20006

Fredric Chanania, Esq.
Office of the Executive
Legal Director
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

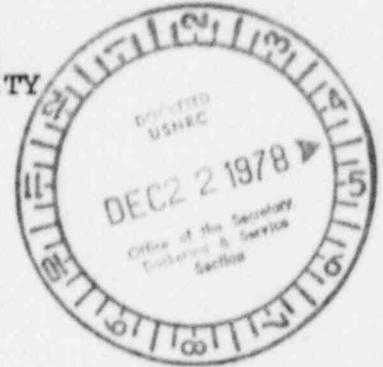

Troy B. Conner, Jr.

NEC PUBLIC DOCUMENT LOG

SOUTH CAROLINA ELECTRIC & GAS COMPANY

AND

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY



JOINT OWNERSHIP AGREEMENT

for

Virgil C. Summer Nuclear Station

Unit # 1

October 18, 1973

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AGREEMENT

This Agreement, entered into this Eighteenth day of October, 1973, by and between the South Carolina Electric & Gas Company, (hereinafter referred to as "Company"), and the South Carolina Public Service Authority, (hereinafter referred to as "Authority"), (hereinafter referred to collectively as the "Parties"):

RECITALS

This Agreement is entered into by Authority pursuant to and under the authority of Section 59-17, Code of Laws of South Carolina, 1962, as amended.

Company has acquired a site in the vicinity of Parr Shoals, South Carolina for and intends to proceed with all steps, actions and activities (including purchasing and procurement), incident to and required for the design, engineering, construction and subsequent operation by Company of a nuclear steam-electric generating unit having a nameplate rating of approximately 900 MW and presently expected to be placed in commercial operation during the second quarter of calendar year 1978, to be known as the Virgil C. Summer Nuclear Station Unit #1 (hereinafter defined as the "Project") at said site; and

Company has entered into certain contracts for planning, engineering and construction of the Project and has received a construction permit therefor from the Atomic Energy Commission; and

Authority has determined that one-third of Project Output will be required on or about the expected Date of Commercial Operation of the Project to serve its growing power and energy requirements; and

Company has determined that the disposition of one-third of the Project Output to Authority is desirable.

Company and Authority have determined that it is in their best interests and in the best interests of the State of South Carolina for them to own the Project as tenants in common and for Company to proceed with Project licensing, design, construction, operation and maintenance for itself and as agent for Authority pursuant to this Agreement.

NOW, THEREFORE, the Parties mutually agree as follows:

1. DEFINITIONS

1.01 "AEC" means the United States Atomic Energy Commission or such successor agencies as shall have jurisdiction for licensing or regulating nuclear power generating plants.

1.02 "Costs of Construction" means all costs allocable to the acquisition, design, engineering, licensing and construction of the Project and making it ready for operation, excluding the cost of Fuel and interest during construction. Credits relating to such costs, including insurance proceeds, shall be applied to Costs of Construction when received.

1.03 "Costs of Operation" means all costs allocable to the operation and maintenance of the Project, Fuel and rights relating thereto, elective capital additions made pursuant to

Section 20, and, subsequent to the Date of Commercial Operation, repairs and renewals and replacements necessary to assure design capability, betterments, modifications and additions in keeping with Prudent Utility Practice and when in the reasonable judgment of Company necessary to obtain the approval of or to comply with the requirements of governmental agencies having jurisdiction. Credits relating to such costs, including insurance proceeds, shall be applied to Costs of Operation when received.

1.04 "Construction Disbursing Account" means the separate account established by Authority for the purpose of paying Authority's Ownership Share of Costs of Construction.

1.05 "Date of Commercial Operation" means the date fixed by Company and agreed to by Authority as the point in time when the Generating Plant is ready to be operated on a commercial basis at an output authorized by any governmental agency having jurisdiction and as determined by Company to be in accordance with Prudent Utility Practice and pursuant to schedules submitted by the Parties.

1.06 "Fuel" means nuclear fuel and rights relating thereto.

1.07 "Generating Plant" means the nuclear steam supply system, the turbine-generator Unit #1 and related structures and facilities, including the cooling facilities, Project Substation, including facilities for switching and transformation, safeguard transmission line with associated switching facilities and transformers required specifically for the backup of the generating

unit, together with additions and betterments thereto and replacements thereof, and appropriate equipment, spare parts and initial operating supplies, but excluding Fuel.

1.08 "Labor Costs" means all payroll, related employee benefit costs and employee expenses of all employees of the Parties chargeable to the Project.

1.09 "Matter" means any subject, or any aspect thereof, arising out of or relating to the interpretation or performance of this Agreement, including any proposal that may be made by either of the Parties.

1.10 "Minimum Capability" means the minimum generation at which the Generating Plant may be operated as determined by Company, but not less than the minimum generation permitted by the manufacturer's recommendations, if any, or by the terms of the AEC operating license, whichever is higher.

1.11 "Output" means that net capacity and energy from the Generating Plant which at any time can be made available at the high voltage terminals of the Project Substation after station use and losses.

1.12 "Ownership Share" of a Party means the fractional share specified in Paragraph 2.01 hereof, or as the same may be adjusted pursuant to Sections 18 and 19.

1.13 "Plant Real Property" means the real property acquired or to be acquired by Company as a site for and necessary and useful for the construction, operation and maintenance of the Project. A description of the Plant Real Property and

statement of the estimated cost thereof is attached as Exhibit I and made a part hereof.

1.14 "Plant Real Property Adjustment" means the amount determined by the Parties as that portion of the costs of Plant Real Property and property acquired by Company for Project 1894, allocable between the Project and Project 1894, taking into consideration the joint use of all such property, or portions of it, for the Project and Project 1894.

1.15 "Project" means the (a) Generating Plant, (b) Plant Real Property, (c) Fuel, (d) all licenses, permits, rights and approvals necessary or convenient for construction, operation, maintenance and decommissioning of the Project, (e) roads, railroad spurs, docks, parking lots, fencing and similar facilities, and (f) all things acquired by the Parties for use in construction, operation, maintenance and repair of the Project. A description of the Project and a statement of the estimated cost thereof is attached as Exhibit II and made a part hereof.

1.16 "Project Consultant" means an individual or firm of national reputation and recognized expertise in the field or subject referred to it, the appointment of which is mutually agreed to by the Parties, retained for the purpose of resolving differences referred to it. A different Project Consultant may be retained for each Matter referred.

1.17 "Project Architect-Engineer" means Gilbert Associates, Inc., of Reading, Pennsylvania, retained

by Company for the design and engineering of the Project under the direction of Company.

1.18 "Project Substation" means line and switching facilities connecting Unit #1 to the V. C. Summer 230 KV substation, line and switching facilities for connecting the startup and emergency transformer for Unit #1 to the 230 KV substation, 230 KV buses, insulators, structures and foundations, bus tie switching facilities, 230 KV bus potential and current transformers including interconnection metering equipment, relays and meters and control devices for these bus facilities installed and made operational with Unit #1. Transmission line and switching facilities required for connecting Company's and Authority's respective transmission systems to the V. C. Summer 230 KV substation are excluded.

1.19 "Project 1894" means those works and facilities, including property and property rights, constituting FPC Project 1894 as now licensed by the FPC, together with such proposed pumped storage works and facilities acquired or constructed by Company pursuant to any amendment or amendments to such license, or pursuant to any new license granted by the FPC.

1.20 "Prudent Utility Practice" at a particular time means any of the practices, methods and acts, which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision

was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice includes due regard for manufacturer's warranties and shall apply not only to functional parts of the Project, but also to appropriate structures, landscaping, painting, signs, lighting, other facilities and public relations programs reasonably designed to promote public enjoyment, understanding and acceptance of the Project. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. In evaluating whether any Matter conforms to Prudent Utility Practice, the Parties and the Project Consultant shall take into account the fact that the Authority is an Agency of the State of South Carolina with prescribed statutory powers, duties and responsibilities.

1.21 "Uniform System of Accounts" means the Federal Power Commission Uniform System of Accounts prescribed for Class A Public Utilities and Licensees in effect on January 1, 1970, as the same may be amended from time to time.

2. OWNERSHIP, RIGHTS AND OBLIGATIONS

2.01 The Parties shall have title to the Project as tenants in common and shall, as co-tenants with an undivided interest therein and, subject to the terms of this Agreement, own the Project, have the related rights and obligations, including payment therefor, and be entitled to the Output as follows:

<u>Party</u>	<u>Ownership Share</u>
Company	66-2/3%
Authority	33-1/3%

2.02 Subject to Paragraphs 2.07 and 5.01, the Parties shall promptly and with all due diligence, acting jointly or individually as may be appropriate, take all necessary actions and seek all regulatory approvals, licenses and permits necessary to carry out their obligations under this Agreement.

2.03 Company shall within a reasonable time and upon receipt of any required regulatory approvals and from time to time, execute and deliver deeds, bills of sale and such other documents as may be necessary in addition to this Agreement to vest ownership in the Parties as set forth in Paragraph 2.01 above.

2.04 (a) The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective, and neither Party shall be jointly or severally liable for the acts, omissions or obligations of the other Party, except that Authority shall be severally liable, in proportion to its Ownership Share of the Project, for the acts, omissions, or obligations performed, omitted or incurred by Company while acting as the agent of Authority under the terms of this Agreement.

(b) No provision of this Agreement shall be construed to create an association, joint venture, partnership, or impose a partnership duty, obligation or liability, on or with regard to any of the Parties. Neither Party shall have a

right or power to bind any other Party without its written consent, except as expressly provided in this Agreement.

Each Party shall severally bear its Ownership Share of all obligations, including the supply of energy for station use when not generated by the Project, and shall severally bear its Ownership Share of liabilities relating to the Project as they arise.

2.05 Until such time as the Project, or any part thereof, as originally constructed, reconstructed or added to, is no longer used or useful for the generation of electric power and energy, or until the end of the period permitted by applicable law, whichever occurs first, the Parties waive the right to partition, whether by partition in kind or sale and division of the proceeds thereof, and agree that during said time they will not resort to any action at law or equity to partition and further that for said time they waive the benefit of all laws that may now or hereafter authorize partition of the properties comprising the Project.

2.06 Each Party and its designees shall have the right to go upon and into the Project at any time subject to the rules and regulations of governmental regulatory bodies having jurisdiction thereof, insurance and industrial security requirements and the necessity of efficient and safe construction and operation of the Project.

2.07 In order to provide unified management of the Project, Authority authorizes and designates Company, and

Company agrees to so act, as its agent to design, construct, operate and maintain the Project under the terms of this Agreement, and the Parties agree that Company shall have sole possession and control of the Project for the Parties subject to the provisions of Paragraph 2.06, and shall have sole authority for the licensing, decommissioning, design, construction, operation and maintenance of the Project in accordance with Prudent Utility Practice and in such manner as is required in the reasonable judgment of Company to obtain the approval of or comply with the requirements of regulatory agencies having jurisdiction. The Parties agree that such relationship shall not be changed except by the written consent of both Parties.

2.08 (a) In the licensing, design, construction, operation, maintenance and decommissioning of the Project, each Party shall act without compensation other than payment or reimbursement of costs and expenses as provided herein.

(b) Each Party releases the other Party, its agents and employees from any claim for loss or damage, including consequential loss or damage, arising out of the construction, operation, maintenance, reconstruction, repair or decommissioning of the Project due to negligence, but not any claim for loss or damage resulting from breach of this Agreement or for willful or wanton misconduct. Company, acting for and on behalf of Authority and itself, shall take timely and appropriate legal action to recover losses from damages resulting from breach of any other contract relating to the Project, and shall promptly

notify Authority of any such breach and anticipated loss resulting therefor. Notwithstanding the foregoing, Company and Authority acting jointly may initiate and pursue any legal actions or proceedings, and enforce any legal or equitable rights or claims relating to or affecting the Project as and when it may be necessary, appropriate or prudent for them so to do.

(c) Any loss, cost, liability, damage and expense to the Parties or either of them, other than damages to either Party resulting from loss of use and occupancy of the Project or any part thereof, arising out of the construction, operation, maintenance, reconstruction, repair or decommissioning of the Project and based upon injury to or death of persons or damage to or loss of Project property and property of others, to the extent not covered by collectible insurance, shall be charged to Costs of Construction or Costs of Operation, whichever may be appropriate.

(d) Each Party to the extent obtainable shall cause its insurers to waive any rights of subrogation against the other Party, its agents and employees, for losses, costs, damages or expenses, arising out of the construction, operation, maintenance, reconstruction, repair, or decommissioning of the Project.

2.09 Prior to the Date of Commercial Operation of the Project, the Parties shall determine the Plant Real Property Adjustment. Within a reasonable time after such determination

the Parties shall make settlement of any amounts due. In the event the Parties are unable to arrive at mutually agreeable values, the Matter shall be submitted to a Project Consultant for resolution as provided herein.

3. PROJECT COORDINATION

3.01 At the time of the execution of this Agreement the Parties shall each appoint by notice in writing to the other Party a representative and an alternate, who shall be employees of the Party making the appointments. Changes in the representative or alternate shall be made by written notice to the other Party. Notice to an appointed representative or alternate shall be deemed to be notice to the Party represented by him.

3.02 Company shall keep Authority informed of all significant Matters with respect to licensing, design, construction, operation, maintenance and decommissioning of the Project (including plans, specifications, engineering studies, environmental reports, budgets and supporting data, fuel plans, staffing and maintenance programs and schedules) and, when practicable, shall furnish such information in time for Authority to submit comments and recommendations thereon before decisions are made, and shall confer with Authority as and whenever needs arise. Company shall give due consideration to comments and recommendations made by Authority. Company shall furnish or make available any and all other information relating to any aspect of the Project upon request of Authority.

3.03 Nothing contained in this Section 3 shall in any manner diminish the authority, possession and control of Company as set forth in Paragraph 2.07.

4. RESOLUTION OF DISAGREEMENTS

4.01 If Company and Authority cannot agree on any Matter which under the terms of this Agreement requires mutual consent of the Parties a Project Consultant will be appointed to settle the disagreement. In the absence of an agreement as to the selection of a Project Consultant, either Party may request the Chief Judge of the United States District Court for the District of South Carolina to appoint a Project Consultant.

4.02 The Project Consultant shall consider all written arguments and factual materials which have been submitted to it by the Parties within 30 days following its appointment, and as promptly as possible make a written determination as to whether any Matter referred to it would or would not have been consistent with Prudent Utility Practice. If the Project Consultant determines that the Matter referred to it was not consistent with Prudent Utility Practice, it shall at the same time recommend what would under the same circumstances have met such test.

4.03 Matters found by the Project Consultant to be consistent with Prudent Utility Practice shall become immediately effective and Authority shall be obligated to expend funds for its Ownership Share of the increased cost, if any. Subject to

Paragraph 4.05, Matters found by the Project Consultant to be inconsistent with Prudent Utility Practice shall be modified to conform to recommendations of the Project Consultant or as the Parties may otherwise agree, and shall become effective when so modified.

4.04 Company shall have the right, but not the duty, to proceed with Matters which have been disapproved by Authority; provided, however, if Company takes such action on a disapproved Matter and if the determination made by the Project Consultant is that such Matter was not consistent with Prudent Utility Practice, then Company shall bear the net increase in the Costs of Construction or Costs of Operation of such action to the extent it was inconsistent with what the Project Consultant determined would under such circumstances have met such tests.

4.05 Notwithstanding other provisions of this Section 4 whenever a Matter has been referred to the Project Consultant and Company determines that the other position or positions would create an immediate danger to the safe operation of the Project or when in the reasonable judgment of Company necessary to obtain the approval of or to comply with requirements of governmental agencies having jurisdiction, Company may proceed in accordance with Company's position with respect to such Matters until such Matter has been resolved by the Project Consultant. Whenever the Project Consultant has recommended a course of action which the Company determines would

create a danger to the safety of the Project or would violate regulatory requirements of any governmental agency having jurisdiction of the Project, Company may nevertheless proceed in accordance with Company's position subject to a suitable financial adjustment.

4.06 The cost of employing the Project Consultant shall be shared equally by the Parties.

5. CONSTRUCTION AND LICENSING

5.01 Company, acting for itself and as agent for Authority, shall take whatever action is necessary or appropriate to seek and obtain all licenses, permits and other rights and regulatory approvals necessary to construction and operation of the Project.

5.02 Company shall prosecute construction of the Project in accordance with Prudent Utility Practice and plans and specifications for the Project prepared or approved by the Project Architect-Engineer. Company shall use its best efforts to achieve the Date of Commercial Operation during the second quarter of calendar year 1978, but shall not be responsible for delays which are beyond its control, as provided for in Section 17, or for delays resulting from the regulatory process.

5.03 Company shall, as a matter of normal practice, award separate contracts for readily separable parts of the

work to the extent consistent with the construction of the Project at the least overall cost, high quality and the requirements of governmental agencies having jurisdiction. Construction contracts may be lump sum, unit price, and, whenever deemed prudent by Company, may be negotiated, and may also contain incentive and liquidated damages clauses. As a matter of policy, Company shall request bids from qualified contractors and award contracts after appropriate evaluation and review to the lowest evaluated bidder unless there are substantial reasons for deviating from that policy in a particular case. All bids, contracts and related documents shall be made available to Authority as information; provided, however, that the award of any contract in excess of \$600,000.00, and any change order which would increase a contract price by an amount in excess of \$200,000.00, shall be subject to the approval of Authority.

5.04 Any and all licenses, permits, approvals, contracts, obligations and commitments obtained, made and entered into or incurred by Company prior to the effective date of this Agreement in connection with the acquisition and construction of the Project are hereby ratified and approved by Authority. A list of licenses, permits, approvals, contracts, obligations and commitments and the amounts expended and committed therefor, prior to the effective date of this Agreement is attached hereto as Exhibit III and made a part hereof.

6. REIMBURSEMENT FOR COSTS

6.01 Within three (3) days after the date of delivery to the initial purchasers of Authority's revenue bonds sold to finance its Ownership Share, Authority shall make an initial payment to Company on account of its Ownership Share of all Costs of Construction paid by Company to the effective date of this Agreement. Company shall prepare an initial statement reflecting an estimate of all Costs of Construction paid by Company to the date of such statement. Authority shall promptly pay its Ownership Share of the amount set forth on the initial statement. As soon as practical thereafter, Company shall prepare a final statement setting forth a final detailed accounting of all Costs of Construction paid by Company to the date of the initial payment and Authority shall promptly make a final payment, or Company shall reimburse Authority, in an amount equal to the Authority's Ownership Share of the difference between the initial statement and the final statement. The initial and final statements shall include an amount for interest computed at the rate of 8% per annum on a 365-day basis on all payments for Costs of Construction made by Company to the date of the initial payment by Authority. Thereafter each Party shall pay when due its Ownership Share of Costs of Construction and Costs of Operation.

6.02 Each Party shall pay to the other Party its Ownership Share of Costs of Construction expended for the benefit of the Project by such other Party after the effective

date of this Agreement for, among other things: (a) Labor Costs, (b) Other Costs of Construction including, without limiting the generality of the foregoing, equipment, insurance, licensing fees, materials, supplies, travel, construction power, and (c) administrative and general costs chargeable to the Project.

6.03 Each Party shall pay to the other Party its Ownership Share of Costs of Operation expended for the benefit of the Project by such other Party after the effective date of this Agreement for, among other things: (a) Labor Costs, (b) other operating costs including, without limiting the generality of the foregoing, equipment, insurance, licensing fees, materials, supplies, and travel, and (c) administrative and general costs chargeable to the Project.

7. CONSTRUCTION BUDGET

7.01 An initial budget of the amounts expended or expected to be expended for specific items of Costs of Construction in each month during the period July 1973 through June 1974 and for each 6-month period thereafter to the completion of construction as determined by Company is attached hereto as Exhibit IV and is hereby approved.

7.02 By January 1 and July 1 of each year until completion of construction, Company shall provide Authority an annual construction budget (subject to approval by the Company's Board of Directors) supported by detail adequate for the purpose

of comprehensive review, describing the items of Costs of Construction and of the amounts expected to be expended therefor in each month during the next 12-month period and in 6-month periods thereafter to the completion of construction. Authority shall, within 30 days after receipt of such budget, indicate its approval or disapproval of the budget or any part thereof and may submit to Company any comments or recommendations it deems appropriate. Construction budgets shall be changed by Company from time to time during a calendar year as necessary to reflect substantial changes in construction schedules, plans, specifications or costs, and when so changed shall be submitted similarly to Authority, and action to approve or disapprove shall be taken by Authority within 15 days of receipt thereof.

8. CONSTRUCTION PAYMENTS

8.01 Not later than the fifth working day of each month Company shall furnish Authority an estimate of Costs of Construction expected to be paid during the following calendar month together with Company's approximate schedule of payments of such cost, and will from time to time as appropriate advise Authority of any changes in such estimates or schedules.

8.02 Company shall pay all Costs of Construction and prior to the close of business on each working day, shall notify Authority of the total of such payments made that day and of any significant changes in Company's schedule or estimate

furnished pursuant to Paragraph 8.01. Not earlier than 12:00 noon of the next workday following such payments, Company shall draft Authority's Construction Disbursing Account for Authority's Ownership Share of such payments subject to Paragraph 6.02. Company shall furnish Authority complete supporting data including accounts distribution as soon as practicable.

9. OPERATION

9.01 Company shall operate and maintain the Project in accordance with Prudent Utility Practice and in such manner as is required in the reasonable judgment of the Company to obtain and maintain the approval of or to comply with the requirements of governmental agencies having jurisdiction.

9.02 Subject to Paragraph 9.01 and to the provisions of Section 13, Company shall operate and maintain the Project so as to produce the amounts of energy scheduled by the Parties within their respective Ownership Shares of the Output of the Generating Plant.

10. OPERATING BUDGETS

10.01 For purposes of this Section 10, Contract Year shall be the twelve-month period beginning July 1 and ending June 30 except that the first Contract Year shall be the period beginning on the Date of Commercial Operation and ending the next succeeding June 30.

10.02 At least two (2) months prior to the expected

Date of Commercial Operation, Company shall provide Authority a budget of the Costs of Operation, except Fuel costs, but including administrative and general expenses relating to operation and Fuel, for each month from the expected Date of Commercial Operation to the end of the first Contract Year. Thereafter, on or before June 1 of each year, Company shall provide Authority a similar operating budget for the next succeeding Contract Year. Each operating budget shall be supported by detail adequate to allow Authority's detailed review and shall show, among other things, staffing allocations and Company services. Authority shall indicate its approval or disapproval of the proposed operating budget or any part thereof within 30 days after receipt.

10.03 The effective operating budget shall be revised semi-annually and also shall be changed from time to time:

- (a) to include costs occasioned by an emergency, (b) to provide for repairs, renewals, replacements or additions necessary to achieve and maintain design capacity and energy capability and (c) to provide for expenditures which in the reasonable judgment of Company are necessary to obtain the approval of or to comply with the requirements of governmental agencies having jurisdiction or an expenditure required by Section 18. Promptly after the semi-annual revision or the occurrence of any of the above events and promptly after the occurrence of other circumstances requiring the expenditure of funds not contemplated in the effective operating budget, Company shall provide a

revised operating budget to Authority. Costs incurred by Company in the exercise of Prudent Utility Practice prior to the time a revised operating budget becomes effective shall be added as incurred to the amounts due under the operating budget. Authority shall indicate its approval or disapproval of the revised operating budget or any part thereof within fifteen days after receipt.

11. OPERATING PAYMENTS

11.01 Company agrees to make payment of all Costs of Operation and Authority upon notice shall promptly reimburse Company for Authority's Ownership Share of such costs subject to the provisions of Paragraph 6.03.

11.02 Not later than the next to the last working day of each month and at such other times as is practicable Company shall notify Authority of any significant changes in Costs of Operation expected to be paid in the following month.

11.03 Company will notify Authority one (1) working day prior to anticipated payment of Costs of Operation and of the amount of money required to make such payment. Authority will transfer to Company's account in a bank mutually agreed upon sufficient moneys to cover Authority's Ownership Share of such Costs of Operation. Company shall furnish Authority complete supporting data, including accounts distribution, as soon as practicable.

12. FUEL

12.01 Unless otherwise agreed by the Parties, all costs, obligations, liabilities, credits and recoveries incurred or realized with respect to Fuel including without limitation, cost of nuclear Fuel materials (including costs associated therewith while in the process of refinement, conversion, enrichment and fabrication into nuclear Fuel assemblies), insurance when outside the Project, shipping, service charges from any supplier, nuclear assemblies in stock and the estimated costs associated with shipping, re-processing, reconversion of spent Fuel, disposal and the estimated net value of recovered fissionable material and Fuel by-products, but excluding any amounts for interest, depreciation or amortization (Cost of Fuel), shall be shared in proportion to the respective Ownership Shares and adjusted as appropriate and equitable in proportion to the respective usages of such Fuel.

12.02 Company and Authority shall each pay or cause to be paid when due its Ownership Share of the Cost of Fuel as determined by Company in accordance with the Fuel Plan (hereinafter defined).

12.03 Each Party shall have the right to make whatever arrangements it may desire, whether by lease, security transaction or otherwise, for the discharge of its Fuel payment obligations so long as such arrangements do not impair the rights of the other Party. Such arrangements shall be subject

to change as desired by Company or Authority until the end of the Project.

12.04 Company, in consultation with Authority, shall conduct a continuing Fuel management program, appropriate to the Project, utilizing necessary consulting services and scientific and core design information. As part of the Fuel program, detailed Fuel Plans will be developed. Each Fuel Plan shall be submitted to Authority for its concurrence.

12.05 At least 90 days in advance of the initial payment for Fuel and thereafter annually on or before June 1 of each year, Company shall submit to Authority a Fuel Plan which shall describe all contemplated actions, payments and dates thereof, core usage, core design burnup, estimated fueling dates, cash flow analysis of forecasted expenditures and credits for each Party for each major component of the Fuel cycle by months for the period of the Fuel Plan (Fuel Plan). Company shall amend the Fuel Plan as reasonably required to reflect changes in conditions and shall submit such amended Fuel Plan to Authority for its concurrence.

12.06 Authority shall furnish to Company, as requested, forecasts of its generation requirements from the Project. Company shall use such forecasts together with forecasts of its generation requirements from the Project in preparing each Fuel Plan.

12.07 Company shall arrange for Fuel in amounts so that each Party may utilize its Ownership Share of the capacity

and energy from the Project as provided for in Paragraph 12.06.

12.08 Company shall, unless otherwise agreed, prepare monthly operating records, based, as appropriate, upon measured or estimated quantities which shall contain, with other details to be agreed upon: (a) thermal energy consumed and net kilowatt-hours delivered (hourly and daily) to each Party during the preceding month, (b) cumulative thermal energy consumed and net kilowatt-hours delivered to each Party from the last fueling date, (c) thermal energy and kilowatt-hours available to each Party until the next scheduled fueling, and (d) cost per kilowatt-hours delivered to each Party during the preceding month and estimated cost per kilowatt-hours until next scheduled fueling, which will be determined from estimates of plant factor, thermal energy usage, and the appropriate Cost of Fuel. Company shall consult with Authority regarding such records and make revisions as appropriate.

12.09 At the time of each fueling, Company and Authority shall mutually determine: (a) the next forecasted fueling date; (b) the kilowatt-hours of net electrical energy and units of thermal energy available to each Party to the next forecasted fueling date; and (c) the estimated costs per kilowatt-hour and unit of thermal energy until the next fueling date, and shall periodically review such determinations and agree upon revisions as are deemed necessary.

12.10 Each Party's forecasted energy requirements shall equal as nearly as practicable such Party's Ownership

Share.

12.11 After reprocessing of Fuel removed from the core, and settlement therefor, the Company shall make a final accounting of all costs, payments and energy allocable to each Party including any provisional settlements made. Such final accounting shall stipulate any credits or deficits with regard to either Party, and shall be subject to approval by Authority.

12.12 Test or experimental Fuel may be incorporated in the Project only with the mutual consent of the Parties.

12.13 The Company shall keep an hourly record charging to each Party the kilowatt-hours of electric energy delivered to each such Party during the month and cumulative from the time of the most recent fueling, and the thermal energy to which such Party is entitled. When either Party's electrical energy or thermal energy usage equals that Party's Ownership Share estimated to be available as determined pursuant to Paragraph 12.09, such Party shall become the deficient Party. Unless such deficient Party has made arrangements with the other Party pursuant to Paragraph 13.08 it shall (1) make arrangements for delivering of alternative capacity and energy to the other Party in amounts which would make available to such other Party capacity and energy at least equal to the amount of Output which such other Party would otherwise have been entitled to receive but for the deficient Party or .
(2) make such other arrangements acceptable to the other Party

as would under the circumstances result in an equitable adjustment between the Parties.

13. SCHEDULING OF PROJECT OUTPUT

13.01 Each Party shall be entitled to receive as scheduled all or any part of its Ownership Share of the Output of the Generating Plant.

13.02 Company shall be responsible for the scheduling and dispatching of capacity and energy available from the Generating Plant to give effect to the provisions of this Agreement.

13.03 Each Party will schedule capacity and energy to adhere as closely as practicable to the energy to which it is entitled pursuant to Section 12.

13.04 Company and Authority mutually agree to change schedules of the delivery of capacity and energy from the Project as appropriate to insure to the extent practicable that each Party receives its Ownership Share of the Minimum Capability of the Generating Plant to the next scheduled fueling date.

13.05 Authority shall report its hourly schedule for the following day to Company by 4 o'clock p.m. each day, except that the schedule for holidays, Saturdays and Sundays, and for the day following such days shall be submitted by 4 o'clock p.m. of the preceding workday; provided, however, that Authority shall have the right to change its schedule on shorter notice to reflect changes in its requirements.

13.06 Should the changes in the level of operation of the Generating Plant requested by the Parties require a rate of change in excess of that determined by Company, recommended by the manufacturers or prescribed in the AEC Operating License, whichever is lower, the Party whose scheduled rate of change is in excess of its Ownership Share of such prescribed or recommended change shall be limited proportionately so that the total rate of change is maintained within allowable limits.

13.07 Company shall notify Authority if fulfilling the requested schedules would require operation of the Generating Plant below Minimum Capability. The Parties shall schedule their respective Ownership Shares of such Minimum Capability, unless other arrangements are agreed to by the Parties.

13.08 If a Party schedules less than its Ownership Share of Output the other Party may schedule the remaining Output or any portion thereof until called for by the Party and appropriate adjustments or payments will be made as agreed to by the Parties. This provision does not in any way alter the provisions of Section 12.

13.09 Company, with the concurrence of Authority, shall schedule Generating Plant outages, other than emergency outages, and notify Authority as to the time and duration thereof as far in advance as practicable. Notwithstanding the foregoing, Company may shut the Generating Plant down,

reduce power or take other appropriate action which in the reasonable judgment of the Company is necessary to obtain the approval of or comply with the requirements of governmental agencies having jurisdiction, or to insure safety to persons or property.

13.10 When testing of plant facilities requires generation, each Party shall make provisions for acceptance of its Ownership Share of such generation unless other arrangements are agreed to by Parties. Company shall notify Authority of test schedules as far in advance as practicable.

13.11 During any hour in which the Project generates less than its station use and losses to the high-voltage terminals of the Project Substation, Company shall notify Authority and Authority shall deliver its Ownership Share of needed energy to the Project unless other arrangements are agreed to by Parties.

14. DELIVERY OF PROJECT OUTPUT

14.01 Each Party shall bear all costs of acquiring and installing its 230 KV transmission lines and switching facilities for connecting its transmission system to the Project Substation or other mutually agreed to interconnection points to provide for delivery of Project Output.

14.02 Electric capacity and energy scheduled by Authority from the Project shall be delivered and measured over interconnections now or hereafter existing between the

14.08 Metering of electric capacity and energy delivered to Authority from Project shall be measured at all interconnections between Company and Authority by metering equipment as may be necessary to measure accurately the electric capacity and energy to be furnished hereunder. Said interconnection metering equipment shall be kept accurate within one (1%) percent. All metering instruments pertaining to billing shall be sealed and shall be opened only in the presence of an authorized representative of each Party hereto and all such instruments shall be tested by such representatives at intervals agreed upon or upon request of either Party. If, as a result of such test, any instrument shall be found to be inaccurate by more than one (1%) percent, it shall be restored to a condition of accuracy satisfactory to such representatives or replaced by a new instrument or instruments satisfactory to such representatives. If the inaccuracy of any instrument exceeds one (1%) percent, then the readings of such instrument previously taken, and all charges based thereon, shall be corrected on the basis of said test, but not for more than thirty (30) days prior to the date of test nor prior to the date within such thirty (30) days upon which such meters have been proven or agreed to be accurate. Representatives of Authority and Company shall at all times have access to premises of Company and Authority for the purpose of inspection or maintenance of such interconnection metering equipment of Company and Authority. Authority or Company shall have the right to

test such instruments for accuracy at reasonable intervals. If either Party shall at any time discover that any instrument registers inaccurately, or fails to register, then such Party shall notify the other Party. In the event of failure or inaccuracy of an instrument, the amount of electric capacity and energy furnished during the period of such failure or inaccuracy shall be determined as agreed to by the Parties.

15. ACCOUNTING

15.01 Company shall keep separate, complete and accurate account of all receipts and expenditures of Costs of Construction and Costs of Operation. Each of the Parties shall keep complete and accurate accounts of all costs incurred by it for which it is to be reimbursed as a Costs of Construction or Costs of Operation as appropriate.

15.02 All accounts shall be kept in accordance with or so as to permit conversion to the Uniform System of Accounts. The allocation of costs by Company between Costs of Construction and Costs of Operation pursuant to this Agreement shall be binding on the Parties for purposes of this Agreement, but the manner in which accounts are kept pursuant to this Agreement is not intended to be determinative of the manner in which they are treated in the separate books of account of the Parties.

15.03 Authority shall have the right at any reasonable time to examine the separate books of account relating to the Project kept by Company pursuant to this Section Fifteen and to examine

and copy all plans, specifications, bids and contracts relating to the Project. Each Party shall have the right to examine the books of account and all supporting data and documents relating to amounts for which the other Party is to be reimbursed. The measure of the acceptability of the amounts for which a Party is to be reimbursed shall be Prudent Utility Practice. Either Party shall have the right to challenge any of the amounts for which the other Party has made payment, and if the Parties cannot agree on the amounts so challenged, the Matter shall be referred to a Project Consultant.

15.04 Company shall cause all accounts to be audited by a firm of independent Certified Public Accountants of national reputation acceptable to both Parties and regulatory agencies at approximately annual intervals and when such accounts are closed. Copies of such audits shall be supplied to Authority.

16. INSURANCE

Company shall maintain in force, for the benefit of the Parties as their interest shall appear, as Costs of Construction or Costs of Operation as appropriate, such insurance as Company and Authority may agree upon, but not less than will satisfy the requirements of the Atomic Energy Act of 1954, as amended, and AEC Regulations thereunder, and conform to Prudent Utility Practice. Company shall keep Authority informed as to the status of insurance in force and if it does so, Company shall not be liable for any failure to insure or

inadequacy of coverage. The Authority may request additional insurance to the extent available, and Company shall purchase such requested insurance at the expense of Authority. The proceeds from such requested insurance shall be disbursed as directed by Authority. If an additional unit or generating project is proposed for the site of the Project, Company may cause the insurance on the Project to be extended to such unit or generating project, and in such case shall make appropriate premium adjustments as agreed to by the Parties.

17. UNCONTROLLABLE FORCES

Neither Party hereto shall be in default in performance of any obligation hereunder, except the payment of monies, if such failure of performance is due to causes which such Party could not have reasonably been expected to avoid.

18. DAMAGE TO PROJECT

18.01 If the Project suffers damage resulting from causes other than ordinary wear, tear or deterioration to the extent that Company's estimate of the cost of repair, as agreed to by Authority, is twenty-five (25%) percent or less of the depreciated value of the Project prior to the damage, and does not exceed available insurance proceeds by \$5,000,000.00 or more, and if the Parties do not agree that the Project shall be ended pursuant to Section 24, Company shall promptly submit to Authority a revised construction or operating budget, as appropriate. Company shall then proceed to repair the

Project and each Party shall pay as budgeted its Ownership Share of the cost of such repair.

18.02 If Company's estimate of the cost of repair exceeds twenty-five (25%) percent of the depreciated value of the Project, or if the estimated cost of repair exceeds the available proceeds of insurance by \$5,000,000.00 or more, the Parties shall determine the estimated fair market value of the Project if it is then terminated without repair. If, within ninety (90) days thereafter, the Parties do not mutually agree that the Project shall be repaired as provided in Paragraph 18.01, each Party shall become entitled to its Ownership Share of available insurance proceeds and the Party desiring such repair shall have the option to either (a) purchase the other Party's Ownership Share of the Project by paying to the other Party its Ownership Share of the estimated value of the Project without repair, or (b) paying the full amount of the cost of repair, in which latter case the Ownership Share of the Party not desiring repair shall be reduced at the end of each month to the extent determined by the following formula:

$$S_r = S_o \frac{(V)}{(V + C)}$$

where:

V = Estimated fair market value of the Project if it is terminated without repair.

C = Actual expenditures for repair.

S_o = Ownership Share prior to loss.

S_r = Reduced Ownership Share.

18.03 Any change in the Parties' Ownership Shares resulting from Paragraph 18.02 shall be subject to necessary regulatory approvals.

19. DEFAULT

19.01 Upon failure of either Party hereto to make any payment when due or perform any obligation of any owner herein, the other Party may make written demand upon said Party, and if said failure is not cured within 60 days from the date of such demand it shall at the expiration of such period constitute a default. A Party in default shall have no right to the Output of the Project or to exercise any other right of a Party. In such event the defaulting Party's Ownership Share of capacity and energy may be sold during the period of the default for the benefit of the defaulting Party and the proceeds applied to the amounts owed by such defaulting Party. If a Party in good faith disputes the existence or extent of such failure, it shall within said 60-day period make such payment or perform such obligation under written protest directed to the other Party. Such dispute shall be submitted to a Project Consultant who shall determine the extent of the obligation of the Party disputing such failure and any payments shall be adjusted accordingly. Payments not made when due may be advanced by the other Party and, if so advanced, shall bear interest, until paid, at the rate of eight (8%) percent per annum or the highest lawful rate, whichever is

lower. Notwithstanding any of the provisions of this Section 19, if Company is the Party in default, Company shall continue to operate the Project in accordance with Prudent Utility Practice.

19.02 If the default results from non-payment of capital costs, as defined in the Uniform System of Accounts, and continues for a period of four months, the defaulting Party shall afford the other Party the right (but such other Party shall not have the obligation) for an additional period of two months by notice in writing, to undertake the payment of such capital costs in full and the Ownership Share of the Parties shall be adjusted as determined by the following formula:

$$S_r = S_o \frac{(V)}{(V + A)}$$

where:

V = Estimated fair value of Project without the capital addition assignable to non-payment.

A = Capital addition assignable to non-payment plus interest thereon.

S_o = Ownership Share prior to default.

S_r = Reduced Ownership Share.

19.03 Any change in the Parties' Ownership Shares resulting from Paragraph 19.02 shall be subject to necessary regulatory approval.

19.04 In addition to the rights granted in this Section 19, any non-defaulting Party may take any action, in

law or equity, to enforce this Agreement and to recover for any loss or damage, including attorney's fees and collection costs, incurred by reason of such default.

20. ELECTIVE CAPITAL ADDITIONS

Renewals and replacements not necessary to assure design capability, and betterments and additions to the Project which in the reasonable judgment of Company are not required to obtain the approval of or comply with requirements of governmental agencies, shall be made after the Date of Commercial Operation only upon agreement between the Parties; provided, however, that Company may make such additions at its own expense.

21. ADDITIONAL FACILITIES

21.01 If Company determines to construct additional nuclear generating facilities on Plant Real Property, Authority shall have the right to become a joint owner thereof with Company in the same proportion as its Ownership Share set forth in Paragraph 2.01 hereof. The terms and conditions of such joint ownership shall be in accordance with the provisions of this Agreement as the same may be appropriately modified, amended or supplemented with the mutual consent of the Parties to reflect such joint ownership.

21.02 Company shall furnish Authority copies of pertinent studies relating to the construction of such additional facilities as soon as such studies become available,

and as soon as practicable shall notify Authority in writing of its determination to construct such additional facilities. The notice shall specify a period of time, but not less than ninety (90) days, within which Authority shall indicate whether it desires to become such a joint owner.

21.03 If Authority elects not to become a joint owner of such additional nuclear generating facilities, in consideration of Authority's right to participate in such facilities granted in Paragraphs 21.01 and 21.02 and to the extent that it lawfully may do so, it shall grant to Company all easements, licenses, permits and other rights and interests required by Company to enable it to construct, operate and maintain such additional facilities and Company shall bear all costs of such construction, operation and maintenance, including any increased Costs of Construction or Costs of Operation resulting therefrom, and shall pay or agree to pay any costs incurred by Authority by reason of the relocation or modification of Project facilities. In addition to the foregoing, Company shall, to the extent that it uses Project personnel or Project facilities, except easement rights, in connection with the construction, operation or maintenance of such additional facilities, allocate such joint use and costs associated therewith fairly between the Project and such additional facilities so that Costs of Construction or Costs of Operation, as appropriate, may be reduced accordingly.

21.04 If Company determines to construct non-nuclear

electrical facilities on Plant Real Property, in consideration of Authority's right to participate in additional nuclear generating facilities granted in Paragraphs 21.01 and 21.02 and to the extent that it may lawfully do so, Authority shall grant to Company all easements, licenses, permits and other rights and interests required by Company to enable it to construct, operate and maintain such facilities and Company shall bear all costs, including any increased Costs of Construction or Costs of Operation resulting therefrom, and shall pay or agree to pay any costs incurred by Authority by reason of the relocation or modification of Project facilities. In addition to the foregoing, Company shall, to the extent that it uses Project personnel or Project facilities, except easement rights, in connection with the construction, operation or maintenance of such non-nuclear electrical facilities, allocate such joint use and costs associated therewith fairly between the Project and the non-nuclear electrical facilities so that Costs of Construction or Costs of Operation, as appropriate, may be reduced accordingly.

22. ASSIGNMENTS

22.01 This Agreement shall be binding upon and shall inure to the benefit of successors and assigns of the Parties; provided, however, that no transfer or assignment of other than all of a Party's interest in the Project and under this Agreement to a single entity shall operate to give the assignee or transferee the status or rights of a "Party" hereunder. Except as provided in Sections 18 and 19 of this Agreement, the

undivided interest (or a portion thereof) of either Party in the Project under this Agreement may be transferred and assigned as set out below but not otherwise;

(a) To any mortgagee, trustee, or secured party, as security for bonds or other indebtedness of such Party, present or future; and such mortgagee, trustee or secured party may realize upon such security in foreclosure or other suitable proceedings, and succeed to all right, title and interests of such Party;

(b) To any corporation or other entity acquiring all or substantially all the property of the Party making the transfer;

(c) To any corporation or entity into which or with which the Party making the transfer may be merged or consolidated;

(d) To any corporation or entity, the stock or ownership of which is wholly owned by the Party making the transfer;

(e) To any corporation or entity in a single transaction constituting a sale and lease back to the transferor or assignor.

22.02 Transfer or assignment shall not relieve a Party of any obligation hereunder except to the extent agreed to in writing by the Parties and shall be subject to the approvals of governmental agencies having jurisdiction.

23. TRAINING

(a) Company shall carry out a familiarization and training program to maintain adequate staffing, engineering and operation of the Project and the expenses thereof shall be part of the Costs of Construction or Costs of Operation as appropriate.

(b) Each Party shall be entitled within the limits of operating efficiency and safety requirements to use of the facilities of the Project for the training of its own employees for staffing of other nuclear facilities or the engineering and operation thereof. Any increase in the Costs of Construction or the Costs of Operation resulting from such training shall be borne by the Party employing such trainees.

24. END OF PROJECT

When the Generating Plant can no longer be made capable, consistent with Prudent Utility Practice, of producing electricity, or is not licensable by the AEC, or when the Project is ended pursuant to Section 18, Company shall sell for removal all saleable parts of the Project to the highest bidders; provided, however, that the Plant Real Property shall revert to Company upon payment by Company to Authority of Authority's Ownership Share of such Plant Real Property. After deducting all costs of ending the Project including, without limiting the generality of the foregoing, the cost of decommissioning to meet all requirements of Federal, State or local law relating to the safe deactivation

of the plant, Company shall distribute to each Party its Ownership Share of any net proceeds, including the value of the Plant Real Property as determined by agreement of Company and Authority, or in the absence of such agreement, by the Project Consultant. In the event such costs of ending the Project exceed available funds, each Party shall pay its Ownership Share of such excess as incurred.

25. PERSONAL COVENANTS AND LIMITATION AGAINST ALIENATION

25.01 Except for the Parties' mutual waiver of the right to partition set forth in Section 2, all of the covenants and conditions herein shall be personal to the respective Parties and not covenants running with the land and shall be binding upon any person or entity acquiring any right, title or interest of any Party in or to the Project or under this Agreement, by assignment or in any other way.

25.02 If the duration of any term or condition of this Agreement shall be subject to the rule against restrictions on alienation or to a similar or related rule, then the effectiveness of such term or condition shall not extend beyond:

- (a) the maximum period of time permitted under such rule, or
- (b) the specific applicable period of time expressed in this Agreement, whichever is shorter. For purposes of applying the rule against restrictions on alienation, or any similar or related rule, the measuring lives in being shall be those of the officers and members of the Board of Directors of Company

listed by name in Exhibit V, entitled "Directory of Officials of Company," together with all such listed persons' children who are living on the date of execution of this Agreement. As used in this paragraph, the word "children" shall have its generally accepted meaning of descendants of the first degree.

26. PROPRIETARY INFORMATION

All information made available to Authority by Company hereunder shall be subject to any applicable restrictions on disclosure of proprietary information.

27. MISCELLANEOUS

27.01 Counterparts. This Agreement may be simultaneously executed in several counterparts and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument. Upon proof of any original counterpart, it shall not be necessary to prove any other counterpart.

27.02 Further Assurances. A Party will promptly and duly execute and deliver to the other Party such documents and assurances and take such other further action as a Party may from time to time reasonably request of the other Party in order:

(a) to carry out more effectively the intent and purpose of this Agreement, or

(b) to establish and protect the rights and remedies created or intended to be created in favor of either

Party hereunder, or

(c) as may be reasonably necessary and convenient in the conduct of a Party's business affairs.

27.03 Captions. The captions of the various sections and paragraphs herein are intended for convenience or reference only and shall not define or limit any of the terms or provisions hereof.

27.04 Governing Laws. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of South Carolina including all matters of construction, validity and performance.

27.05 Amendment. Neither this Agreement nor any terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the Party against which the enforcement of the termination, amendment, supplement, waiver or modification is sought.

27.06 Succession. All covenants and agreements contained in this Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns, subject however to the requirements of Section 22.

28. EFFECTIVE DATE OF AGREEMENT

This Agreement shall become effective upon delivery by Authority of the initial payment set forth in Paragraph 6.01 and shall continue in effect until the Project is ended pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their corporate names and their corporate seals affixed, all by the proper officer duly authorized thereunto, as of the day and year first hereinabove written.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

[SEAL]

/s/ V. C. Summer
V. C. Summer, Senior Vice President

Attest:

By /s/ H. M. Bryant
H. M. Bryant, Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

[SEAL]

/s/ Robert S. Davis
Robert S. Davis, Chairman

Attest:

By /s/ L. P. Dorman
L. P. Dorman, Secretary

EXHIBIT I

PLANT REAL PROPERTY

Plant Real Property as defined in Paragraph 1.13 of the Agreement means the real property acquired or to be acquired as a site for and necessary and useful for the construction, operation and maintenance of the Project as defined in the Agreement. The Plant Real Property and the estimated cost thereof is described as follows:

(A) Land inside the Nuclear Exclusion Zone and lying above the highwater mark of the upper pond of FPC Project 1894, as proposed to be constructed, being known as Lake Monticello, said highwater mark being a contour of 425 feet above mean sea level ("425 contour") less (1) easements and rights of way for transmission lines leading from the Project and (2) the Fairfield Power House and Fairfield-Summer 230 KV right of way and easements which are inside the Project Boundary Line ("PBL") for FPC Project 1894 as the same is proposed to be constructed.

(B) An easement for a Nuclear Exclusion Zone for all purposes required by the laws of the United States of America and the Rules and Regulations of the Atomic Energy Commission ("AEC") or any successor agency having jurisdiction of nuclear energy, as the same may be amended from time to time, and being within the PBL for Lake Monticello of FPC Project 1894 and including lands described in subsections (1) and (2) of Paragraph A of this Exhibit.

(C) Non-exclusive water rights in Lake Monticello, being the upper pond of Project 1894 as proposed to be constructed, including the right to take water and to discharge heated water in Lake Monticello, together with the non-exclusive right to back water over lands in Lake Monticello up to the 425 contour, together with the non-exclusive right to take water and discharge heated water from the lower pond of Project as may be necessary and convenient for the exercise of such rights in Lake Monticello.

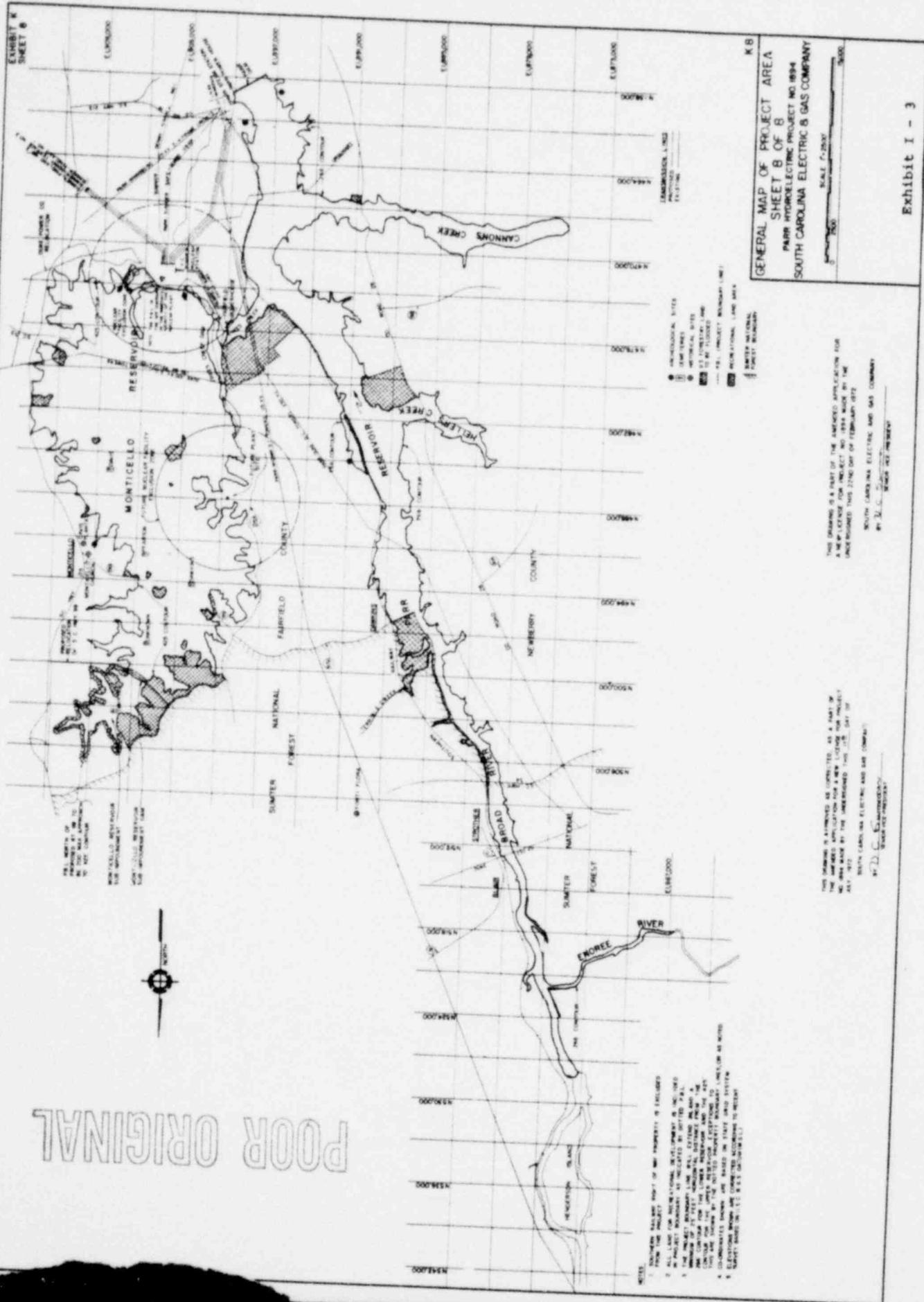
The herein described Plant Real Property is generally depicted on the attached drawings entitled as follows:

- (1) General map of Project Area, Exhibit K, Sheet 8 of 8, Parr Hydroelectric Project No. 1894, July 17, 1972.
- (2) Detail map of Project Area, Exhibit K, Sheet 2 of 9, Parr Hydroelectric Project No. 1894, July 17, 1972, Revised March 3, 1973.

The aforesaid items of Plant Real Property shall be adjusted as described in Paragraph 1.14 (Plant Real Property Adjustment).

The Total Estimated Cost of land purchases is \$1,023,000.00 and does not include the values of and adjustments for water rights which shall be made pursuant to Paragraph 1.14 of this Agreement (Plant Real Property Adjustment).

POOR ORIGINAL



K 8
GENERAL MAP OF PROJECT AREA
SHEET B OF B
PARRIS HYDROELECTRIC PROJECT NO. 1894
SOUTH CAROLINA ELECTRIC & GAS COMPANY

SCALE 1"=1000'
 1000
 5000

Exhibit I - 3

THE MAPS OF THE MONTICELLO RESERVOIR AND THE PARRIS HYDROELECTRIC PROJECT ARE THE PROPERTY OF THE SOUTH CAROLINA ELECTRIC & GAS COMPANY AND ARE NOT TO BE REPRODUCED OR COPIED WITHOUT THE WRITTEN PERMISSION OF THE COMPANY.

THIS DRAWING IS A PART OF THE PROJECT APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 1894 AND IS NOT TO BE REPRODUCED OR COPIED WITHOUT THE WRITTEN PERMISSION OF THE SOUTH CAROLINA ELECTRIC & GAS COMPANY.

BY: J. C. [Signature]
 SOUTH CAROLINA ELECTRIC & GAS COMPANY
 CHARLOTTE, N.C.

THIS DRAWING IS APPROVED AS CORRECT, AS A PART OF THE PROJECT APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 1894 AND IS NOT TO BE REPRODUCED OR COPIED WITHOUT THE WRITTEN PERMISSION OF THE SOUTH CAROLINA ELECTRIC & GAS COMPANY.

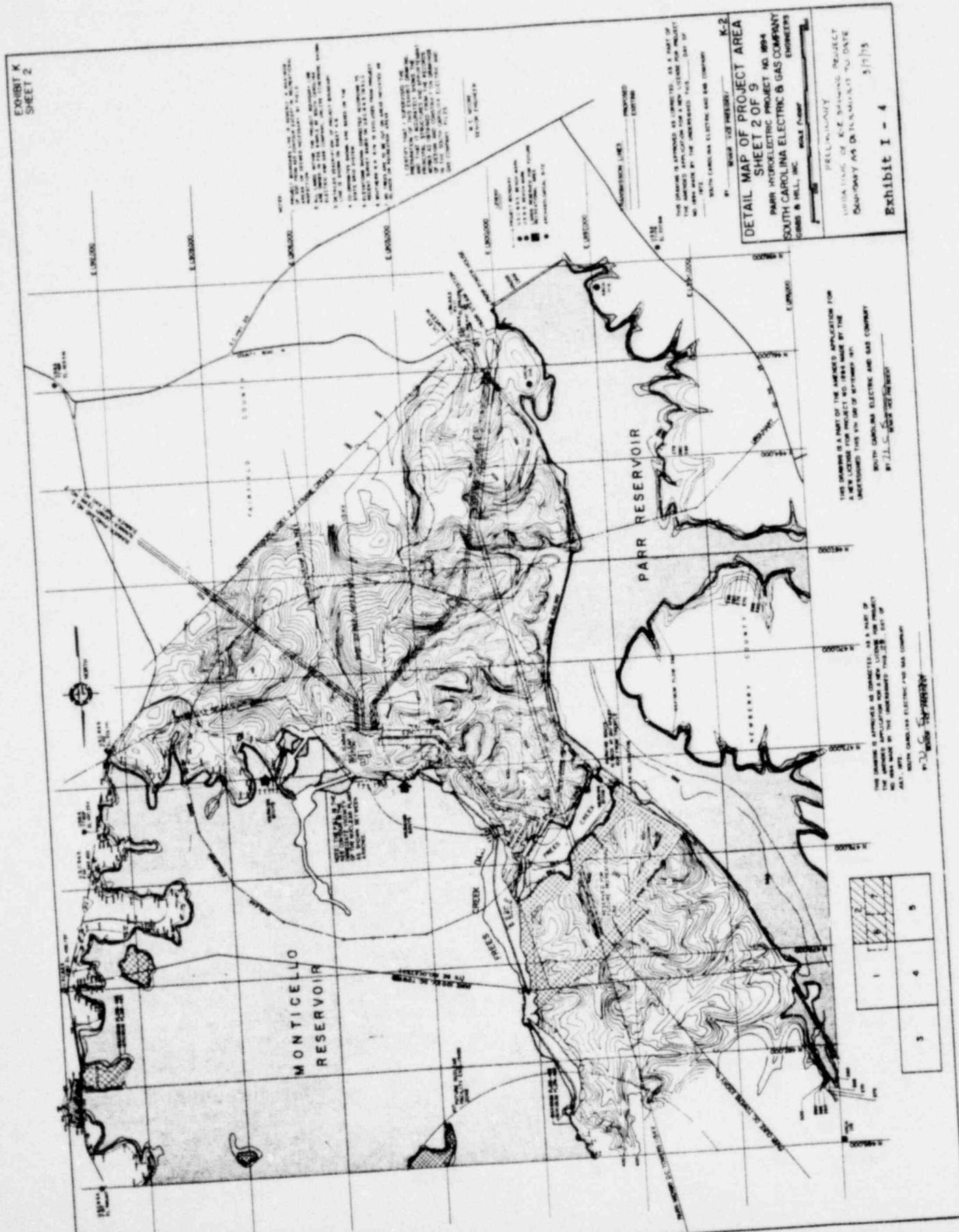
BY: J. C. [Signature]
 SOUTH CAROLINA ELECTRIC & GAS COMPANY
 CHARLOTTE, N.C.

- NOTES:
1. SHADOWNED AREAS ARE PART OF THE PROJECT'S EXCLUDED AREA.
 2. ALL LAND FOR PROJECT DEVELOPMENT IS INDICATED BY A SHADOWNED BOUNDARY.
 3. THE PROJECT BOUNDARY IS INDICATED BY DOTTED LINES.
 4. THE PROJECT BOUNDARY IS INDICATED BY DOTTED LINES.
 5. THE PROJECT BOUNDARY IS INDICATED BY DOTTED LINES.
 6. THE PROJECT BOUNDARY IS INDICATED BY DOTTED LINES.
 7. THE PROJECT BOUNDARY IS INDICATED BY DOTTED LINES.
 8. THE PROJECT BOUNDARY IS INDICATED BY DOTTED LINES.
 9. THE PROJECT BOUNDARY IS INDICATED BY DOTTED LINES.
 10. THE PROJECT BOUNDARY IS INDICATED BY DOTTED LINES.



POOR ORIGINAL

EXHIBIT K
SHEET 2



THIS DRAWING IS A PART OF THE AMENDED APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 8094, AS APPROVED BY THE BOARD OF PUBLIC UTILITIES ON SEPTEMBER 15, 1971. THE AMENDED APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 8094 WAS MADE BY THE UNDERSIGNED THIS 15th DAY OF SEPTEMBER 1971.

BY: J.L.C. SOUTH CAROLINA ELECTRIC AND GAS COMPANY

THIS DRAWING IS APPROVED AS CORRECTED, AS A PART OF THE AMENDED APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 8094, AS APPROVED BY THE BOARD OF PUBLIC UTILITIES ON SEPTEMBER 15, 1971. THE AMENDED APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 8094 WAS MADE BY THE UNDERSIGNED THIS 15th DAY OF SEPTEMBER 1971.

BY: J.L.C. SOUTH CAROLINA ELECTRIC AND GAS COMPANY

THIS DRAWING IS APPROVED AS CORRECTED, AS A PART OF THE AMENDED APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 8094, AS APPROVED BY THE BOARD OF PUBLIC UTILITIES ON SEPTEMBER 15, 1971. THE AMENDED APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 8094 WAS MADE BY THE UNDERSIGNED THIS 15th DAY OF SEPTEMBER 1971.

BY: J.L.C. SOUTH CAROLINA ELECTRIC AND GAS COMPANY

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BY: J.L.C. SOUTH CAROLINA ELECTRIC AND GAS COMPANY

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BY: J.L.C. SOUTH CAROLINA ELECTRIC AND GAS COMPANY

THIS DRAWING IS APPROVED AS CORRECTED, AS A PART OF THE AMENDED APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 8094, AS APPROVED BY THE BOARD OF PUBLIC UTILITIES ON SEPTEMBER 15, 1971. THE AMENDED APPLICATION FOR A NEW LICENSE FOR PROJECT NO. 8094 WAS MADE BY THE UNDERSIGNED THIS 15th DAY OF SEPTEMBER 1971.

BY: J.L.C. SOUTH CAROLINA ELECTRIC AND GAS COMPANY

DETAIL MAP OF PROJECT AREA
SHEET 2 OF 9
 PARR APPROVED ELECTRIC PROJECT NO. 8094
 SOUTH CAROLINA ELECTRIC & GAS COMPANY
 LINDSEY B. HILL, INC. SCALE 1"=1 MILE

PREPARED BY
 LINDSEY B. HILL, INC.
 3/7/73

Exhibit I - 4

EXHIBIT II

PROJECT DESCRIPTION

The Project consists of the Virgil C. Summer Nuclear Station, Unit #1, together with its associated facilities and property as described in the Preliminary Safety Analysis Report ("PSAR"), as amended, and all items acquired for construction, operation and maintenance of the Project. See Amendment No. 18, to PSAR, dated December 4, 1972, Figure 1.4-2, entitled "Yard Plan, Including General Grading, Catch Basin, and Drainage System" attached hereto.

The Project is located upon Plant Real Property described in Exhibit I.

The Generating Plant will use a 2775 Megawatt thermal (MWt) Westinghouse Pressurized Water Reactor with a 900 Megawatt electrical (MWe) net Output General Electric Turbine Generator complete with various safety, control and auxiliary systems. Gilbert Associates, Inc. is the Architect-Engineer for the Project. Daniel Construction Company is the construction contractor.

The Fuel is slightly enriched Uranium Dioxide contained in Zirconium alloy tubes which are formed into fuel assemblies. The initial Fuel loading and the first eight reload regions are being purchased from Westinghouse. In the future, it is anticipated that Plutonium in combination with Uranium will be utilized as a fuel. Licenses and permits required for construction and operation of the Project are shown in Table II of Exhibit III.

A railroad spur line approximately 2 miles in length will connect the Project site with the main line of the Southern Railroad Company, which parallels the east side of the Broad River. Permanent and temporary on-site tracks will be built in order to provide access to laydown areas, a concrete batch plant and the Generating Plant.

Main access to the Summer Station is provided by Fairfield County Road 311 which runs approximately 1 1/4 miles from South Carolina Highway 215 to the Project site. State legislation has provided for South Carolina Electric & Gas Company to upgrade and maintain this road for the Project. Access to the Project site for construction purposes has been provided by upgrading the existing rural road from Parr. Adequate parking facilities with necessary improvements will be provided on-site for all construction forces, and paved parking areas will be provided where required for plant operations.

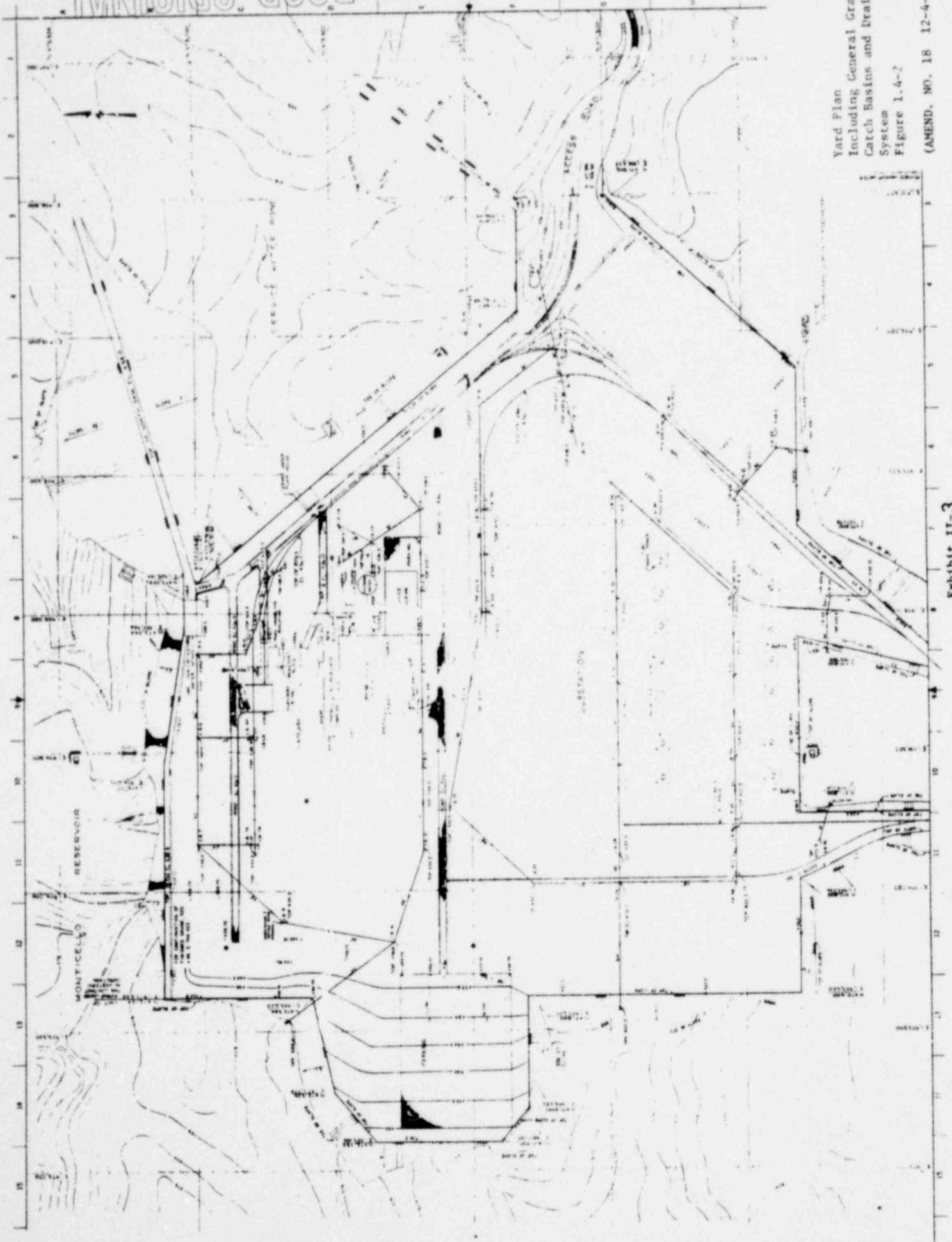
South Carolina Electric & Gas Company will acquire control of access to the Nuclear Exclusion Zone which consists of an area within approximately one mile of the reactor building. The portion of Monticello Reservoir lying within the one mile Nuclear Exclusion Zone will be marked with warning buoys to keep unauthorized persons away. Other methods of access control and warning may be implemented from time to time as required by regulatory agencies having jurisdiction thereof and by Prudent Utility Practice.

Other items acquired for construction, operation and maintenance include a meteorological monitoring system with a 200 foot tower on the site, a 10 meter meteorological tower on the east side of Monticello Reservoir, a concrete batch plant for construction, a construction substation, a construction water line from Parr Shoals Reservoir and a 115 KV safeguard line from Parr Shoals Generating Station which will also provide construction power for warehouses and other construction facilities.

The estimated cost of the Project is \$341,792,000.00, subject to adjustments to reflect participation in the Project by Authority.

POOR ORIGINAL

Exhibit II-3



Yard Plan
Including General Grading
Catch Basins and Drainage
System
Figure 1.4-2

(AMEND. NO. 18 12-4-72)

Exhibit II-3

EXHIBIT III

Company has retained Gilbert Associates, Inc. of Reading, Pennsylvania to provide for the Project: (a) engineering services and (b) a Quality Assurance Program to meet the "Quality Assurance Criteria for Nuclear Power Plants" of Appendix B to 10 CFR Part 50. Gilbert Associates, Inc. will be reimbursed on a cost basis. The estimated cost to the Project for engineering services is \$15,005,000.00 and for the Quality Assurance Program \$3,540,000.00.

Company has awarded a cost type construction contract for the Project to Daniel Construction Company of Greenville, South Carolina. This contract provides for a constructor's fee with a fixed ceiling. The estimated cost of construction under the Daniel Construction Company contract, including the constructor's fee, is \$24,375,000.00.

A list of Purchase Orders issued by Company is shown in Table I to this Exhibit III.

A list of licenses, permits, and certifications obtained by Company is shown in Table II to this Exhibit III.

This Exhibit III and the Tables thereto are correct as of October 1, 1973 and will be amended and revised as of the effective date of this Agreement as provided in Section 28.

TABLE I

<u>PURCHASE ORDER</u>	<u>EQUIPMENT</u>	<u>SUPPLIER</u>	<u>BASIS OF AWARD</u>	<u>COMMITMENT EST.</u>
SN-10001-SR	Nuclear Steam Supply System	Westinghouse Corp.	C.B.	\$40,600,000.00 *
SN-10002	Turbine	General Electric	N	26,542,111.82
SN-10003	Auxiliary Turbine	General Electric	N	**
SN-10004	Condensers	South Western Eng.	C.B.	1,156,475.00
SN-10005	Feedwater and Booster Pumps	Ingersoll-Rand	C.B.	445,996.00
SN-10006	Condensate Pumps	Ingersoll-Rand	C.B.	298,100.00
SN-10007	L.P. Feedwater Heaters	Struthers Nuclear	C.B.	678,170.00
SN-10008	H.P. Feedwater Heaters	Westinghouse Corp.	C.B.	684,495.00
SN-10009-SR	Control Valves	Fisher Controls Co.	N	100,000.00 *
SN-10010	Control Valves	Fisher Controls Co.	N	100,000.00 *
SN-10011-SR	Laboratory Testing Services	Pittsburgh Testing Lab.	C.B.	50,000.00 *
SN-10012-SR	Excavation Contract	Clement Brothers Co.	C.B.	3,650,731.00
SN-10013	Clearing & Grubbing Contract	Phillips & Jordan	C.B.	81,737.50
SN-10014-SR	Cement	Giant Portland Cement	C.B.	1,149,808.00 *
SN-10015-SR	Sand	Becker Sand & Gravel Co.	C.B.	109,296.00 *
SN-10016-SR	Stone	Lone Star Industries	C.B.	552,074.00 *
SN-10017	Field Erected Water Tank	Chicago Bridge & Iron	C.B.	78,500.00
SN-10018	Condenser Tubes	Carpenter Technology	C.B.	676,612.61
SN-10019	Main Power Transformer	Westinghouse Corp.	C.B.	800,000.00 *
SN-10020	Instrument Air Dryer	Lectrodryer, Inc.	C.B.	9,630.00
SN-10021	Deaerator	Chicago Heater Company	C.B.	145,320.00
SN-10022	Condenser Cleaning System	Amertap Corporation	N	382,359.00 *
SN-10023	Spent Fuel Demineralizers	L. A. Water Treatment	C.B.	14,960.00
SN-10024	Air Compressors	Ingersoll-Rand Co.	C.B.	96,330.37

SN-10025	Spent Fuel Pit Filters	Paul Trinity Micro Corp.	C.B.	5,798.32
SN-10026-SR	Reinforcing Steel	Florida Steel Corp.	C.B.	2,819,800.00 *
SN-10027	Hydrogen Storage System	National Welders Supply	C.B.	36,468.00 *
SN-10028-SR	Concrete Manufacturers	Southern Mobile Concrete	C.B.	1,267,500.00
SN-10029-SR	Nuclear Fuel	Westinghouse Corp.	C.B.	59,883,570.00 ***
SN-10030	Turbine Room Crane	Harnischfeger Corp.	C.B.	295,000.00
SN-10031	Unit Auxiliary Transformer	Westinghouse Corp.	C.B.	207,518.00 *
SN-10032-SR	Post Tensioning System	Inland Ryerson	C.B.	2,437,320.00
SN-10033-SR	Engineering Safeguards - Transformers	Westinghouse Corp.	C.B.	157,369.00 *
SN-10034-SR	Emergency Auxiliary - Transformers	Westinghouse Corp.	C.B.	389,771.00 *
SN-10035-SR	Nondestructive Testing	Conam Inspection, Inc.	C.B.	568,000.00 *
SN-10036	Auxiliary Boiler	Riley Stoker Corp.	C.B.	170,250.00
SN-10037-SR	Reactor Building Liner	Pittsburgh-DesMoines	C.B.	3,285,000.00 *
SN-10038-SR	Concrete Admixtures	Sika Chemical Corp.	C.B.	650,000.00
SN-10039-SR	Electric Motors, 30 to - 350 H.P.	Louis Allis Co.	C.B.	19,779.18 *
SN-10040	Turbine Room Roof - Ventilators	Moffitt Co.	C.B.	71,254.00
SN-10041	Extraction Non-Return Valves	Schutte & Koerting Co.	C.B.	40,255.00
SN-10042	Water Treating Plant	Graver Water Con- ditioning Co.	C.B.	754,153.00
SN-10043-SR	Fabricate and Deliver - Stainless Steel Liners	Pittsburgh-DesMoines	C.B.	759,340.00
SN-10044-SR	Installation of Stainless - Steel Liners	Pittsburgh-DesMoines	C.B.	430,660.00
SN-10045	Concrete Waterproofing Material	Rubber and Plastics - Compound Co., Inc.	C.B.	18,460.00
SN-10046-SR	Miscellaneous Steel	Northern Steel Corp.	C.B.	500,000.00 *

* Subject to Escalation

** Shop Space and Price Basis Committed at Time of Main Turbine Commitment

*** This Does Not Include the Enrichment Costs

TABLE II

The following is a list of the permits and certifications from the local, state, and federal agencies which Company has obtained or expects to obtain as being required for the Project:

Local

(A) Fairfield County Auditor's Office:

- * (1) Building permit for construction of major structures. (April 2, 1973)

State

(A) Department of Health and Environmental Control:

- * (1) Letter of Water Quality Certification (January 11, 1973)
- (2) Effluent Discharge Permit
- (3) Sewage Disposal System Permit
- (4) Industrial Waste Permit
- (5) Permit for auxiliary boiler and diesel-generator
- * (6) Permit to refurbish and construct water system (February 27, 1973)
- (7) Sanitary License - Construction Facilities

(B) South Carolina Highway Department:

- (1) Permits for oversize, overweight, and overlength loads.

(C) South Carolina Public Service Commission:

- (1) Order authorizing transfer of title to Authority

Federal

(A) Atomic Energy Commission:

- * (1) Nuclear Station Construction Permit (March 21, 1973, as amended May 29, 1973)
- (2) Nuclear Station Operating License
- (3) Nuclear Station Operating Personnel Licenses
- (4) Nuclear Station Source Material License.

(B) Environmental Protection Agency:

- (1) National Pollutant Discharge Elimination System Permit.

Company has filed or will file applications on a schedule consistent with Project requirements.

*Permit has been obtained.

EXHIBIT IV

V. C. SUMMER NUCLEAR STATION

Unit #1

Budget Estimate

Direct Plant Cost

320	Land and Land Rights	\$ 1,023,000
321	Structures and Improvements	53,619,500
322	Reactor Plant Equipment	80,172,300
323	Turbine Generator Equipment	36,654,100
324	Accessory Electrical Equipment	14,926,300
325	Miscellaneous Power Plant Equipment	2,161,100
353	Main Power Transformer	1,598,700

Total Direct Cost \$190,155,000

Indirect Cost

383	Spare Parts	\$ 2,360,000
384	S. C. Sales Tax	2,000,000
390	Daniel Construction Co.	24,375,000
391	Gilbert Associates	18,545,000
392	S. C. Electric & Gas Co.	23,146,000
400	Allowance for Funds During Construction (AFC)*	66,211,000*
500	Contingency	15,000,000

PROJECT TOTAL \$341,792,000*

* Subject to adjustments to exclude AFC on Authority's Ownership Share after Authority has reimbursed Company for initial advance of Costs of Construction.

EXHIBIT IV
INITIAL BUDGET - COST OF CONSTRUCTION

<u>Acct. #</u>	<u>Description</u>	<u>Expended Prior July 1, 1973</u>	<u>July 73*</u>	<u>Aug 73*</u>	<u>Sept 73*</u>	<u>Oct 73</u>	<u>Nov 73</u>	<u>Dec 73</u>
320	Land & Land Rights	777,509	15,795	256,687	2,705	35,250	35,250	35,682
321	Structures & Improvements	189,140	240,178	239,272	443,337	415,155	337,992	586,062
322	Reactor Plant Equipment	3,468,896	321,940	260,553	325,714	341,250	486,250	394,450
323	Turbo-Generator Equip.							
324	Accessory Elect. Equip.	1,156				3,527	3,526	3,022
325	Misc. Power Plant Equip.		9,355	84,849	1,047	7,558	7,557	7,557
383	Unallocated & Clearing Items	5,324	827	1,053				
384	Control Accounts		1,389	4,302	315	20,000	20,000	20,000
390	Daniel Construction Co.	1,984,360	271,908	221,764	258,631	257,260	300,000	780,000
391	Gilbert Associates, Inc.	4,792,905	314,698	316,283	360,577	325,000	325,000	325,000
392	SCE&G Company	3,829,442	186,128	217,312	185,792	275,000	285,000	295,000
	TOTAL	15,048,732	1,362,218	1,602,075	1,578,118	1,680,000	1,800,575	2,446,773

* Actual Expenditures

IV - 2

EXHIBIT IV
INITIAL BUDGET - COST OF CONSTRUCTION

<u>Acct. #</u>	<u>Description</u>	<u>Jan 74</u>	<u>Feb 74</u>	<u>March 74</u>	<u>April 74</u>	<u>May 74</u>	<u>June 74</u>
320	Land & Land Rights						
321	Structures & Improvements	728,593	971,816	1,214,320	1,457,184	2,046,706	2,428,809
322	Reactor Plant Equipment	468,681	525,057	642,107	723,001	642,107	909,315
323	Turbo-Generator Equip.						
324	Accessory Elect. Equip.	10,934	43,738	54,674	65,608	76,542	98,412
325	Misc. Power Plant Equip.	4,053	5,404	6,756	8,106	9,457	12,159
384	Control Accounts	30,000	30,000	30,000	30,000	30,000	30,000
390	Daniel Construction Co.	500,000	450,000	450,000	500,000	550,000	550,000
391	Gilbert Associates, Inc.	295,000	295,000	295,000	295,000	295,000	300,000
392	SCE&G Company	295,000	295,000	295,000	295,000	295,000	300,000
	TOTAL	2,332,261	2,616,015	2,987,857	3,373,899	3,944,812	4,628,695

IV - 3

EXHIBIT IV
INITIAL BUDGET - COST OF CONSTRUCTION

<u>6-Months Periods</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
January - June		46,512,000	37,999,000	10,886,000	7,343,000
July - December	32,023,970	46,513,000	37,999,000	10,886,000	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	32,023,970	93,025,000	75,998,000	21,772,000	7,343,000

EXHIBIT V

DIRECTORY OF OFFICIALS OF COMPANY

S. C. McMeekin
Chairman

Anne McMeekin Boyle
S. C. McMeekin, Jr.

A. M. Williams
President and Chief Executive Officer

Katherine W. Mahon
Patricia W. Boykin
Elizabeth Middleton Williams

A. C. Mustard
Senior Vice President-Commercial

Rev. Allan C. Mustard, Jr.
Charles S. Mustard
William B. Mustard

V. C. Summer
Senior Vice President-Operations

Brenda S. Nunamaker
Michael C. Summer
Kenneth V. Summer

O. S. Wooten
Senior Vice President-Finance

Oscar S. Wooten, Jr.
Catherine Wooten
Charles Wooten
Richard Wooten

DIRECTORS

R. C. Barkley, Jr.

Rufus C. Barkley, III
Joseph Miles Barkley
Nella Elizabeth Barkley

W. H. Taylor

Dr. John P. Taylor
Robert M. Taylor

W. B. Bookhart

W. B. Bookhart, Jr.
Sara B. Pepper

John M. Trask

John M. Trask, Jr.
Frederick G. Trask
Charles H. Trask
George G. Trask

C. M. Etherredge

None

J. B. Guess, III

James B. Guess, IV
Mary Elizabeth Guess

Edward Kronsberg

Avram Kronsberg
Jonathan S. Kronsberg

George Lott, Jr.

George Lott, III
Martha J. Lott
Frank B. Lott

J. H. Lumpkin

John H. Lumpkin, Jr.
Caroline Lumpkin Cooper

J. B. Rhodes

Cathy Smith
Peggy Ann Rhodes
John Marshall Rhodes

J. E. Schachte, Jr.

J. E. Schachte, III
Stephen T. Schachte

John C. B. Smith

John C. B. Smith, Jr.

FEDERAL PUBLIC DOCUMENT

SOUTH CAROLINA ELECTRIC & GAS COMPANY
AND
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY



AMENDMENT NO. 1
(Uranium and Nuclear Fuel Ownership Agreement)
to
JOINT OWNERSHIP AGREEMENT
for
Virgil C. Summer Nuclear Station
Unit # 1

June 1, 1976

This Amendment No. 1 to the Agreement dated October 18, 1973 is entered as of the 1st day of June 1976 by and between South Carolina Electric & Gas Company ("Company") and South Carolina Public Service Authority ("Authority"), (hereinafter referred to collectively as the "Parties"):

RECITALS

The Company has entered into certain contracts for the acquisition of uranium with various suppliers and for the fabrication of nuclear fuel. Company and the Authority have determined that it is in their best interest to set forth the mutual rights and obligations of the Parties with regard to ownership of uranium and nuclear fuel.

NOW, THEREFORE, the Parties mutually agree as follows:

1. DEFINITIONS

1.01 "Agreement" means the Joint Ownership Agreement for Virgil C. Summer Nuclear Station dated October 18, 1973, as amended herein. The terms used in said Agreement are incorporated into and made a part of this Amendment except as they may be specifically qualified or redefined.

1.02 "Amendment" means this Amendment No. 1 to the Agreement.

1.03 "Costs of Nuclear Fuel" means the cost of acquisition, design, ownership, engineering, licensing, fabrication, enrichment, processing, reprocessing, transportation, insurance, waste management, storage and safeguards of Uranium, Nuclear Fuel and Spent Fuel and other costs associated with such fuel.

1.04 "Energy" means Energy Subsidiary, Inc., a wholly-owned corporation of the Company which is authorized to own and hold title to Uranium in behalf of the Parties.

1.05 "ERDA" means Energy Research and Development Administration, an agency of the United States of America, or any successor agency.

1.06 "Nuclear Fuel" means "Fuel" as defined in Section 1.6 of the Agreement and includes Uranium, plutonium and other radioactive compounds that have been fabricated for use in a nuclear reactor and all contracts relating thereto.

1.07 "Spent Fuel" means Nuclear Fuel that has been removed from the nuclear reactor at the conclusion of its useful life as fuel for a nuclear reactor and all contracts relating thereto.

1.08 "Uranium" means compounds of Uranium in any form or any isotope whatsoever whether of domestic or imported origin, natural, enriched, processed, or fabricated as Nuclear Fuel or as Spent Fuel, and all products of such Uranium including plutonium, wastes, and by-product elements before or after use in a nuclear reactor and all contracts relating thereto.

1.09 "Westinghouse" means Westinghouse Electric Corporation.

1.10 "Westinghouse Nuclear Fuel Contract" means the Contract between Company and Westinghouse dated June 4, 1973, with an effective date of December 18, 1970, which was assigned under the Agreement by Company to Authority on November 30, 1973 according to the Parties' respective Ownership Shares.

2. AGREEMENT

2.01 The Agreement as amended herein shall govern the rights of the Parties mutatis mutandis.

2.02 The Parties agree that they shall own all Uranium and Nuclear Fuel as tenants-in-common in accordance with Section 12 of the Agreement.

2.03 The Parties agree that reimbursement for costs of acquisition and ownership of Nuclear Fuel including enrichment under Company's enrichment contract with ERDA shall be made in accordance with Section 6 of the Agreement and shall be treated for the purposes of this Amendment as a "Cost of Construction" as otherwise defined in Section 1.02 of the Agreement.

2.04 The Authority further authorizes and designates Company, and Company agrees to so act, as its agent for the acquisition and ownership of Uranium and as agent for the administration of the Westinghouse Nuclear Fuel Contract including all necessary agreements with ERDA concerning enrichment. The Company is further authorized to enter into agreements for the sale and exchange of Uranium so that Uranium in the enrichment process will meet requirements of ERDA concerning enrichment of imported Uranium.

2.05 Authority authorizes Company to delegate to Energy the functions of acquisition and ownership of Uranium and Nuclear Fuel as specified in Sections 2.02 and 2.04, above.

2.06 Company will cause Energy to give written recognition of the Authority's one-third undivided Ownership Interest in such Uranium and Nuclear Fuel and contracts therefor; and, such other and further assurances and documents including a security interest therein as may be reasonably necessary as provided in Section 27.02 of the Agreement.

2.07 The amount to be paid by the Authority for its Ownership Share of the Uranium and Nuclear Fuel will be no more than if title had originally vested in SCE&G.

2.08 Authority ratifies the actions taken to date by Company and Energy in purchasing Uranium.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their corporate names and their corporate seals affixed, all by the proper officer duly authorized thereunto, as of the day and year first hereinabove written.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

[SEAL]

/S/ V. C. SUMMER
V. C. Summer, Senior Vice President

Attest:

By /S/ H. M. BRYANT
H. M. Bryant, Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

[SEAL]

/S/ WILLIAM C. MESCHER
Executive General Manager

Attest:

By /S/ L. P. DORMAN
Secretary

NRC PUBLIC DOCUMENT ROOM

SOUTH CAROLINA ELECTRIC & GAS COMPANY
AND
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY



AGREEMENT FOR THE CONSTRUCTION, MAINTENANCE AND
OPERATION OF CERTAIN TRANSMISSION LINES FROM THE PROJECT
SUBSTATION AT V. C. SUMMER NUCLEAR STATION, UNIT #1

November 1, 1978

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This Agreement is entered as of the 1st day of November, 1978 by and between South Carolina Electric & Gas Company ("Company") and South Carolina Public Service Authority ("Authority"), (hereinafter referred to a "Party" or "Parties"):

RECITALS

Company and Authority have previously entered into the Joint Ownership Agreement for V. C. Summer Nuclear Station, Unit #1, dated October 18, 1973, as amended June 1, 1976.

Authority and Company now desire to enter into an additional agreement to provide for the coordination of construction and of maintenance of transmission structures and appurtenances within and without the Nuclear Exclusion Zone and for proper and accurate allocation of costs of ownership and maintenance of common structures and rights-of-way associated with certain transmission facilities within and without the Nuclear Exclusion Zone.

In accordance with the foregoing, Company and Authority have determined that it is in their mutual interests to enter into this Agreement setting forth the mutual rights and obligations of the parties with regard to the construction, maintenance, operation, occupancy and ownership of these transmission facilities and associated rights-of-way.

NOW, THEREFORE, the Parties agree as follows:

1. DEFINITIONS

1.01 "Agreement" means this Agreement.

1.02 "Costs of Construction" means all costs allocable to the acquisition of rights-of-way, design, engineering, licensing and construction of the Transmission Lines and making them ready for operation, including interest during construction for land. Credits relating to such costs, including insurance proceeds, shall be applied to Costs of Construction when received.

1.03 "Costs of Maintenance" means all costs allocable to the maintenance of the Transmission Lines and rights relating thereto and subsequent to the date of completion, repairs, renewals and replacements necessary to assure design capability, and pursuant to Section 5 replacements, betterments, modifications and additions in keeping with Prudent Utility Practice and when in the reasonable judgment of Company necessary to obtain the approval of or to comply with the requirements of governmental agencies having jurisdiction. Credits relating to such costs, including insurance proceeds, shall be applied to Costs of Maintenance when received.

1.04 "Independent Consultant" means an individual or firm of national reputation and recognized expertise in the field or subject referred to it, the appointment of which is mutually agreed to by the Parties, retained for the purpose of resolving differences referred to it. A different Independent Consultant may be retained for each Matter referred.

1.05 "Joint Ownership Agreement" means the Joint Ownership Agreement for V. C. Summer Nuclear Station, Unit No. 1, dated October 18, 1973, amended June 1, 1976.

1.06 "Labor Costs" means all payroll, related employee benefit costs and employee expenses of all employees of the Company or its contractors chargeable to the design, construction, operation, and maintenance of the Transmission Lines and Rights-of-Way.

1.07 "Matter" means any subject or any aspect thereof, arising out of or relating to the interpretation or performance of this Agreement, including any proposal that may be made by either of the Parties.

1.08 "MBO" means Miscellaneous Billing Job Order Authorization and Agreement relating to Transmission line construction or right-of-way clearing under this Agreement and set forth in Appendix IV.

1.09 "NEZ" means the Nuclear Exclusion Zone around the Project, consisting an area approximately one mile in radius measured from a point in the center of the reactor building of the Project, over which Company maintains radiological control pursuant to requirements of NRC licenses for the Project and applicable NRC regulations.

1.10 "NRC" means Nuclear Regulatory Commission, which is the successor to the Atomic Energy Commission ("AEC").

1.11 "Ownership Share" of a Party means the proportionate share of any component of a Transmission Line as

specified in the section describing such component. In the case of a Right-of-Way it shall be the ratio of a Party's allocated width for its lines to the total width of the Right-of-Way jointly used by the Parties.

1.12 "Project" means the Project as defined in the Joint Ownership Agreement and excludes the Transmission Lines.

1.13 "Project Substation" means line and switching facilities connecting Unit #1 to the V. C. Summer 230 KV substation, line and switching facilities for connecting the startup and emergency transformer for Unit #1 to the 230 KV substation, 230 KV buses, insulators, structures and foundations, bus tie switching facilities, 230 KV bus potential and current transformers including interconnection metering equipment, relays and meters and control devices for these bus facilities installed and made operational with Unit #1. Transmission Lines (including switching facilities) required for the connecting of Company's and Authority's respective transmission systems to the V. C. Summer 230 KV substation are excluded. Said Project Substation is depicted on Company Drawing No. D-15403 Rev. No. 12 (12-23-75), a copy of which has been delivered to Authority by Company.

1.14 "Prudent Utility Practice" at a particular time means any of the practices, methods and acts, which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods and

acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. In evaluating whether any Matter conforms to Prudent Utility Practice, the Parties and the Independent Consultant shall take into account the fact that the Authority is an Agency of the State of South Carolina with prescribed statutory powers, duties and responsibilities.

1.15 "Right-of-Way" means the area on either side of a survey line which has been designated for the erection, maintenance and occupancy of electric power transmission conductors, structures and associated apparatus. A list of the properties on which the Rights-of-Way are located is contained in Appendix II, Schedules A, B, and C.

1.16 "Transmission Line" means the structure, conductors, and associated apparatus (excluding the Right-of-Way) of Company and Authority for each electrical circuit described in Appendix I to this Agreement, and all additions, modifications, or betterments made from time to time.

1.17 "Uniform System of Accounts" means the Federal Energy Regulatory Commission (formerly the Federal Power

Commission) Uniform System of Accounts prescribed for Class A Public Utilities and Licensees in effect on January 1, 1970, as the same may be amended from time to time.

2. OWNERSHIP, RIGHTS, AND OBLIGATIONS

2.01 Ownership Shares. Each Party shall have the rights and obligations of ownership in each component of a Transmission Line or in a portion of a Right-of-Way in proportion to its Ownership Share of such component or portion as established herein, provided that each Party shall retain separate ownership of (a) its conductors and associated apparatus for each of its circuits and (b) for each of its structures not jointly owned unless otherwise provided by the specific terms of this Agreement.

2.02 Steel Towers. The Parties shall have title as tenants in common with a one-half undivided interest in the following described jointly owned components of the Transmission Lines:

- (a) Six (6) steel towers within the NEZ;
- (b) The ten (10) steel towers outside the NEZ.

2.03 Rights-of-way within the NEZ.

(a) The Parties agree that they will have title pursuant to the Joint Ownership Agreement as tenants in common with undivided interest in the various appropriate Segments of Rights-of-Way for Transmission Lines within the NEZ that are described in Appendix II, Schedule A thereof, of this Agreement.

(b) The Parties hereby license unto each other the rights-of-way within the NEZ as described in Appendix II, Schedule A thereof, of this Agreement for the purpose of constructing and maintaining the Transmission Lines.

(c) The Parties agree to license to each other Rights-of-Way for future transmission lines within the NEZ not the subject of this Agreement as a Party may reasonably request from time to time. Such future transmission lines shall be designed in accordance with Prudent Utility Practice and shall not unreasonably interfere with the safe and economical operation of the Project, or the future generating units and Transmission Lines reasonably contemplated or the Transmission Lines constructed under this Agreement.

2.04 Rights-of-Way Outside NEZ.

(a) Company shall license and assign to the Authority a pro-rata Share of Company's Right-of-Way easements for the portions of the Authority's 230 KV Lines which are outside the NEZ and are described as Segments #2, #3, and #5 in Appendix I and located on the Rights-of-Way described in Appendix II, Schedule B and C thereof.

(b) Authority shall make payments to Company for its pro-rata share of cost of acquisition and cost of initial clearing of right-of-way. Payment shall be made as provided in §8.01 of this Agreement.

(c) Any easements or rights assigned to Authority shall not be transferable to any other party or be used for any other purpose without written approval of Company.

(d) Company retains the right to utilize all Rights-of-Way described herein in any lawful manner, including but not limited to the installation of pipes, or pipelines, cables, structures, and all other encroachments. The Company shall have the exclusive power and authority to issue permits, licenses, or easements authorizing such uses or encroachments affecting its allocated portion of a Right-of-Way or its structure, provided that such uses or encroachments shall be in accordance with Prudent Utility Practice and shall not interfere with or increase the cost of the operation of the Authority's lines. Permits for uses or encroachments on jointly used or owned Rights-of-Way shall require the consent of both parties.

(e) The Company agrees that the Authority may modify or expand its Transmission Lines outside the NEZ within its allocated Rights-of-Way, provided such modification or expansion does not interfere with the operation and maintenance of the Company's facilities, maintains clearances in accordance with Prudent Utility Practice and does not diminish or violate the Company's vested rights under its Right-of-Way easements.

2.05 General Duty: Approvals. Subject to Sections 2.10 and 4.0, the Parties shall promptly and with all due diligence, acting jointly or individually as may be appropriate, take all necessary actions and seek all regulatory approvals, licenses and permits necessary to carry out their obligations under this Agreement.

2.06 Written Instruments. Company shall within a reasonable time and upon receipt of any required regulatory approvals and from time to time, execute and deliver deeds, bills of sale and such other documents as may be necessary in addition to this Agreement to vest ownership or rights of possession in the Parties as set forth in Paragraph 2.05 above. Such instruments shall conform to the requirements of Section 19 of this Agreement.

2.07 Several Obligations.

(a) The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective, and neither Party shall be jointly or severally liable for the acts, omissions or obligations of the other Party, except that Authority shall be severally liable, for the acts, omissions, or obligations performed, omitted or incurred by Company while acting as the agent of Authority in respect to the Transmission Lines and Rights-of-Way which are the subject of this Agreement. In the event of loss or damage arising out of a jointly owned Right-of-Way or component of a Transmission Line, the Authority shall be severally liable in proportion to its ownership share of such right-of-way or component.

(b) No provision of this Agreement shall be construed to create an association, joint venture, partnership, or impose a partnership duty, obligation or liability, on or with regard to any of the Parties. Neither Party

shall have a right or power to bind any other Party without its written consent, except as expressly provided in this Agreement. Each Party shall severally bear its Ownership Share of all obligations and shall severally bear its Ownership Share of liabilities relating to the Transmission lines and rights-of-way as they arise.

(c) Notwithstanding any provision of this Agreement, the Parties do not intend to create hereby any joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business for profit, and it should appear that one or more changes to this Agreement would be required in order not to create such an entity, the Parties agree to negotiate promptly in good faith with respect to such changes. Under the request of a Party, the other Party agrees to take, in a timely manner, all voluntary action as may be necessary to be excluded from treatment as a partnership under the Internal Revenue Code of 1954, as amended.

Upon the request of a Party, the other Party agrees to take in a timely manner, all voluntary action as may be necessary to obtain a ruling from the Internal Revenue Service: (i) that no association taxable as a corporation has been created by this Agreement or the Joint Ownership Agreement and (ii) that neither this Agreement nor the Joint Ownership Agreements would cause the loss of the tax exempt status of the bonds of Authority.

2.08 Waiver of Partition. Until such time as a Transmission Line or Rights-of-Way or any part thereof, as originally constructed, reconstructed or added to, is no longer used or useful for the transmission of electric power and energy, or until the end of the period permitted by applicable law, whichever occurs first, the Parties waive the right to partition, whether by partition in kind or sale and division of the proceeds thereof, and agree that during said time they will not resort to any action at law or equity to partition and further that for said time they waive the benefit of all laws that may now or hereafter authorize partition of the properties comprising the Project.

2.09 Inspections. Each Party and its designees shall have the right to go upon Rights-of-Way at any time subject to the rules and regulations of governmental regulatory bodies having jurisdiction thereof, insurance and industrial security requirements and the necessity of efficient and safe construction and operation of the Project, provided that Section 4.04 of this Agreement shall control Authority's rights relating to Transmission Lines within the NEZ.

2.10 Appointment of Agent. Authority authorizes and designates Company, and Company agrees to so act, as its agent to design, construct, and maintain the Transmission Lines in Segments #1, #2, #3 and #4 as specified under the terms of this Agreement in accordance with Prudent Utility Practice and in such manner as is required in the reasonable

judgment of Company to obtain the approval of or comply with the requirements of regulatory agencies having jurisdiction. The Parties agree that such relationship shall not be changed except by the written consent of both Parties.

2.11 Compensation. In the licensing, design, construction, operation and maintenance of the Transmission Lines, each Party shall act without compensation other than payment or reimbursement of costs and expenses as provided herein.

2.12 Liabilities of the Parties.

(a) Each party releases the other Party, its agents and employees from any claim for loss or damage, including consequential loss or damage, arising out of the construction, operation, maintenance, reconstruction or repair of the lines, towers or rights-of-way described in this Agreement, due to negligence, but not any claim for loss or damage resulting from breach of this Agreement or for willful or wanton misconduct.

(b) Any loss, cost, liability, damage and expense to either Party arising out of the construction, operation, maintenance, reconstruction or repair of property and wholly owned by either Party and based upon injury to or death of persons other than the Parties, their agents or employees or damage to property of others, shall be borne by the Party owning said property.

(c) Any loss, cost, liability, damage and expense to the Parties or either of them arising out of the construction, operation, maintenance, reconstruction, or repair of property jointly owned property and based upon injury to or death of persons or loss of property of the Parties or property of others, shall be borne severally according to the ownership shares of the Parties.

(d) Each Party to the extent obtainable shall cause its insurers to waive any rights of subrogation against the other Party, its agents and employees, for losses, costs, damages or expenses, arising out of the construction, operation, maintenance, reconstruction or repair of any jointly owned components of a Transmission Line or a right-of-way.

3. DESIGN AND CONSTRUCTION

3.01 Licenses. Company, acting for itself and as agent for Authority, shall take whatever action is necessary or appropriate to seek and obtain all licenses, permits and other rights and regulatory approvals necessary for construction and operation of the Transmission Lines and Rights-of-Way listed as Segments #1, #2, #3 and #4 of Appendix I.

3.02 Design and Construction. Company shall design, purchase and construct the Transmission Lines listed as Segments #1, #2, #3 and #4 of Appendix I in accordance with Prudent Utility Practice, the plans and specifications for

these Transmission Lines prepared by Company and approved by Authority and the relevant MBJO listed for each Segment in Appendix I.

4. MAINTENANCE OF TRANSMISSION LINES

4.01 General Duty. The Parties shall perform their respective maintenance obligations for the Transmission Line segments and Rights-of-Way in accordance with Prudent Utility Practice and in such manner as is required in the reasonable judgment of a Party to obtain and maintain the approval of or to comply with the requirements of governmental agencies having jurisdiction, provided that such maintenance shall not interfere with or endanger the Transmission Lines of the other Party or increase the cost of maintenance for a Party.

4.02 Individual Obligations.

(a) The Company will be responsible for the maintenance of all jointly used Rights-of-Way and the Transmission Lines described as Segments #1, #2, #3, and #4 in Appendix I to this Agreement.

(b) Authority will maintain that portion of Authority's Summer-Blythewood Transmission Line outside the NEZ and identified as Segment #5 in Appendix I.

(c) The Parties will furnish each other schedules to aid in coordination of such Rights-of-Way maintenance.

(d) Each Party shall otherwise be responsible for maintenance of its individually owned structures and conductors except as provided in 4.04.

(e) The Authority shall pay the Company the cost of maintenance of the Authority's conductors, structures and attachments in Segments #1, #2, #3 and #4 and its Ownership Share of the costs of maintenance incurred by the Company in the maintenance of the jointly used Rights-of-Way and facilities within and without the NEZ.

(f) Company shall maintain Authority's portion of the right-of-way for Segment #5. Authority shall reimburse Company for its Ownership Share of such Costs.

4.03 Operating Costs. Each Party shall be responsible for its own operating costs for its Transmission Line, except Authority shall pay to the Company its Ownership Share of line patrols for jointly used rights-of-way, which shall for the purposes of this Agreement be deemed a Cost of Maintenance. Walking patrols of the Authority's Transmission Lines will be coordinated with the Authority to permit participation by Authority personnel when practicable.

4.04 Outages and Repairs.

(a) In the event of an outage to the Authority's Transmission Lines within the NEZ caused by damage to or failure of such lines, Company shall determine as expeditiously as possible the cause and extent of the damage and notify Authority of the expected time of restoration of service to the affected line.

(b) Company shall supervise repairs to all Transmission Lines within the NEZ and shall have primary responsibility and authority for the compliance with all security

and radiological control requirements. With permission of Company, which shall not be unreasonably withheld, Authority may by arrangement with Company and in accordance with the Project security procedures, send its personnel and equipment within the NEZ to assist in the repair of its Transmission Lines to effect timely restoration of service.

5. REPLACEMENT AND BETTERMENT

(a) Authority shall pay Company in proportion to its Ownership Share all costs incurred by the Company, including overhead, for the replacement, betterment, improvement and relocation of Transmission Lines or Rights-of-Way caused by uncontrollable future circumstances and conditions, such circumstances and conditions to include, but not to be limited to, changes required to obtain the approval of or to comply with requirements of government agencies having jurisdiction, damage caused by acts of God, fire, explosion, wind, lightning, ice and vehicular or equipment contact.

(b) In the event one of the Parties should require the relocation, betterment, improvement or replacement of any Transmission Line, the Party requiring such changes shall pay all costs associated with such relocation, betterment, improvement or replacement.

6. COORDINATION

6.01 Designated Representative. Each of the parties to this Agreement shall designate in writing a representative

to coordinate the activities under this Agreement. Notice to the representative shall be deemed notice to a party represented by him.

6.02 Control in NEZ. Nothing contained in this Section Six shall in any manner diminish the authority, possession and control of Company relation to the NEZ or any installation therein as set forth in Paragraph 4.04 of this Agreement or in Paragraph 2.07 of the Joint Ownership Agreement.

7. RESOLUTION OF DISAGREEMENTS

7.01 Independent Consultant. If Company and Authority cannot agree on any Matter which under the terms of this Agreement requires mutual consent of the Parties, an Independent Consultant will be appointed to settle the disagreement. In the absence of an agreement as to the selection of an Independent Consultant, either Party may request the Chief Judge of the United States District Court for the District of South Carolina to appoint an Independent Consultant.

7.02 Decision of Independent Consultant. The Independent Consultant shall consider all written arguments and factual materials which have been submitted to it by the Parties within 30 days following its appointment, and as promptly as possible make a written determination as to whether any Matter referred to it would or would not have been consistent with Prudent Utility Practice. If the

Independent Consultant determines that the Matter referred to it was not consistent with Prudent Utility Practice, it shall at the same time recommend what would under the same circumstances have met such test.

7.03 Effective Date of Decision. Matters found by the Independent Consultant to be consistent with Prudent Utility Practice shall become immediately effective and Authority shall be obligated to expend funds for its Ownership Share of the increased cost, if any. Subject to Paragraph 7.04 of this Agreement, matters found by the Independent Consultant to be inconsistent with Prudent Utility Practice shall be modified to conform to recommendations of the Independent Consultant or as the Parties may otherwise agree, and shall become effective when so modified.

7.04 Rights of Company. Notwithstanding other provisions of this Section Seven whenever a Matter has been referred to the Independent Consultant and Company determines that the other position or positions would create an immediate danger to the safe operation of the Project or the Transmission Lines within the NEZ or when in the reasonable judgment of Company necessary to obtain the approval of or to comply with requirements of governmental agencies having jurisdiction, Company may proceed in accordance with Company's position with respect until such matters has been resolved by the Independent Consultant. Whenever the Independent Consultant has recommended a course of action which the

Company determines would create a danger to the safety of the Project or the Transmission Lines or would violate regulatory requirements of any governmental agency having jurisdiction of the Project, or the Transmission Lines, Company may nevertheless proceed in accordance with Company's position subject to a suitable financial adjustment.

7.05 Costs. The cost of employing the Independent Consultant shall be shared equally by the Parties.

8. REIMBURSEMENT FOR COSTS

8.01 Payment of Costs of Construction. Authority shall pay the Company the Costs of Construction for the Transmission Lines in accordance with the relevant MBJO listed in Appendix IV.

8.02 Payment of Costs of Rights-of-Way. Upon delivery of the licenses for the Rights-of-Way as provided in §2.03 and §2.04, Authority shall make an initial payment to Company on account of its Ownership Share of all costs of acquisition of the Rights-of-Way. Company shall prepare an initial statement reflecting an estimate of all such Costs of Construction for acquisition for Rights-of-Way paid by Company to the date of such statement. Authority shall promptly pay its Ownership Share of the amount set forth on the initial statement. As soon as practical thereafter, Company shall prepare a final statement setting forth a final detailed accounting of all costs of construction paid

by Company to the date of the initial payment and Authority shall promptly make a final payment, or Company shall reimburse Authority, in an amount equal to the Authority's Ownership Share of the difference between the initial statement and the final statement.

9. MAINTENANCE COSTS

Company shall furnish the Authority information concerning maintenance costs and budget as may be appropriate from time to time upon request.

10. MAINTENANCE PAYMENTS

Company agrees to make payment of all Costs of Maintenance. Authority upon notice shall promptly reimburse Company for Authority's Ownership Share of such costs subject to the provisions of Paragraph 7.04.

11. ACCOUNTING

11.01 Accounts. Company shall keep separate, complete and accurate account of all receipts and expenditures of Costs of Construction and Costs of Maintenance. Each of the Parties shall keep complete and accurate accounts of all costs incurred by it for which it is to be reimbursed as a Costs of Construction or Costs of Maintenance as appropriate.

11.02 Uniform System of Accounts. All accounts shall be kept in accordance with or so as to permit conversion to the

Uniform System of Accounts. The allocation of costs by Company between Costs of Construction and Costs of Maintenance pursuant to this Agreement shall be binding on the Parties for purposes of this Agreement, but the manner in which accounts are kept pursuant to this Agreement is not intended to be determinative of the manner in which they are treated in the separate books of account of the Parties.

11.03 Examination of Books of Account. Authority shall have the right at any reasonable time to examine the separate books of account relating to the Transmission Lines kept by Company pursuant to this Section 11, and to examine and copy all plans, specifications, bids and contracts relating to the Project. Each Party shall have the right to examine the books of account and all supporting data and documents relating to amounts for which the other Party is to be reimbursed. The measure of the acceptability of the amounts for which a Party is to be reimbursed shall be Prudent Utility Practice. Either Party shall have the right to challenge any of the amounts for which the other Party has made payment, and if the Parties cannot agree on the amounts so challenged, the matter shall be referred to a Project Consultant.

12. INSURANCE

Each Party shall be responsible for such insurance upon its interests in the transmission lines as it deems appropriate.

13. UNCONTROLLABLE FORCES

Neither party hereto shall be in default in performance of any obligation hereunder, except the payment of monies, if such failure of performance is due to causes which such Party could not have reasonably been expected to avoid.

14. DEFAULT

14.01 Procedure. Upon failure of either Party to make any payment when due or perform any obligation of any owner herein, the other Party may make written demand upon said Party, and if said failure is not cured within 60 days from the date of such demand it shall at the expiration of such period constitute a default. If a Party in good faith disputes the existence or extent of such failure, it shall within said 60-day period make such payment or perform such obligation under written protest directed to the other Party. Such dispute shall be submitted to a Project Consultant who shall determine the extent of the obligation of the Party disputing such failure and any payments shall be adjusted accordingly. Payments not made when due may be advanced by the other Party, and if so advanced, shall bear interest, until paid, at the rate of eight (8%) percent per annum or the highest lawful rate, whichever is lower. Notwithstanding any of the provisions of this Section 14, if Company is the Party in default, Company shall continue to

perform its maintenance obligations in accordance with Prudent Utility Practice.

14.02 Other Remedies. In addition to the rights granted in this Section 14, any non-defaulting Party may take any action, in law or equity, to enforce this Agreement and to recover for any loss or damage, including attorney's fees and collection costs, incurred by reason of such default.

15. ASSIGNMENTS

15.01 Limitations. This Agreement shall be binding upon and shall inure to the benefit of successors and assigns of the Parties; provided, however, that no transfer or assignment of other than all of a Party's interest in the Project and under this Agreement to a single entity shall operate to give the assignee or transferee the status of a "Party" hereunder. The undivided interest (or a portion thereof) of either Party in the Project under this Agreement may be transferred and assigned as set out below but not otherwise;

(a) To any mortgagee, trustee, or secured party, as security for bonds or other indebtedness of such Party, present or future; and such mortgagee, trustee or secured party may realize upon such security in foreclosure or other suitable proceedings, and succeed to all right, title and interests of such Party;

(b) To any corporation or other entity acquiring all or substantially all the property of the Party making the transfer;

(c) To any corporation or entity into which or with which the Party making the transfer may be merged or consolidated;

(d) To any corporation or entity, the stock or ownership of which is wholly owned by the Party making the transfer;

(e) To any corporation or entity in a single transaction constituting a sale and lease back to the transferor or assignor.

15.02 Effect of Assignment. Transfer or assignment shall not relieve a Party of any obligation hereunder except to the extent agreed to in writing by the Parties and shall be subject to the approvals of governmental agencies having jurisdiction.

16. END OF TRANSMISSION LINES

When the Transmission Lines are no longer being made capable, consistent with Prudent Utility Practice, of transmitting electricity, the Parties shall dismantle and remove the components of the transmission lines. Company shall sell for removal all saleable parts of the jointly owned components of the transmission lines to the highest bidders. That the rights-of-way within the NEZ located on the Plant Real Property shall revert to Company upon payment by Company to Authority of Authority's Ownership Share of such Plant Real Property as provided in the Joint Ownership

Agreement, and the rights-of-way outside the NEZ shall revert to Company upon payment by Company to Authority of Authority's share of the cost of acquisition of the land in the right-of-way. After deducting all costs of removing the transmission lines including, without limiting the generality of the foregoing, Company shall distribute to each Party its Ownership Share of any net proceeds, including the value of transmission lines within the NEZ as determined by agreement of Company and Authority, or in the absence of such agreement, by the Independent Consultant. In the event such costs of removing the transmission lines exceed available funds, each Party shall pay its Ownership Share of such excess as incurred.

17. PERSONAL COVENANTS AND LIMITATION AGAINST ALIENATION

17.01 Personal Covenants. Except for the Parties' mutual waiver of the right to partition set forth in Section 2.08, all of the covenants and conditions herein shall be personal to the respective Parties and not covenants running with the land and shall be binding upon any person or entity acquiring any right, title or interest of any Party in or to the Project or under this Agreement, by assignment or in any other way.

17.02 Restraints Against Alienation; Measuring Lives.

If the duration of any term or condition of this Agreement shall be subject to the rule against restrictions on alienation or to a similar or related rule, then the effectiveness

of such term or condition shall not extend beyond:

(a) the maximum period of time permitted under such rule, or

(b) the specific applicable period of time expressed in this Agreement, whichever is shorter. For purposes of applying the rule against restrictions or alienation, or any similar or related rule, the measuring lives in being shall be those of the officers and members of the Board of Directors of Company listed by name in Appendix VI, entitled "Directory of Officials of Company," together with all such listed persons' children who are living on the date of execution of this Agreement. As used in this paragraph, the word "children" shall have its generally accepted meaning of descendants of the first degree.

18. PROPRIETARY INFORMATION

All information made available to Authority by Company hereunder shall be subject to any applicable restrictions on disclosure of proprietary information.

19. WARRANTIES

19.01 Personal Property. THE TRANSMISSION LINES TO BE CONSTRUCTED OR SOLD UNDER THIS AGREEMENT ARE TRANSFERRED ON AN "AS IS" BASIS. COMPANY MAKES NO WARRANTY OR REPRESENTATION WHATSOEVER, EXPRESS, IMPLIED OR STATUTORY AND DISCLAIMS ANY AND ALL WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO VALUE, QUANTITY, QUALITY,

CONDITION, SALEABILITY, OBSOLESCENCE, MERCHANTABILITY, FITNESS OR SUITABILITY FOR USE OR WORKING ORDER OF ALL OR ANY OF THE PART OF THE SAID FACILITIES.

Notwithstanding the foregoing, Authority shall have benefit in proportion to its Ownership Share in the Transmission Lines which are the subject of this Agreement to all manufacturers, vendors' and contractors' warranties and all patents and licenses, if any, running to Company in connection with the Transmission Lines which are the subject of this Agreement.

19.02 Real Property. All real property or interests therein including Rights-of-Way transferred to Authority under this Agreement are transferred on an "as is" basis. Authority shall have the benefit in proportion to its Ownership Share in any right or interest in land or Rights-of-Way to be sold, licensed or otherwise transferred to Authority under this Agreement to all vendors' warranties, if any, running to Company in connection with such rights or interests in land under this Agreement and Company shall be under no obligation to make any warranty in addition to the warranties of its vendors.

20. MISCELLANEOUS

20.01 Counterparts. This agreement may be simultaneously executed in several counterparts and all such counterparts executed and delivered, each as an original, shall

constitute but one and the same instrument. Upon proof of any original counterpart, it shall not be necessary to prove any other counterpart.

20.02 Further Assurances. A party will promptly and duly execute and deliver to the other Party such documents and assurances and take such other further action as a Party may from time to time reasonably request of the other Party in order:

(a) to carry out more effectively the intent and purpose of this Agreement, or

(b) to establish and protect the rights and remedies created or intended to be created in favor of either Party hereunder, or

(c) as may be reasonably necessary and convenient in the conduct of a Party's business affairs.

20.03 Captions. The captions of the various sections and paragraphs herein and the references to the Agreement in Appendix I are intended for convenience or reference only and shall not define or limit any of the terms or provisions hereof.

20.04 Governing Laws. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of South Carolina including all matters of construction, validity and performance.

20.05 Amendment. Neither this Agreement nor any terms hereof may be terminated, amended, supplemented, waived or

modified except by an instrument in writing signed by the Party against which the enforcement of the termination, amendment, supplement, waiver or modification is sought.

20.06 No Waiver. The failure of a Party to enforce at any time any of the provisions of this Agreement, or to require at any time performance by the other Party of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement or any part thereof, or the right of such Party thereafter to enforce each and every such provision.

20.07 Singular to Include Plural and Plural to Include Singular. Throughout this Agreement, whenever any word in the singular number is used, it should include the plural unless the context otherwise requires; and whenever the plural number is used, it shall include the singular unless the context otherwise requires.

20.08 Succession. All covenants and agreements contained in this Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns, subject however to the requirements of Section 15.

21. EFFECTIVE DATE OF AGREEMENT

This Agreement shall become effective upon execution by the Parties and receipt of any necessary regulatory

approvals from governmental agencies having jurisdiction and shall continue in effect until ended pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their corporate names and their corporate seals affixed, all by the proper officer duly authorized thereunto, as of the day and year first hereinabove written.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

[SEAL]

/s/ T. C. Nichols, Jr.
T. C. Nichols, Jr., Vice President

Attest:

By /s/ H. M. Bryant
H. M. Bryant, Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

[SEAL]

/s/ W. C. Mescher
W. C. Mescher, President

Attest:

By /s/ L. P. Dorman
L. P. Dorman, Secretary

APPENDIX I

SEGMENT #1

Name of Line: (1) Summer-Newberry (PSA) (2) Summer-Blythewood (PSA)

Number of circuits: two (2) circuits, (one PSA circuit on each set of towers)

Design voltage: 230 KV

Electrical Phasing: 3 phase

Conductor specification: Three (3) 1272 KCM 45/7 ACSR (Bittern)

Description and type of structure: Facilities located adjacent to Project Substation as follows:

- (1) Conductors for Summer-Newberry line located on North side of 3 double circuit steel transmission towers AG, AO, BC, as shown on Drawing D-15403.
- (2) Conductors for Summer-Blythewood line located on West side of 3 double circuit steel transmission towers AC, AK, and BH, together with associated apparatus, as shown on Drawing D-15403.

Allocated Width of right-of-way in NEZ: Non-specific.

Ownership: (1) Each party to own (a) one-half undivided interest as tenants in common in towers and (b) under Joint Ownership Agreement undivided interest as tenants in common in right-of-way.

- (2) Each party to retain ownership of its conductors and attachments.

Facility Construction Payments: Authority to pay 3/19 of Costs of Construction, based on total Costs of Construction for all of the 19 steel towers, and associated apparatus located within NEZ. Authority will pay total cost of conductor and accessories for its circuits.

Right-of-Way and Construction Payments: \$2.03 of this Agreement.

APPENDIX I

SEGMENT #1 (cont.)

- Maintenance Obligation:
- (1) Each party to bear 1/2 of all maintenance costs for the 6 towers and the right-of-way.
 - (2) Company to maintain Authority's structures, conductors and attachments and Authority to pay Company pro-rata share of all costs of maintenance.

Design Drawing

- Reference:
- (1) CP-18044 (SCE&G)
 - (2) D-15403 (SCE&G)
 - (3) CP-18277 (SCE&G)
 - (4) Tower Specifications: A 15 7 . A 16527, A 16529

Contract

Reference: MBJO #6387

APPENDIX I

SEGMENT #2

Name of Line: Summer-Newberry (PSA)

Number of Circuits: One (1)

Design of Voltage: 230 KV

Electrical Phasing: 3 Phase

Conductor Specification: Three (3) 1272 KCM 45/7 ACSR (Bittern)

Description and

Type of Structure: 13 single circuit H-frame structures located on North side of the right-of-way commencing within the NEZ at double circuit steel transmission tower BC and running approximately .9 miles and thence continuing approximately .4 miles outside NEZ to double circuit steel transmission tower #17 on East bank of Broad River.

Allocated Width of Right-of-Way in NEZ: 85' on North side of a transmission right-of-way.

Allocation of Width of Right-of-Way Outside NEZ: 85' being one-half of a transmission right-of-way.

- Ownership:
- (1) Within NEZ under the Joint Ownership Agreement an undivided interest as tenants in common in right-of-way.
 - (2) Outside of NEZ Company to own right-of-way and to license Authority to use right-of-way and to allocate to Authority 85'.
 - (3) Each party to retain ownership of its structures, conductors and attachments.

Facility Construction Payments: Authority to pay total costs of construction of structures, conductors, and attachments for its circuit.

- Right-of-Way and Construction Payments:
- (1) Within NEZ - \$2.03 of this Agreement.
 - (2) Outside NEZ - \$2.04 of this Agreement.

APPENDIX I

SEGMENT #2 (cont.)

Payments equal to pro-rata share
of cost of acquisition and initial clearing
cost.

Maintenance
Obligation:

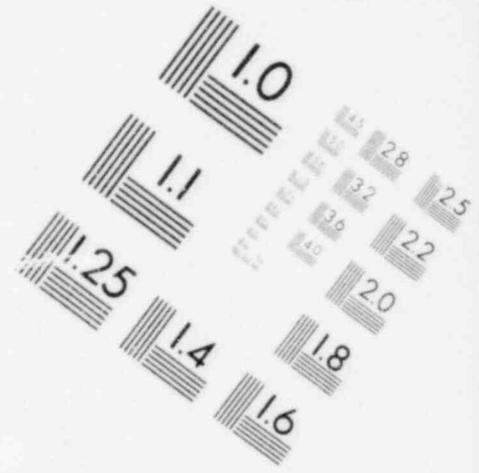
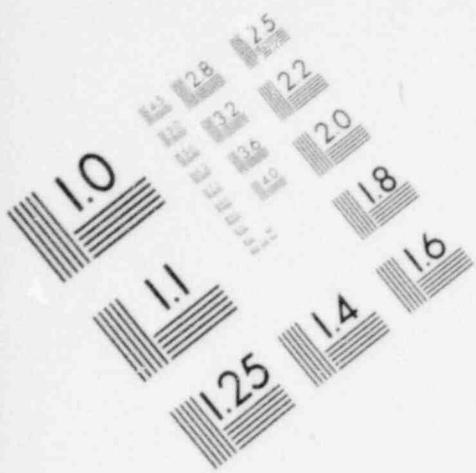
- (1) Each party to bear maintenance cost of its lines.
- (2) Company to maintain Authority's structures, conductors and attachments and Authority to pay Company its share of all costs of maintenance.
- (3) PSA to pay for maintenance of its allocated right-of-way within NEZ and for one-half of right-of-way outside NEZ.
- (4) Company to perform maintenance of all lines and Authority to pay Company for maintenance of its line.

Design Drawing
Reference:

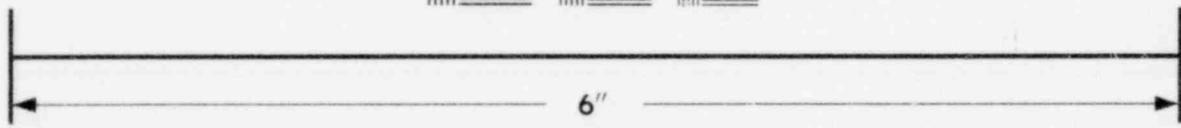
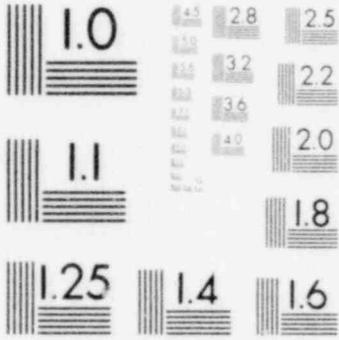
- (1) D-15403 (SCE&G)
- (2) CP-18044 (SCE&G)

Contract
Reference:

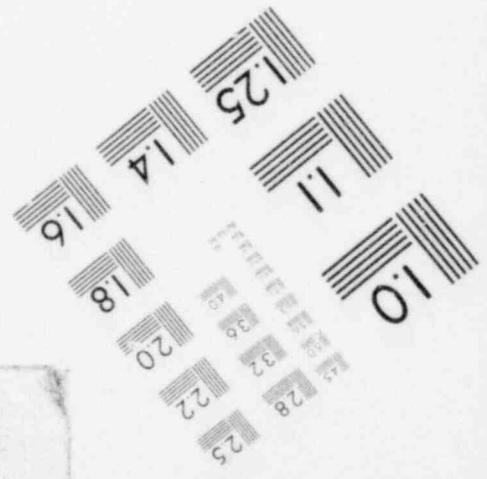
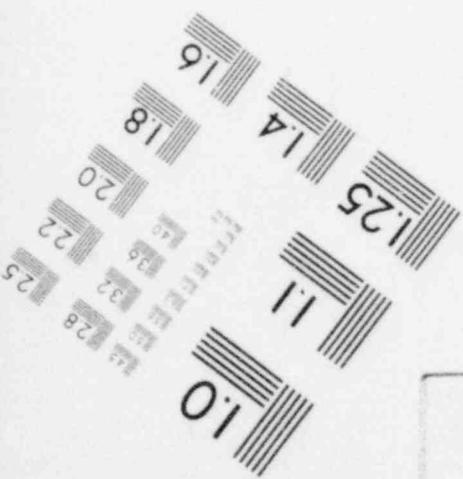
MBJO #6347



**IMAGE EVALUATION
TEST TARGET (MT-3)**



MICROCOPY RESOLUTION TEST CHART



APPENDIX I

SEGMENT #3

Name of Line: Summer-Newberry (PSA)

Number of Circuits: Two (2) (One circuit owned by each Party on one set of towers)

Design Voltage: 230 KV

Electrical Phasing: 3 phase

Conductor Specification: Three (3) 1272 KCM 45/7 ACSR (Bittern)

Description and
Type of Structure: Authority's conductors for this portion of Summer-Newberry line to be located on North side of Ten (10) Steel Towers commencing at Tower #17 on the East bank of the Broad River. The first four towers to provide for crossing of the Broad River and the remaining six towers to be installed and to extend approximately .83 mile to a point near Road S-36-28 to Tower #26 and thence to Authorities' dead-end structure one span beyond Tower #26.

Width of Right-of-Way: 100'.

Allocation of Width of Right-of-Way: One-half of 100'.

- Ownership:
- (1) Each party to own one-half undivided interest as tenants in common in the towers.
 - (2) Company to own right-of-way and license and allocate to Authority one-half of right-of-way.
 - (3) Each party to retain ownership of its conductors and attachments.

Facility Construction Payments: Authority to pay one-half of cost of construction of structures, conductors and attachments.

Right-of-Way Payments: Authority to pay one-half of cost of right-of-way acquisition and one-half cost of clearing.

Maintenance Obligation: Each owner to bear one-half of all maintenance costs for ten towers and the right-of-way. Conductors to be maintained by owners.

APPENDIX I

SEGMENT #3 (cont.)

- Special Conditions: (1) Company to obtain and maintain permit to cross Broad River as a cost of construction and a cost of maintenance.
- Design Drawing Reference: (1) CP-18044 (SCE&G)
- (2) CP-16105 (SCE&G)
- (3) Tower Specifications A-13525, A-13927 and A-17247
- Contract Reference: MBJO #6527
- MBJO #6348

APPENDIX I

SEGMENT #4

Name of Line: Summer-Blythewood (PSA)

Number of Circuits: One (1)

Design Voltage: 230 KV

Electrical Phasing: 3 phase

Conductor Specification: Three (3) 1272 KCM 45/7 ACSR (Bittern)

Description and
Type of Structure: 6 single circuit H-frame type structures located on East side of right-of-way commencing within NEZ at double circuit steel transmission tower BH and running approximately .7 mile to the first H-frame structure (#9) beyond the NEZ.

Width of Right-of-Way in NEZ: 80' on East side of 240' right-of-way.

Ownership: (1) Within NEZ - under Joint Ownership Agreement undivided interest as tenants in common in right-of-way extending to NEZ.

(2) Each party to retain ownership of its structures, conductors and attachments.

Facility Construction Payments: Authority to pay total cost of construction of structures, conductors and attachments for its circuit.

Right-of-Way Payments: (1) Within NEZ - Total cost of initial clearing of 80' right-of-way ownership share of this right-of-way.
(2) Outside NEZ - Authority to make payments equal to pro-rata share of cost of acquisition and initial clearing costs pursuant.

Maintenance Obligation: Company to maintain Authority's right-of-way, structures, conductors and attachments and Authority to pay Company its costs of maintenance incurred pursuant.

Design Drawing Reference: (1) CP-18277 (SCE&G)

Contract Reference: MBJO #6346

APPENDIX I

SEGMENT #5

Name of Line: Summer-Blythewood (PSA)

Number of Circuits: One (1)

Design of Voltage: 230 KV

Electrical Phasing: 3 phase

Conductor Specification: Three (3) 1272 KCM 45/7 ACSR (Bittern)

Description and
Type of Structures: Single circuit H-frame structures located on East side of right-of-way commencing at the first structure (#9) beyond the NEZ and thence running approximately 16 miles to a point near structure #135 (approximately Station 895 + 12) where Authority's circuit intersects with right-of-way owned by Authority lead into Authority's Blythewood Sub-station and then running on to said Sub-station as shown on the Design Drawing Reference.

Allocation of
Width of Right-
of-Way Outside NEZ: Company to own right-of-way and to license Authority to use right-of-way and to allocate 80' on eastern margin of Company's 240' right-of-way.

Ownership: Authority to own, design, purchase and install its single circuit wood H-frame structures and its conductors and attachments.

Right-of-Way
Payments: Authority to make payments to Company equal to its pro-rata share of cost of acquisition and initial clearing of a right-of-way.

Maintenance
Obligation: Authority to maintain its transmission line. Company to maintain Authority's allocated portion of the right-of-way. Authority to pay Company line patrol costs.

Design Drawing Reference: CP-18277 (SCE&G)

Special Conditions: Authority in consultation with Company to design, construct and maintain the line in accordance with prudent utility practice. Provisions of §5 relating to Replacement and Betterment are applicable.

APPENDIX II

SCHEDULE A

Deeds to fee simple property within NEZ on which the Project Substation and portions of Authority's Summer-Blythewood 230 KV (Segment #4) and Summer-Newberry 230 KV (Segment #2) Transmission lines are located. (Tract numbers refer to SCE&G property identification system for its Fairfield Pump Storage hydroelectric generating station, known as FERC Project 1894).

PROJECT SUBSTATION

The Project Substation is located on a tract of land known as the "Holley" Place which was conveyed to SCE&G by J. Morris Lyles by deed dated September 28, 1940, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book BV at Page 575 (Tract No. 48). The Project substation is described on SCE&G Drawing D-15403, April 4, 1974, Revision No. 12, December 23, 1975.

SUMMER - NEWBERRY 230 KV

TRANSMISSION LINE (SEGMENT #2)

1. Deed of Mamie R. Young, et al. (Heirs of Paul Rabb, dated June 29, 1972, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book ED, Page 43 (Tract No. 28).
2. Deed of Margie R. Brooks and Virginia R. Fickling (Heirs of Paul Rabb), dated July 17, 1972, recorded in Deed Book ED, Page 184, (Tract No. 28).
3. Deed of Louise C. Moseley, et al., dated May 31, 1974, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL, Page 101 (Tract No. 29).
4. Deed of Clara M. Poole, et al. (Heirs of J. C. McMeekin), dated October 20, 1972, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EE, Page 265 (Tract No. 31).

5. Deed of Mamie Rabb Young, et al. (Heirs of Paul Rabb), dated May 10, 1973, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EG, Page 573 (Tract No. 30).

SUMMER - BLYTHEWOOD 230 KV LINE (SEGMENT #4)

1. Deed of Champion International Corporation dated December 17, 1975 recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EQ, Page 1155 (Tract No. 37).
2. Deed of Catawba Timber Company dated January 22, 1973 recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EF, Page 337 (Tract No. 33).
3. Deed of Booker T. Martin dated May 4, 1973 recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EG (Tract No. 56).
4. Deed of Thomas Harper dated May 6, 1974 recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EK, Page 412 (Tract No. 114).
5. Deed of John Alexander Martin dated August 24, 1976 recorded in the Office of the Clerk of Court for Fairfield County in Deed Book ES at Page 383 (Tract No. 144).

APPENDIX II

SCHEDULE B

Schedule B lists the easements and deeds for Right-of-Way for the Company's V. C. Summer - Graniteville 230 KV Line and the Authority's V. C. Summer - Newberry 230 KV Line. These Rights-of-Way commence approximately at the NEZ are shown on Company Drawing No. CP-16105 (sheets 1 through 4) entitled "Summer - Graniteville 230 KV Line" and are more particularly described as follows:

1. Deed dated October, 1972, from Clara M. Poole, Kitty M. Conroy, Marjorie McMeekin and W. T. McMeekin to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EE at Page 265.
2. Deed dated April 27, 1973, from Mamie Rabb Young, et al. (heirs of Paul Rabb) to South Carolina Electric & Gas Company and recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EG at page 573 (Tract No. 30).
3. Deed dated April 27, 1973 from Lindberg Rabb to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EG at page 469 (Tract No. 30).
4. Deed dated May 10, 1973, from Virginia N. Fickling, et al. (heirs of Paul Rabb) and recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EG at page 571 (Tract No. 30).
5. Deed dated April 20, 1977, from J. Julian Hope and Francis M. Hope to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Newberry County in Deed Book 149 at page 71 (Tract No. 156).

6. Deed dated April 20, 1977, from J. Julian Hope and Francis M. Hope to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Newberry County in Deed Book 149 at page 72 (Tract No. 157).
7. Easement dated April 20, 1977, from J. Julian Hope and Francis M. Hope to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Newberry County in Deed Book 149 at page 73. [Company No. 20413]
8. Easement dated April 20, 1977, from J. Julian Hope and Francis M. Hope to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Newberry County in Deed Book 149 at page 74. [Company No. 20414]
9. Easement dated January 23, 1978, from Stuart C. Hope, James H. Hope, Jr., Martha H. Tennant, J. Julian Hope, Francis M. Hope, Dorothy H. Edwards, and Ruth Hope Ogden to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Newberry County in Deed Book 149 at page 157. [Company No. 20415]
10. Easement dated January 23, 1978, from Stuart C. Hope, James H. Hope, Jr., and Martha H. Tennant to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Newberry County in Deed Book 149 at page 155. [Company No. 20416]
11. Easement dated December 21, 1976, from W. D. Summer, Sr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Newberry County in Deed Book 140 at page 82. [Company No. 20417]
12. Easement dated January 23, 1978, from Martha H. Tennant, James H. Hope, Jr., Stuart C. Hope, Ruth H. Ogden, Dorothy H. Edwards, Francis M. Hope and J. Julian Hope to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Newberry County in Deed Book 149 at page 151. [Company No. 20418]

APPENDIX II

SCHEDULE C

Schedule C lists the easements and deeds for Right-of-Way for the Company's V. C. Summer - Pineland and V. C. Summer - Denny Terrace #2 230 KV Lines and the Authority's V. C. Summer - Blythewood 230 KV Line. These Rights-of-Way commence approximately at the NEZ are shown on Company Drawing No. CP-15457 (sheets 1 through 18) entitled "Summer - Denny Terrace #2 230 KV Line" and are more particularly described as follows:

1. Easement dated October 2, 1974, from Elise Willingham to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 262. [Company No. 55903]
2. Deed dated August 31, 1976, from Champion International Corporation to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book ES at page 1090. [Company No. 55904]
3. Easement dated August 5, 1974, from Alex P. Harper, Jr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 465. [Company No. 55905]
4. Easement dated September 30, 1975, from Bessie Martin to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EQ at page 488. [Company No. 55906]
5. Easement dated March 21, 1975, from E. J. Harper and Cleophas Harper to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EO at page 87. [Company No. 55907]

6. Easement dated August 5, 1974, from Alex P. Harper, III to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 466. [Company No. 55908]
7. Easements dated February 15, 1975, October 22, 1974, and July 11, 1974, from Charlie Spencer Estate to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EO at page 79, Deed Book EM at page 401 and Deed Book EL at page 316. [Company No. 55909]
8. Easement dated May 18, 1974, from James L. Robinson, Jr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EK at page 487. [Company No. 55910]
9. Easements dated December 6, 1974 and November 18, 1974, from William T. Glenn, Jr. Estate to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EN at page 287 and Deed Book EM at page 587. [Company No. 55911]
10. Easement dated May 13, 1974, from Willie Wiggins and Martha L. Wiggins to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EK at page 519. [Company No. 55912]
11. Easement dated November 18, 1974, from Adrian Joe Glenn to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 591. [Company No. 55913]
12. Easement dated December 4, 1974, from Elizabeth G. Chappell to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 580. [Company No. 55914]
13. Easement dated November 18, 1974, from William T. Glenn, III to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 589. [Company No. 55915]
14. Easements dated November 18, 1974 and December 6, 1974, from William T. Glenn, Jr. Estate to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 585 and Deed Book 132 at page 289. [Company No. 55916]

15. Easement dated July 3, 1974, from The Travelers Insurance Company, Hiwassee Land Company and Catawba Timber Company to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 555. [Company No. 55917]
16. Easements dated May 25, 1974 and April 15, 1974, from Isaac Cook Estate to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EK at page 539 and Deed Book EK at page 535. [Company No. 55918]
17. Easement dated October 8, 1974, from W. J. Burk, Keith D. Crow, F. Ashton Cribbs, III, Elizabeth Anne Cribbs, Sybil P. Cribbs, and Mary E. Burk to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 400. [Company No. 55919]
18. Easement dated October 28, 1974, from J. F. Yarborough Estate to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 581. [Company No. 55920]
19. Easements dated December 19, 1975, April 9, 1976, April 12, 1976, April 7, 1976, and January 13, 1978, from W. B. Yarborough Estate to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book FF, respectively, at pages 338, 347, 350, 353. [Company No. 55921]
20. Easement dated October 28, 1974, from J. F. Yarborough Estate to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 583. [Company No. 55922]
21. Easement dated August 23, 1973, from W. A. Glenn to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EI at page 513. [Company No. 55923]
22. Easement dated September 21, 1973, from Clara Jeter to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EI at page 515. [Company No. 55924]

23. Easement dated September 29, 1975, from Preferred Land Corporation to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EQ at page 492. [Company No. 55925]
24. Easement dated September 3, 1974, from John L. Fridy to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 258. [Company No. 55926]
25. Easement dated August 19, 1974, from Lugenia (Jeannie) McConnell Cook, Edith McConnell Koon, and Margaret Ellen McConnell to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 571. [Company No. 55927]
26. Easement dated August 19, 1974, from Lugenia (Jeannie) McConnell Cook, Edith McConnell Koon, and Margaret Ellen McConnell to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 570. [Company No. 55928]
27. Easement dated May 2, 1975, from Claude Turkett Estate to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EP at page 248. [Company No. 55929]
28. Easement dated November 4, 1974, from J. L. Turkett to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 403. [Company No. 55930]
29. Easement dated August 14, 1974, from Hugh Mann, Sr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 564. [Company No. 55931]
30. Easement dated August 19, 1974, from Frieda L. Penn to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 569. [Company No. 55932]
31. Easement dated August 14, 1974, from J. B. Frazier, III, F. Marion Frazier, and John R. Frazier to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 566. [Company No. 55933]

32. Easement dated April 13, 1974, from Nannie Sue Watson to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EK at page 236. [Company No. 55934]
33. Easement dated August 14, 1974, from Betty H. Mann to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 563. [Company No. 55935]
34. Easement dated March 25, 1974, from Alberta Mann to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EK at page 115. [Company No. 55936]
35. Easement dated August 12, 1974, from John L. Fridy to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EM at page 260. [Company No. 55937]
36. Easement dated August 21, 1974, from Mirian Fridy Rigby to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 562. [Company No. 55938]
37. Easement dated August 21, 1974, from Elizabeth Fridy to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Fairfield County in Deed Book EL at page 561. [Company No. 55939]
38. Easement dated July 28, 1975, from W. Shell Suber, Jr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D354 at page 419. [Company No. 55940]
39. Easements dated October 9, 1974 and June 22, 1974, from Robert E. Cooke, III to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D331 at page 531 and Deed Book D321 at page 559. [Company No. 55941]
40. Easement dated May 21, 1974, from Evelyn Cooke Brown, A/K/A Evelyn P. C. Brown to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D318 at page 257. [Company No. 55942]
41. Easement dated June 17, 1974, from Vance Cooke to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D319 at page 976. [Company No. 55943]

42. Easement dated April 10, 1974, from Arzelle Cooke Pressley to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D313 at page 562. [Company No. 55944]
43. Easement dated April 15, 1974, from Henry Sylvester Cooke, Jr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D313 at page 560. [Company No. 55945]
44. Easement dated July 28, 1975, from W. Shell Suber, Jr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D154 at page 417. [Company No. 55946]
45. Easement dated November 15, 1974, from Michael J. Mungo to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D334 at page 408. [Company No. 55947]
46. Easement dated July 2, 1975, from Charlotte S. Fridy to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D353 at page 155. [Company No. 55948]
47. Easement dated January 21, 1975, from William C. Whitworth to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D339, at page 337. [Company No. 55949]
48. Easement dated December 6, 1974, from James M. Smith to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D354 at page 413. [Company No. 55950]
49. Easement dated May 12, 1974, from Dr. Martin D. Young to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D348 at page 720. [Company No. 55951]
50. Easement dated August 11, 1975, from Coldspot Associates, A General Partnership to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D358 at page 174. [Company No. 55952]

51. Easement dated December 2, 1974, from Earl Rawl and Carolyn W. Rawl to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D334 at page 837. [Company No. 55954]
52. Easement dated October 2, 1974, from W. J. Brockington to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D331 at page 529. [Company No. 55955]
53. Easement dated September 18, 1974, from Clyde J. Lever, Sr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D329 at page 865. [Company No. 55956]
54. Easement dated August 29, 1974, from Aesy, Inc. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D329 at page 851. [Company No. 55957]
55. Easement dated November 13, 1974, from James A. Fort to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D333 at page 996. [Company No. 55958]
56. Easement dated January 18, 1975, from J. J. Turnipseed to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D339 at page 339. [Company No. 55959]
57. Easement dated March 23, 1977, from John R. T. Major, Clerk of Court of Common Pleas and General Sessions to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D416 at page 761. [Company No. 55960]
58. Easement dated July 30, 1975, from Lois Roof and Robert C. Roof, Jr. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D357 at page 433. [Company No. 55961]
59. Easement dated November 1, 1974, from Smith-Williams & Associates, Inc. to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D332 at page 900. [Company No. 55962]

60. Easement dated July 29, 1975, from Dr. Oscar LaBorde to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D354 at page 411. [Company No. 55963]
61. Easement dated January 3, 1975, from International Paper Company to South Carolina Electric & Gas Company, recorded in the Office of the Clerk of Court for Richland County in Deed Book D338 at page 81. [Company No. 55964]

APPENDIX III

List of Tower Specification Drawings, copies of which have been delivered to Authority:

1. Drawing A-13925, December 28, 1970, Revision No. 4, March 29, 1978, consisting of 8 sheets.
2. Drawing A-13927, May 20, 1970, Revision No. 2, March 29, 1978, consisting of 7 sheets.
3. Drawing A-17247, January 1, 1975, consisting of 2 sheets.
4. Drawing A-16527, February 19, 1974, Revision No. 1, January 1, 1975, consisting of 4 sheets.
5. Drawing A-16529, February 27, 1974, consisting of 3 sheets.

APPENDIX IV

List of Miscellaneous Billing Job Order Authorizations and Agreements (MBO):

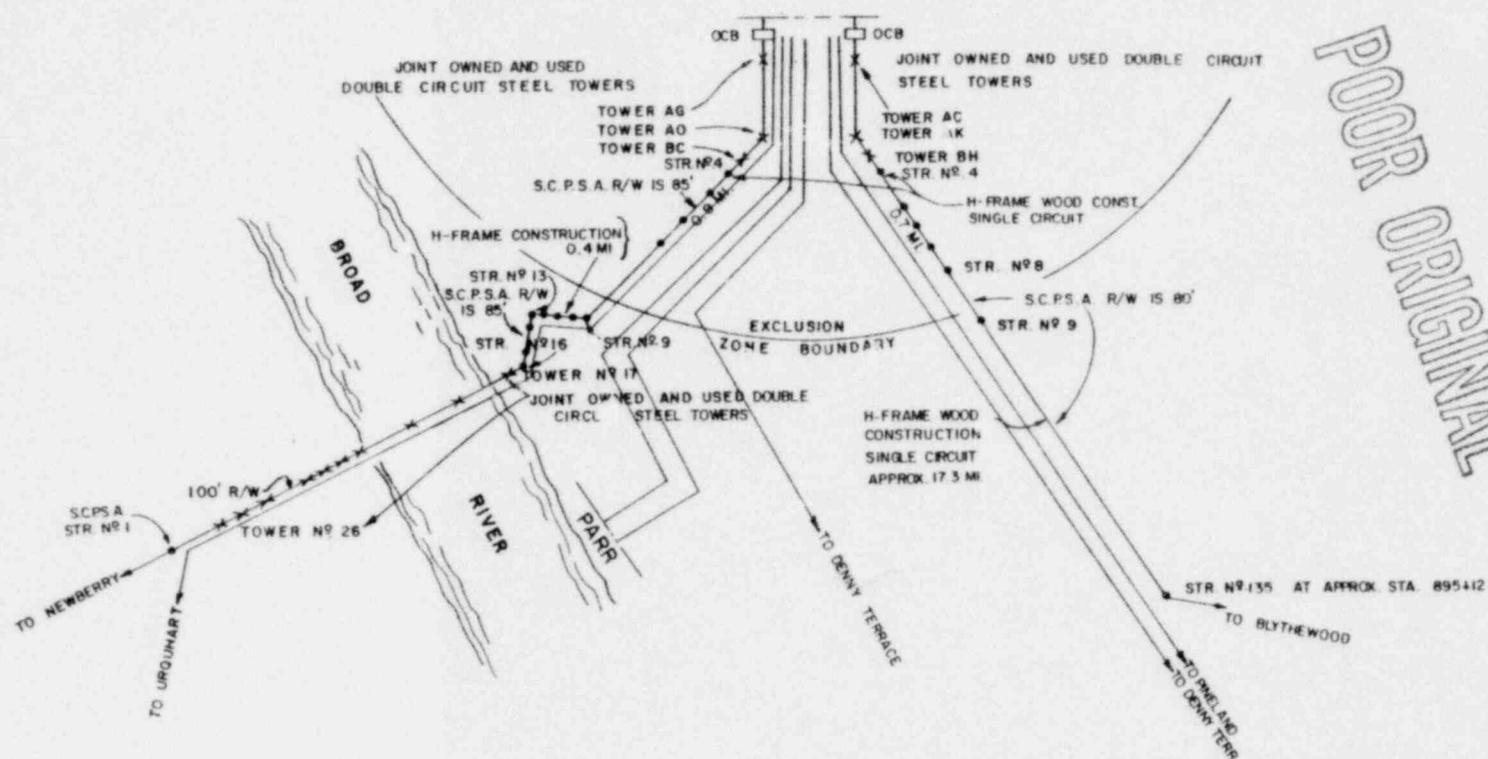
No. 6346	August 20, 1975	\$ 60,000
No. 6347	August 20, 1975	\$ 85,000
No. 6348	August 20, 1975	\$112,700
No. 6387	August 20, 1975	\$57,470
No. 6527	June 2, 1976	\$108,000

APPENDIX V

Schematic diagram of jointly owned structures and of Authority's Transmission Lines on jointly used Rights-of-Way, being Company Drawing B-18268, December 13, 1976, Revision No. 2, September 6, 1978. Reference: (1) SCE&G Drawing of Project Substation and Transmission Lines, D-15403, April 4, 1974, Revision No. 12, December 23, 1975.

V. C. SUMMER
230 KV SUBSTATION

POOR ORIGINAL



NO.	DATE	BY	REVISION
2	9 6 76	MEH	ADDITIONAL LINES ADDED B.CHG. TITLE
1	5 12 77	PL	CHANGES & ADDITIONS MADE

DR/FR TW 12 9 75 DATE	SOUTH CAROLINA ELECTRIC & GAS CO.	
CK AB 12 13 75 DATE	FOR V.C. SUMMER STATION 230KV TRANSMISSION LINES	
APP JHA 12 13 75 DATE	DETAIL SHARED R/W SECTION WITH SCPSA WHERE APPROPRIATE	
APP _____ DATE	SCALE NONE	B-18268
APP _____ DATE	M.F. INDEX 10029-26 CODE CARD NO.	SHEET 1 OF 1 SHEETS
APP _____ DATE		REV 2

APPENDIX VI

DIRECTORY OF OFFICIALS OF COMPANY

A. M. Williams
Chairman of the Board and Chief Executive Officer

Katherine W. Mahon
Patricia W. Boykin
Elizabeth Middleton Williams

V. C. Summer
President and Chief Operating Officer

Brenda S. Munamaker
Michael C. Summer
Kenneth V. Summer

O. S. Wooten
Executive Vice President - Finance

Oscar S. Wooten, Jr.
Catherine Helen Wooten
Charles Lawson Wooten
Richard McNair Wooten

DIRECTORS

J. K. Addy

John K. Addy, Jr.
Timothy Addy

Avram Kronsberg

Avram Kronsberg, Jr.
Edward Kronsberg

W. B. Bookhart

W. B. Bookhart, Jr.
Sara B. Peppers

J. H. Lumpkin

John H. Lumpkin, Jr.
Mrs. Caroline Lumpkin Sozzi

William R. Bruce

William R. Bruce, Jr.
Jane B. Smith
Charles Joy Bruce

F. C. McMaster

Sally Anne McMaster
William Spencer McMaster
Esther Ashe McMaster

K. W. French

Mrs. Chris Norris
K. W. French, Jr.
J. M. French
T. J. French

E. W. Pike, Jr.

Jane Lee Pike
James William Pike

J. B. Guess, III

James B. Guess, IV
Mary Elizabeth Guess

J. B. Rhodes

Cathy Smith
Mrs. Peggy Ann Rhodes Fain
John Marshall Rhodes

B. A. Hagood, Jr.

James M. Hagood, II
Ben A. Hagood, Jr.
David M. Hagood
Robert C. Hagood

J. E. Schachte, Jr.

J. E. Schachte, III
Stephen T. Schachte

J. F. Hassell, Jr.

John F. Hassell, III
Claiborne A. Hassell
Mrs. Mary H. Adams
Caroline L. Hassell
Fleetwood S. Hassell

W. H. Taylor

Dr. John P. Taylor
Robert M. Taylor

COPY



This Copy to be returned for
of S. C. Electric & Gas Com

NRG PUBLIC DOCUMENT ROOM

INTERCHANGE AGREEMENT

BETWEEN

SOUTH CAROLINA ELECTRIC & GAS COMPANY

AND

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

INTERCHANGE AGREEMENT
BETWEEN
SOUTH CAROLINA ELECTRIC & GAS COMPANY
AND
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

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(ADDENDA)

SERVICE SCHEDULE A

EMERGENCY ASSISTANCE

SERVICE SCHEDULE B

ENERGY INTERCHANGE

INTERCHANGE AGREEMENT

BETWEEN

SOUTH CAROLINA ELECTRIC & GAS COMPANY

AND

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

This Agreement made and entered into this 1st day of January, 1975, by and between the SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, a body corporate and politic duly created under the laws of the State of South Carolina, hereinafter sometimes referred to as "Authority," and the SOUTH CAROLINA ELECTRIC & GAS COMPANY, a corporation organized and existing under the laws of the State of South Carolina, hereinafter sometimes referred to as "Company."

WITNESSETH

WHEREAS, the Company and the Authority desire to provide an updated Agreement for utilizing existing interconnections and future interconnections in order to coordinate the operation of the respective generation, transmission and substation facilities to the mutual advantage of both parties, and

WHEREAS, the parties desire to provide an updated Agreement for fixing the terms and conditions upon which the interchange of power and energy can be effected, and

WHEREAS, the parties desire for this Agreement to supersede the Agreement dated March 27, 1959, and all other existing agreements

between the parties, which are provided for herein, for interchange of power and energy.

NOW THEREFORE, in consideration of the above premises and of the mutual benefits from the covenants herein set forth, the parties hereby agree as follows:

ARTICLE 1

PURPOSE

1.1 The purpose of this Agreement is to provide means for utilizing existing interconnections and future interconnections in order to coordinate the operation of the respective generation, transmission and substation facilities to the mutual advantage of both parties.

To fully realize these advantages, Authority and Company mutually agree to appoint authorized representatives to be known as the "Operating Representatives" and further agree to establish certain service schedules to govern the transactions between the two parties. It is the intent that neither system shall be a burden or expense to the other, and the Operating Representatives shall work out equitable arrangements, if such should develop.

ARTICLE II

DURATION OF AGREEMENT

2.1 Duration - This Agreement shall become effective on the date hereof and shall continue in effect until terminated on April 30 of any year by either party upon written notice given to the other not less than four years in advance of the date of termination specified therein; provided, that no such termination shall be effective prior to April 30, 1990.

ARTICLE III
DELIVERY POINT

3.1 Electric capacity and energy as is provided for hereunder shall be delivered and received at the now existing interconnection points between the facilities of Authority and of Company or at any other mutually agreeable new point or points, such point or points to be designated and hereinafter referred to as the "Delivery Point."

Each party shall have installed on its system the load and frequency control, communication, and telemetering equipment adequate for handling the power interchange capability of the interconnections and the extent and character of such equipment shall be in accordance with good engineering practice. Each party shall cooperate in the coordination of such equipment and the establishing of operating procedures so as to obtain the best practical interconnected operation of the systems of the parties.

ARTICLE IV
DELIVERIES UNDER OTHER CONTRACTS

4.1 Delivery by Company or Authority of firm capacity under any contract between the parties hereto shall take precedence over the deliveries by Company or Authority under this contract, provided, however, in the event delivery is being made under said contract, delivery under this contract will not be required in excess of the capacity of the interconnection facilities available.

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ARTICLE V

OPERATING REPRESENTATIVES

5.1 In order that the advantages to be derived hereunder may be realized by the parties to the fullest practicable extent, the parties shall name authorized representatives to be known as the Operating Representatives who shall coordinate the operations between the systems. Each of the parties shall designate, in writing delivered to the other party, the person who is to act as its representative (and the person or persons who may serve as alternate whenever such representative is unable to act). Such representatives and alternates shall be persons familiar with the generating, transmission, and substation facilities of the system of the party by which they have been so designated, and each shall be fully authorized to cooperate with the other representative (or alternate) and from time to time as the need arises, subject to the declared intentions of the parties herein set forth and to the terms hereof and the terms of any other agreements then in effect between the parties, to determine and agree upon the following:

- (a) All matters pertaining to the coordination of maintenance of the generating and transmission facilities of the parties.
- (b) All matters pertaining to the control of energy flow, kilovar flow, spinning reserve, voltage, and other similar matters bearing upon the satisfactory synchronous operation of the systems of the parties; and
- (c) Such other matters not specifically provided for herein upon which cooperation, coordination and agreement are necessary in order to carry out the

purposes and provisions of this Agreement and
and the transactions herein contemplated.

ARTICLE VI

FACILITIES

6.1 All present interconnection facilities of the respective parties will be utilized in carrying out the provisions of the schedules under this Agreement. In addition to the foregoing facilities, the parties will endeavor to establish by date stipulated in this Agreement proposed interconnections as set forth in Article VI, Section 6.3.

6.2 Existing Facilities

(a) Faber Place 115 kV Interconnection

Company did construct and owns an interconnection circuit which connects its Faber Place 115 kV substation to the Authority's existing 115 kV Marsh Line. The Company's portion of the circuit is approximately 700 feet in length and has three conductors that are 795 MCM ACSR. Company did construct at its Faber Place 115 kV substation a 115 kV bus with a 115 kV line terminal, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with the Authority's and the Company's 115 kV relaying. Company also installed 115 kV interconnection metering which includes kilowatt-hour metering and kilovar-hour metering and kilowatt and kilowatt-hour telemeter transmitters as well as such communication channels as required for operation of the interconnection. The Company's kilowatt hour meters shall be used for official billing.

Company also constructed and owns an interconnection circuit which connects its Faber Place 115 kV substation to the Authority's

Jefferies-Faber Place 115 kV line at a deadend structure adjacent to the Company's Faber Place substation. The Company's portion of this circuit is approximately 400 feet in length and has three conductors that are 795 MCM ACSR. Company did construct a line terminal to terminate the Authority's Jefferies-Faber Place 115 kV line, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with Authority's relaying equipment. The Authority and Company did share equally the cost of the 115 kV line terminal for the Jefferies-Faber Place line at Faber Place substation and appropriate metering per Company's drawing F-13675, Rev. 1; however, the Company is the sole owner of the line terminal and associated equipment. If this interconnection point should be abandoned, before February 21, 1984, Company shall pay the Authority \$29,814.62, which is one half of the amount of Authority's original investment of \$59,629.24 as invoiced by Company Invoice #C116, dated March 31, 1971. If abandoned at any time after February 21, 1984, no payment shall be made.

The Authority, at its own expense, constructed a 115 kV line, on a right-of-way provided by it one (1), three-phase, 115 kV transmission circuit from its Jefferies 115 kV substation to a deadend structure adjacent to the Company's Faber Place substation. The circuit is approximately 30 miles in length and has three conductors that are 795 MCM ACSR. The Authority provided telemetering equipment for its own use in operating this interconnection.

(b) St. George 115 kV Interconnection

The Authority, at its own expense, constructed one (1), three-phase, 115 kV transmission circuit from its St. George 115 kV

substation to the Company's St. George 115 kV substation. The circuit approximately three hundred seventy (370') feet in length has three conductors that are 795 MCM ACSR. The Authority did install at its St. George Substation one 115 kV circuit breaker complete with a disconnect switch on each side of the breaker and protective relaying equipment and interconnection metering including kilowatt-hour, graphic kilowatt meter and kilowatt and kilowatt-hour telemeter transmitters as well as such communication channels as required by it for operation of this interconnection and for microwave communication exchange. This telemetering transmitting equipment shall have separate signal output terminals for interconnection telemetering suitable for use by Company and Authority. The Authority's kilowatt-hour meter shall be used for official billing.

Company did provide a bay for attaching the Authority's line to the Company's 115 kV bus. Company did install kilowatt-hour and kilovar-hour check meters and suitable communication channels for the communication, the telemetering and relaying required by it for operation of this interconnection. Also, the Company installed necessary local supervisory control equipment in the Authority's St. George substation so that Company could operate Authority's circuit breaker by remote control.

(c) Lyles 115 kV Interconnection

Authority constructed on a right-of-way provided by it, two (2) three phase, 115 kV transmission circuits from its existing Pinewood-Columbia-Batesburg 115 kV transmission line to the Company's Lyles 115 kV substation. Each circuit, approximately three (3) miles in length, is three conductors of 477 MCM ACSR. These circuits are parallel one to the other and are constructed on a combination of single

circuit, double circuit and steel tower structures. The Authority provided kilowatt and kilowatt-hour telemetering transmitters. This telemetering transmitting equipment has separate signal output terminals for interconnection telemetering suitable for use by Company and Authority.

Company installed at its Lyles substation a 115 kV bus with two 115 kV transmission line terminals and two 115 kV circuit breakers complete with disconnect switch on each side of each circuit breaker and protective relaying equipment compatible with Authority's relaying equipment so as to loop Authority's Pinewood-Columbia-Batesburg 115 kV line through the Company's Lyles 115 kV substation; thus, forming two circuits; namely, Lyles-Pinewood and Lyles-Columbia. Company also installed 115 kV interconnection metering which included kilowatt-hour and kilovar-hour metering as well as such communication channels as required for operation of the interconnection. The Company's kilowatt-hour meter shall be used for official billing.

(d) Clark Hill Interconnection

Interconnection was made between the Authority and Company at Clark Hill through the Corps of Engineers' terminal facilities.

Authority did provide necessary telemetering equipment as well as necessary communications for the operation of this interconnection.

Company provided kilowatt and kilowatt-hour telemetering and necessary communication channels for the operation of this interconnection. The Corps of Engineers provided the official kilowatt-hour billing meter.

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Authority leases to the Company the southerly or
e-half of two double circuit electric transmission towers
located in McCormick County, State of South Carolina, near
1 of the Clark Hill Project. Said towers are known as
ted approximately 266.7 feet from the bay of the aforesaid
object, and Tower 4 located approximately 848.4 feet from
e aforesaid Clark Hill Project.

term of this lease commenced on November 10, 1960,
o the provisions hereinafter contained will continue in
g as this Interchange Agreement between the parties and
thereof is in effect.

e Company shall pay the Authority rental annually in
he rate of \$784.00 per annum. Rental for portions of a
e apportioned on a 365-day basis.

e Authority shall maintain the said towers, and shall
ve use of the northerly or upstream side thereof.

e Company shall have exclusive use of the southerly
m one-half of said towers. The Company shall maintain,
ate and remove all of its facilities at its sole cost and

e Company shall have the right to remove all facilities
y it at any time during the term of this Lease, or within
days thereafter. All property of the Company not removed
ty (30) days after any termination of this Lease shall become
y of the Authority.

ll rights granted to the Company hereunder shall be

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subject and subordinate to the terms of the "Easement for Right-of-Way," dated November 17, 1953, from the Secretary of the Army to the Authority hereunder, and all regulations and requirements which may be issued by the United States pursuant thereto. In the event that any action or requirement of the United States substantially and adversely affects the maintenance or use of said towers either party may terminate this Lease by giving thirty (30) days advance written notice of such intention to the other party.

6.3 Proposed Facilities

(a) Arthur M. Williams 230 kV Interconnection

The Authority shall construct on a right-of-way provided by it, one three phase, 230 kV transmission circuit from its Jeffries 230 kV switching station to a point where the Company's right-of-way corridor from its A. M. Williams 230 kV substation intersects with the Seaboard Coast Line Railroad adjacent to State Highway #9. This circuit is approximately 16.5 miles in length and shall consist of three (3) conductors, no smaller than 1272 MCM ACSR. The Authority shall provide suitable communications channels for the communication, telemetering and operation of this interconnection. Authority shall install at its Jefferies 230 kV switchyard a 230 kV bus with a 230 kV line terminal, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with the Company's.

Company shall construct on a right-of-way provided by it one (1) three phase, 230 kV transmission circuit from its Arthur M. Williams 230 kV substation to a point where the Company's right-of-way corridor intersects with the Seaboard Coast Line Railroad right-of-way adjacent to State Highway #9. The circuit, approximately 3.5 miles in length, shall consist of three (3) conductors not smaller than 1272 MCM ACSP.

Company shall install at its Arthur M. Williams substation a 230 kV bus with a 230 kV line terminal, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with the Authority's.

Interconnection metering including kilowatt-hour, kilovar-hour meters and kilowatt-hour and kilowatt telemetering transmitting equipment shall be installed by Company at the A. M. Williams Substation. This telemetering transmitting equipment shall have separate signal output terminals for interconnection telemetering suitable for use by Company and Authority. The Company's kilowatt-hour meter shall be the official billing meter. The Company and Authority shall exercise due diligence for the construction of these facilities to complete this interconnection no later than December, 1975.

(b) Virgil C. Summer 230 kV Interconnection

The Joint Ownership Agreement between Company and Authority for the Virgil C. Summer substation, Unit No. 1, in

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01, entitled "Delivery of Project Output" states "Each
bear all costs of acquiring and installing its 230 kV
on lines and switching facilities for connecting its
on systems to the Project Substation or use mutually agreed
connection points to provide for delivery of Project Output."
conformity with the Joint Ownership Agreement, the
shall construct one (1) three phase, 230 kV transmission
from its Blythewood Substation to the Virgil C. Summer
substation, approximately 20 miles in length; and, one (1) three
230 kV transmission circuit from its Newberry 230 kV substation to
C. Summer Substation, approximately 15 miles in length.
0 kV line shall have three (3) conductors not smaller than
CM ACSR. Authority shall provide suitable communication channels
for communication, telemetering and relaying as required by it for
operation of these two interconnections.
Company shall purchase and install for the Authority at
Virgil C. Summer Substation two (2) 230 kV circuit breakers and
associated structures, foundation, disconnect switches, protective
railing and carrier equipment, meters and controls, all hereafter
referred to as the 230 kV circuit breakers and associated equipment.
(1) circuit breaker shall be connected to the Authority's Blythewood-
Virgil C. Summer 230 kV transmission circuit, and one (1) circuit breaker con-
nected to the Authority's Newberry-Virgil C. Summer 230 kV transmission circuit.
Each circuit breaker shall have a disconnect switch on each side and the

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protective relaying equipment will be compatible with the associated 230 kV relaying equipment on the Authority's system.

Upon completion, Authority shall pay Company the installed cost of the two (2) 230 kV circuit breakers and their associated equipment. Authority shall own the circuit breakers and associated equipment and shall bear all cost of replacement or renewal of said circuit breakers as a result of loss or damage due to malfunctions, weather, failure of other substation equipment or any causes inherent in the operation of this equipment.

If Authority elects for Company to perform operation and maintenance on these two oil circuit breakers and associated equipment hereunder, Authority shall pay Company a monthly operation and maintenance cost in accordance with a formula or a prescribed amount, such amount to be subject to adjustments by Company, with prior notice and approval by Authority. Authority or Company may discontinue this maintenance agreement at any time upon 30 days written notice to the other party. In the case of extraordinary maintenance resulting from loss of a major component, such as a bushing, interrupter or disconnect switch or any other damage to these 230 kV circuit breakers or associated equipment, under the condition where the Company is responsible for the maintenance of said circuit breakers, Authority will pay Company all costs in excess of \$1,000.00 required to restore equipment to its original condition for each occurrence of extraordinary maintenance during any calendar year.

Interconnection metering including kilowatt-hour, kilovar-hour meters and kilowatt-hour and kilowatt telemetering transmitting equipment shall be installed by Company at the Virgil C. Summer Substation. This telemetering transmitting equipment shall have separate signal output

terminals for interconnection telemetering suitable for use by Company and Authority. Such metering and telemetering transmitting equipment will be part of "Project Substation" as defined in Section 1.18 of the "Virgil C. Summer Joint Ownership Agreement." Such kilowatt-hour metering will be used for official billing.

6.4 Operation and Maintenance of Interconnections

Authority, at its expense, shall operate, maintain and replace as required all of its facilities described in Section 6.2 and 6.3 (a). Company, at its own expense, shall operate, maintain, and replace as required all of its facilities as described in Section 6.2 and 6.3 (a). The installation and maintenance of transmission facilities described in Section 6.2 (d) entitled "Clark Hill Interconnection" and 6.3(b), entitled "Virgil C. Summer Interconnections," shall be as provided for thereunder. Each of the parties shall maintain in operable condition its facilities required for the effective use of the interconnections for the purpose herein provided.

6.5 Elimination of Interconnection

If, in the judgment of either party hereto, it is anticipated that conditions will develop such that the continuation of any interconnections specified in Article VI hereof will place a burden on either party's system, the parties will cooperate in making studies to arrive at a mutually agreeable solution. If, after a period of six (6) months, a mutually agreeable solution cannot be reached, the party whose system is so affected shall have the right to discontinue such interconnection three (3) years after giving notice.

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ARTICLE VII

SERVICE TO BE RENDERED

7.1 Service Schedule

The power to be supplied by each party to the other hereunder, the terms and conditions of such supply, and settlement therefor shall be in accordance with arrangements agreed upon from time to time between the parties. Such arrangements shall be set up in the form of Service Schedules, each of which, when signed by Authorized officials of the parties hereto, shall become a part of this Agreement for the term hereof or for such shorter term as may be provided in the Service Schedule. The following Service Schedules are hereby agreed to initially and attached as parts hereof:

Service Schedule A - Emergency Assistance

Service Schedule B - Energy Interchange

ARTICLE VIII

SERVICE CONDITIONS

8.1 Operation of Systems in Parallel

The Authority's system and the Company's system shall be and shall remain interconnected at the interconnection points described in Article VI hereof, insofar as this can be done in the opinion

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of each party and subject to provision in Section 6.5, without jeopardy to its system or to service to its customers.

8.2 Control of System Disturbances

Insofar as practicable Company and Authority shall protect, operate, and maintain their respective systems so as to avoid or minimize the likelihood of disturbances which might cause impairment of service in the other's system or in any system interconnected therewith.

8.3 Spinning Reserves

Insofar as practicable each system shall provide amounts of spinning reserve capacity so that neither the Company's system nor the Authority's system will impose disproportionate load swings upon the other or make disproportionate demands upon the other for assistance in meeting the normal contingencies of power system operation.

8.4 Kilovar Exchange

It is intended that neither party shall impose an undue burden on the other with respect to the flow of kilovars. The Operating Representatives (provided for under Section 5.1) shall establish from time to time mutually satisfactory voltage schedules and kilovar supply arrangements.

8.5 Determination of Amounts of Power Supplied

The amounts of power being supplied hereunder by one party to the other under each Service Schedule, and under any other transaction between the Company's and the Authority's system from time to time arranged, shall be the amounts scheduled by the parties' Operating Representatives or persons designated by them. The parties

their respective system in such a manner as to make the series of power and energy as nearly equal as practicable net deliveries. Any difference between scheduled net actual net deliveries shall be accounted for according to cooperation as approved by the Operating Representatives, and such differences shall be settled by appropriate compensatory deliveries in accordance with established utility practice.

Transmission Losses

The transmission losses associated with the transmission of energy under this agreement, either on the system of the receiving party or on the system of a third party which may be supplying energy to the supplying party hereunder for resale to the receiving party, will be borne by the receiving party. Compensation requested by the supplying party hereunder, will be scheduled coincidental delivery of loss compensation.

ARTICLE IX

DELIVERY POINTS AND METERING

Delivery Points

Unless otherwise agreed, the delivery points for power under this agreement shall be the interconnection points described in the schedule of existing or proposed interconnections.

Metering and Metering Facilities

The power and energy transactions over the system

interconnection points hereunder shall be measured and accounted for at the delivery points herein provided for or hereafter established for the respective system interconnection points. At the metering points for such system interconnections, each party shall, at its own expense, maintain its own meters and shall provide, install, own and maintain any additional meters necessary in its judgment to determine the amounts of power and energy delivered through such interconnection points. Each party shall have the right to install, at its own expense, check-metering equipment in suitable space provided without charge by the party owning the metering equipment. Should either party's meters fail to register for any period, the deliveries during such period shall be determined from the other party's meters or from the best information available.

9.3 Inspecting and Testing of Meters

Each party shall, at its own expense, make periodic tests and inspections of its metering equipment at intervals agreed upon by the Operating Representatives to maintain a high standard of accuracy, but not less than annually. If requested by either party, the other party shall make additional tests and inspections of its metering equipment; if such additional tests show that the measurements are accurate within one percent (1%) fast or slow, the cost of making such additional tests or inspections shall be paid by the party requesting such additional tests or inspections. Each party shall give the other party reasonable notice of all tests so that it may have a representative present if it wishes.

9.4 Billing Adjustment

If any tests or inspections under Section 9.3 of this Agreement show either party's measurements to be inaccurate by more than one percent, an offsetting adjustment shall be made in the party's billings or statements for any known or agreed period of inaccuracy; in the absence of such knowledge or agreement, the adjustment shall be limited to thirty days prior to the date of such tests. Any metering equipment found to be inaccurate by more than one percent shall be promptly replaced, repaired, or readjusted by the party owning such defective metering equipment.

ARTICLE X

RECORDS AND STATEMENTS

10.1 Records

Each party shall keep such records as may be needed to afford a clear history of the various deliveries of electric energy made by one party to the other and of the hourly integrated demands in kilowatts delivered by one party to the other. In maintaining such records, the parties shall effect such segregations and allocations of capacity and energy into classes representing various services and conditions as may be needed in connection with settlements under this Agreement. When and to the extent requested, copies of the records shall be delivered promptly to the other party.

10.2 Statements

As promptly as practicable after the first day of each

calendar month, the parties shall cause to be prepared a statement setting forth the capacity and energy transactions between the parties during the preceding month in such detail and with such segregations as may be needed for operating records or for settlements under the provisions of this Agreement. Any such statement prepared by one party shall be made available to the other party.

ARTICLE XI

BILLING AND PAYMENT

11.1 Monthly Bills

Monthly bills for amounts owed by one party to the other shall be rendered by the party to whom a payment is due, and such bills shall be due and payable on the twentieth day of the month next following the monthly or other period to which such bills are applicable or on the tenth day following the receipt of the bill, whichever date is later. Interest on unpaid amounts shall accrue at the rate of two thirds of one percent (2/3%) per month from the date due until the date upon which payment is made.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Continuity of Service

Each party shall exercise reasonable care to maintain continuity of service in the delivery and receipt of capacity and energy

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this Agreement. If continuity of service becomes interrupted for reason, the cause of such interruption shall be removed and normal operating conditions restored as soon as practicable. Neither party shall be responsible to the other party for any damage or loss of revenue caused by any such interruption.

12.2 Access to Property and Facilities

For the purpose of inspection and reading of meters, checking of meter records, and relevant matters, duly authorized representatives of each party shall have access during reasonable hours to the premises and facilities of the other party used in connection with the performance of this Agreement.

12.3 Force Majeure

Each party shall exercise due diligence and reasonable care to maintain continuity of service in the delivery and receipt of energy as provided for in this Agreement, but neither party shall be considered to be in default in respect to any obligation by reason of or through strike, stoppage in labor, failure of contractors, suppliers of material, riot, fire, flood, ice, invasion, civil war, commotion, insurrection, military or usurped power, order of any court or judge granted in any bona fide legal proceedings or action, order of any civil authority, or military, either de facto or de jure, explosion, act of God, or the public enemies, or any cause reasonably beyond its control, and not attributable to its neglect.

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12.4 Responsibility and Indemnification

Neither party hereto shall be responsible for injury or damage to any apparatus or property of the other and the one delivering power shall not be responsible for electric capacity and energy after delivery by it to the other at the point of delivery. Each party hereto expressly agrees to indemnify and save harmless, and defend the other against all claims, demands, costs or expense for loss, damage or injury to persons or property in any manner directly or indirectly connected with or growing out of the generation, transmission or use of electric capacity and energy on its (the indemnifying party's) own side of the point of delivery hereunder; provided, however, that each party hereto, insofar as the other party hereto is concerned, shall in all cases be responsible for damage or injury to its own employees to the extent compensation benefits are payable therefor under any Workmen's Compensation Law, and each party expressly agrees to indemnify and save harmless the other from all claims of such employees to this extent.

12.5 Arbitration

In the event of disagreement between the parties with respect to (1) any matter herein specifically made subject to arbitration, (2) any question of operating practice involved in the deliveries of power herein provided for, (3) any question of fact involved in the application of the provisions of this Agreement, or (4) the interpretation of any provision of this Agreement, the matter involved in the disagreement shall, upon demand of either party, be submitted to arbitration in the manner

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hereinafter provided. An offer of such submission to arbitration shall be a condition precedent to any right to institute proceedings at law or in equity concerning such matter.

The party calling for arbitration shall serve notice in writing upon the other party, setting forth in detail the subject or subjects to be arbitrated, and the parties thereupon shall endeavor to agree upon and appoint one person to act as sole arbitrator. If the parties fail so to agree within a period of fifteen days from the receipt of the original notice, the party calling for the arbitration shall, by written notice to the other party, call for appointment of a board of arbitrators skilled with respect to matters of the character involved in the disagreement, naming one arbitrator in such notice. The other party shall, within ten days after the receipt of such call, appoint a second arbitrator, and the two so appointed shall choose and appoint a third. In case such other party fails to appoint an arbitrator within said ten days, or in case the two so appointed fail for ten days to agree upon and appoint a third, the party calling for the arbitration, upon five days' written notice delivered to the other party, shall apply to the person who at the time shall be the Chief Judge of the United States District Court for the District of South Carolina, for appointment of the second or third arbitrator, as the case may be.

The sole arbitrator, or the board of arbitrators, shall afford adequate opportunity to the parties to present information with respect to the question or questions submitted for arbitration and may request further information from either or both parties. The findings

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and award of the sole arbitrator or of a majority of the board of arbitrators shall be final and conclusive with respect to the question or questions submitted for arbitration and shall be binding upon the parties. Each party shall pay for the services and expense of the arbitrator appointed by or for it, if there be a board of arbitrators, and all other costs incurred in connection with the arbitration shall be paid in equal parts by the parties hereto, unless the award shall specify a different division of the costs.

12.6 Right to Maintain Suit

Either party shall have the right to maintain suit at any time for any loss or claim that may previously have occurred or arisen hereunder without waiting until expiration of the term of this Agreement or of any Service Schedule hereunder and without losing or waiving any right to maintain suit for subsequent losses or claims occurring or arising during the term of this Agreement, and recovery in any such suit shall not be deemed as splitting the cause of action.

12.7 Waivers

Any waiver at any time by either party hereto of its rights with respect to the other party or with respect to any other matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

12.8 Notices

Any written notice or demand required or authorized by this

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and award of the sole arbitrator or of a majority of the board of arbitrators shall be final and conclusive with respect to the question or questions submitted for arbitration and shall be binding upon the parties. Each party shall pay for the services and expense of the arbitrator appointed by or for it, if there be a board of arbitrators, and all other costs incurred in connection with the arbitration shall be paid in equal parts by the parties hereto, unless the award shall specify a different division of the costs.

12.6 Right to Maintain Suit

Either party shall have the right to maintain suit at any time for any loss or claim that may previously have occurred or arisen hereunder without waiting until expiration of the term of this Agreement or of any Service Schedule hereunder and without losing or waiving any right to maintain suit for subsequent losses or claims occurring or arising during the term of this Agreement, and recovery in any such suit shall not be deemed as splitting the cause of action.

12.7 Waivers

Any waiver at any time by either party hereto of its rights with respect to the other party or with respect to any other matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

12.8 Notices

Any written notice or demand required or authorized by this

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Agreement shall be properly given, if mailed, postage prepaid to the President, South Carolina Electric & Gas Company, P. O. Box 764, Columbia, South Carolina, 29218 on behalf of the Company, or the General Manager, South Carolina Public Service Authority, 223 North Live Oak Drive, Moncks Corner, South Carolina, 29461, on behalf of the Authority. The designation of the person to be so notified or the address of such person may be changed at any time and from time to time by either party by similar notice.

12.9 Regulatory Authorities

This Agreement is made subject to the jurisdiction of any governmental authority or authorities (excluding Authority) having jurisdiction.

12.10 Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto, but it shall not be assignable by either party without the written consent of the other party, such consent not to be unreasonably withheld, except upon foreclosure of a mortgage or deed of trust or to a successor in the operation of its properties.

12.11 Agreements Superseded

This Agreement, upon becoming effective, shall supersede any other Interchange Agreements between the Company and Authority executed prior to the date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

ATTEST:

Will Bryant
Secretary

SOUTH CAROLINA ELECTRIC & GAS COMPANY

BY V.C. Summer
V. C. Summer, Senior Vice President

7/27/74
8:30

ATTEST:

L.P. Dorman
L. P. Dorman, Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BY G.B. Thomason
G. B. Thomason, General Manager

11/18
12/27/74

APPROVED AS
TO EXECUTION
WVRL
31 Dec 74

POOR ORIGINAL

SERVICE SCHEDULE A

EMERGENCY ASSISTANCE

Between

SOUTH CAROLINA ELECTRIC & GAS COMPANY

and

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

This Service Schedule A shall become effective as of January 1, 1968 and as a part of the Interchange Agreement dated January 1, 1968 herewith between South Carolina Public Service Authority and South Carolina Electric and Gas Company.

ARTICLE I - PURPOSE

- 1.1 It is the purpose of this Service Schedule A to provide emergency assistance between the Company and Authority systems and to define the terms and conditions of such emergency assistance.
- 1.2 It is the intent of the parties that emergency conditions, in which the party is entitled to call for emergency assistance and in which the other party is obligated to supply such assistance, are those arising from temporary circumstances beyond the control of the party affected which prevent or interfere with or jeopardize the rendering of safe and satisfactory service within the system of the party calling for emergency assistance.
- 1.3 It is the intent of each of the parties to utilize emergency assistance from the other party in minimum amount and during each emergency

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by using its own resources to the maximum practical extent.

ARTICLE II - DURATION

2.1 The term of this Service Schedule A shall start on the date first above written and shall continue in effect until termination or expiration of the Interchange Agreement unless terminated or superseded on any earlier date by a new service schedule.

ARTICLE III - SERVICE TO BE RENDERED

3.1 In the event of a breakdown or other emergency in or on the system of either party involving either sources of power or transmission facilities, or both, and impairing or jeopardizing the ability of the party suffering the emergency to meet the loads of its system, the other party, to the extent that it can do so from its own system or through interconnection arrangements without impairing or jeopardizing either service to its own customers or its obligations to other parties, shall provide to such party capacity for a period not to exceed forty eight (48) consecutive hours during any single emergency, which capacity is hereby designated and hereinafter called "Emergency Capacity."

3.2 The parties recognize that the delivery of energy up to the Emergency Capacity as provided for in Subsection 3.1 of this Section 3 is subject to three conditions which may preclude the delivery of such energy as so provided; (a) a party may be delivering energy to the other in accordance with the provisions of Service Schedule B of this Agreement; (b) a party may be suffering an emergency in its own system as described in said Subsection 3.1; or (c) a party may be delivering energy, under

a mutual emergency interchange agreement to the system of a third interconnected company which is suffering an emergency in its system. Under conditions as cited under (a) and (b) above, neither party shall be considered to be in default hereunder, if unable to comply with the provisions of said Subsection 3.1. Under conditions as cited under (c) above, neither party shall be considered to be in default hereunder, if it is unable to comply with the provisions of said Subsection 3.1; provided, however, that such party shall terminate emergency deliveries to such third interconnected company as soon as it may do so under its agreement with such third interconnected company, and shall thereafter fulfill its obligations under this Schedule A.

--

ARTICLE IV - COMPENSATION

4.1 Energy received as emergency assistance shall be returned in kind or, at the option of the supplying party, be paid for monthly by the receiving party at a rate hereinafter provided.

4.2 The fuel component of the energy rate for power supplied hereunder shall be based on the average cost of fuel received for unit, or units, making the delivery for the month during which delivery was made. Heat rate of unit or units used in the determination of the

POOR ORIGINAL

energy rate shall be the weighted average for the month during which delivery was made. Adjustments will be made in subsequent billing to estimates used at time of regular billing to reflect actual fuel cost and heat rates.

4.3 Operation and maintenance cost used in the energy rate determination shall be the weighted average operation and maintenance cost, exclusive of fuel charges, for the unit or units making the delivery for the most current twelve (12) month period, including the month during which delivery was made. Adjustments will be made in subsequent billing to estimates used at time of regular billing to reflect the actual operation and maintenance costs.

4.4 The resultant energy rate determined from the sum of 4.2 and 4.3 shall be increased by 15% to arrive at the energy billing rate.

4.5 If it is necessary for the supplying party to start a unit in order to supply this capacity, then at the option of the supplying party the receiving party will be required to purchase energy in the amount of the minimum output of the unit for 48 hours or pay startup cost.

4.6 If returned in kind, the energy hereunder shall be returned at times when the load conditions on the system of the party receiving the energy being returned are equivalent to the said load conditions at the time the energy was originally delivered or, if the

party that originally supplied the energy elects to have it returned under different conditions, it shall be returned in such amounts, to be agreed upon by the Operating Representatives, as will compensate for the difference in conditions.

4.7 The billing rate for energy received hereunder from a third party for delivery to the receiving party shall be actual cost plus 10%.

4.8 Should the party suffering the emergency require assistance for more than forty-eight (48) hours, then after the forty-eight (48) hour period upon request of the receiving party, the supplying party to the extent capacity is available on its system or a third party's system will supply capacity and energy requested at the rate specified in Schedule B of this Agreement for non-displacement energy.

4.9 Applicable taxes will be included in the bill submitted by the selling company.

4.10 Monthly statements for energy transactions hereunder shall be rendered by the party to whom net settlement for the month is due, and shall show the gross emergency energy transactions in each direction and the respective bases for settlement. It shall be a responsibility of the Operating Representatives to establish procedures for current exchange of data adequate to enable independent computations of the monthly statements simultaneously by each party. Such statements shall otherwise be subject to Sections 10.2 and 11.1 of the Interchange Agreement.

ATTEST:

SOUTH CAROLINA ELECTRIC & GAS COMPANY

*90th
RFR*

W. M. Bryant
Secretary

By *V. C. Summer*
V. C. Summer, Senior Vice President

ATTEST:

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

L. P. Dorman
L. P. Dorman, Secretary

By *J. B. Thomason*
J. B. Thomason, General Manager

*W
HAG*

APPROVED AS TO LEGALITY <i>W. M. B.</i>
AND FORM <i>W. M. B.</i>
<i>31 Dec 74</i>
AS TO EXECUTION <i>W. M. B.</i>
<i>31 Dec 74</i>

POOR ORIGINAL

SERVICE SCHEDULE B

ENERGY INTERCHANGE

Between

SOUTH CAROLINA ELECTRIC & GAS COMPANY

And

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

This Service Schedule B shall become effective as of January 1, 1975 under, and as a part of the Interchange Agreement dated January 1, 1975 herewith between South Carolina Electric & Gas Company and South Carolina Public Service Authority.

ARTICLE I - PURPOSE

1.1 The purpose of this Service Schedule B is to provide for energy interchange between Company and Authority and to establish the terms and conditions of such interchange.

ARTICLE II - DURATION

2.1 This Service Schedule B shall become effective as first above written and shall continue in effect until termination of expiration of the Interchange Agreement unless terminated or superseded on any earlier date by a new service schedule.

ARTICLE III - SERVICES TO BE RENDERED

3.1 Economy Energy - From time to time each of the parties

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may have electric energy (Economy Energy) available from surplus capacity either on its own system or from sources outside its own system, or both, which could be supplied to the other party at a cost that would result in operating savings to the other party. Such operating savings would result from the displacement of electric energy that otherwise would be supplied from capacity either on the other party's system or from sources outside its own system, or both. To promote the economy of electric power supply and to achieve efficient utilization of production capacity, the parties will, from time to time, discuss the availability and desirability of exchanges of Economy Energy, and either party, whenever it in its own judgment determines Economy Energy is available, may, but shall not be obligated to, offer Economy Energy to the other party. Promptly upon receipt of any such offer the other party shall notify the offering party of the extent it desires to use Economy Energy, and prior to each delivery of such energy, the amount and time of delivery and the charge therefor shall be agreed upon as provided in Section 4.1.

3.2 Non-Displacement Energy - From time to time occasions will arise when the effecting of transactions as provided under Section 3.1 above will be impracticable, but at the same time one of the parties may have electric energy (Non-displacement Energy) which it is willing to make available from surplus capacity either on its own system or from sources outside its own system, or both, that can be utilized advantageously for short intervals by the other party. It shall be the responsibility of the party desiring the Non-Displacement Energy to initiate the receipt and delivery of the energy. The party desiring receipt of the energy

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shall inform the other party of the extent to which it desires to use Non-displacement Energy, and whenever in its own judgment the other party determines that it has Non-displacement Energy available, the parties shall then mutually agree on the period and the extent of use of such Non-displacement Energy. Neither party shall be obligated to make any Non-displacement Energy available to the other.

ARTICLE IV - COMPENSATION

4.1 Economy energy shall be settled for at rates which shall be predicated upon the principle that savings in operating costs to the systems of the parties resulting from the use of Economy Energy shall be divided between the parties as equally as is practicable. Prior to any transaction involving the delivery and receipt of Economy Energy, the Operating Representatives or persons designated by them shall determine and agree upon the compensation applicable to such transaction. Compensation so agreed upon shall not be subject to later review or adjustment.

4.2 Non-displacement energy shall be returned in kind, or at the option of the supplying party, be paid for monthly by the receiving party at a rate hereinafter provided.

4.3 The fuel component of the energy rate for non-displacement energy supplied hereunder shall be based on the average cost of fuel received for unit or units making the delivery for the month during which delivery was made. The heat rate for unit or units used in the determination of the energy rate shall be the weighted average for the month during which delivery

was made. Adjustments will be made in subsequent billing to estimates used at time of regular billing to reflect actual cost of fuel and heat rate.

4.4 Operation and maintenance cost used in the energy rate determination shall be the weighted average operation and maintenance cost, exclusive of fuel charges, for the unit or units making the delivery for the most current twelve (12) month period, including the month during which delivery was made. Adjustments will be made in subsequent billing to estimates used at time of regular billing to reflect the actual operation and maintenance cost.

4.5 The resultant energy rate determined from the sum of 4.2 and 4.3 shall be increased by 15% to arrive at the energy billing rate.

4.6 If it is necessary for the supplying party to start a unit in order to supply this capacity, then at the option of the supplying party the receiving party will be required to purchase energy in the amount of the minimum output of the unit for forty-eight (48) hours started for this purpose, or pay startup cost.

4.7 If returned in kind, the energy hereunder shall be returned at times when the load conditions on the system of the party receiving the energy being returned are equivalent to the said load conditions at the time the energy was originally delivered or, if the party that originally supplied the energy elects to have it returned under different conditions, it shall be returned in such amounts, to be agreed upon by the Operating Representatives, as will compensate for the difference in conditions.

POOR ORIGINAL

4.8 The billing rate for energy received hereunder from a third party for delivery to the receiving party shall be actual cost plus 10%.

4.9 Should a party being furnished emergency assistance pursuant to Schedule A hereof, require assistance for more than forty-eight (48) hours, then after the forty-eight (48) hour period upon request of the receiving party, the supplying party to the extent capacity is available on its system or a third party's system will supply capacity and energy requested at the rate specified in Schedule B of this Agreement for Non-displacement Energy.

4.10 Applicable taxes will be included in the bill by the selling company.

4.11 Monthly statements for energy transactions hereunder shall be rendered by the party to whom net settlement for the month is due, and shall show the gross Economy and/or Non-displacement Energy transactions in each direction and the respective bases for settlement. It shall be a responsibility of the Operating Representatives to establish procedures for current exchange of data adequate to enable independent computations of the monthly statements simultaneously by each party. Such statements shall otherwise be subject to Sections 10.2 and 11.1 of the Interchange Agreement.

ATTEST:

H. P. Dorman
Secretary

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By V. C. Summer
V. C. Summer, Senior Vice President

*7/27/72
RJS*

ATTEST:

L. P. Dorman
L. P. Dorman, Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

By J. B. Thomason
J. B. Thomason, General Manager

RECEIVED
JUL 27 1972
MRS. M

*10/1
JTB*

POOR ORIGINAL

Modification No. 1



to

INTERCHANGE AGREEMENT

Dated January 1, 1975

BETWEEN

SOUTH CAROLINA ELECTRIC & GAS COMPANY

AND

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Dated August 21, 1978

POOR ORIGINAL

RECEIVED
 FEDERAL BUREAU OF INVESTIGATION
 DEPARTMENT OF JUSTICE
 AUG 21 1978

0.01 THIS AGREEMENT, made and entered into as of the 21st day of August, 1978, by and between South Carolina Electric & Gas Company, a South Carolina corporation, and South Carolina Public Service Authority, a South Carolina corporation.

WITNESSETH:

0.02 WHEREAS, South Carolina Electric & Gas Company and the South Carolina Public Service Authority entered into an Interchange Agreement, dated January 1, 1975; and

0.03 WHEREAS, changed operating conditions have necessitated the revision of this Interchange Agreement and the parties desire to modify the Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, the parties agree as follows:

0.04 Article VI, Section 6.3(a) of the Agreement is hereby deleted and the following substituted in its place:

- 6.3 Proposed Facilities
- (a) Arthur M. Williams 230 KV Interconnection
The Authority shall construct on a right-of-way provided by it, one three-phase 230 kV transmission circuit from its Charity 230 kV switching station to the Company's A. M. Williams 230 kV substation. Company will own and install the first span of conductors from the A. M. Williams substation to the first structure beyond the substation which will be owned and installed by the Authority. This

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circuit is approximately five miles in length and shall consist of three (3) conductors, no smaller than 1272 KCM ACSR. The Authority shall provide suitable communications channels for the communication, telemetering and operation of this interconnection. Authority shall install at its Charity 230 kV switchyard a 230 kV bus with a 230 kV line terminal, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with the Company's.

Company shall purchase, install and own at its A. M. Williams substation a 230 kV bus with a 230 kV line terminal, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with the Authority's.

Interconnection metering including kilowatt-hour, kilovar-hour meters and kilowatt-hour and kilowatt telemetering transmitting equipment shall be installed by Company at the A. M. Williams substation. This telemetering transmitting equipment shall have separate signal output terminals for interconnection telemetering suitable for use by Company and Authority. The Company's kilowatt-hour meter shall be the official billing meter. The Company and Authority shall exercise due diligence for the construction of these facilities to complete this interconnection no later than March, 1978.

0.05 Article VII, Paragraph 7.1 of the Agreement is hereby modified and supplemented by the deletion of Service

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Schedule A - Emergency Assistance and Service Schedule B - Energy Interchange and by inserting in lieu thereof the following schedules:

- Service Schedule A - Spinning Reserve;
- Service Schedule B - Short-term Power;
- Service Schedule C - Limited-term Power;
- Service Schedule D - Economy Interchange;
- Service Schedule E - Other Energy.

0.06 Article VII of the Agreement is hereby amended to add Section 7.2 which provides as follows: "It is the express intention and understanding of the parties that either party shall have the right, unilaterally, to take any action permitted or contemplated by Article XII of this Agreement."

0.07 Article VIII of the Agreement is hereby modified by deleting Section 8.3 in its entirety and by deleting Section 8.6 in its entirety.

0.08 Article XII, Section 12.9 of the Agreement is hereby modified by the addition of the following at the end of that section: "Nothing contained in this Agreement shall be construed as affecting in any way the right of either party under this Agreement or under any schedule annexed to and made part of this Agreement unilaterally to make application to the Federal Energy Regulatory Commission under Section 205 of the Federal Power Act, and pursuant to the

POOR ORIGINAL

Commission's Rules and Regulations, for a change either in the rates and charges for each of the several services to be rendered pursuant to this Agreement or to the schedules annexed to this Agreement.

0.09 Except as hereinabove modified and supplemented, all the terms and conditions of the Interchange Agreement dated January 1, 1975, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

BY: *T. C. Nichols, Jr.*
T. C. Nichols, Jr.
Vice President & Group Executive
Power Production & System Operations

ATTEST:

H. M. Bryant
H. M. Bryant
Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BY: *W. C. Mescher*
William C. Mescher
President & Chief Executive Officer

ATTEST:

L. P. Dorman
L. P. Dorman
Secretary

POOR ORIGINAL

SERVICE SCHEDULE A

SPINNING RESERVE

SECTION 1 - DURATION

1.1 This Service Schedule, a part of and under the Interchange Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Interchange Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.

1.2 Either party upon at least three years prior written notice to the other party may terminate this schedule.

SECTION 2 - DEFINITION

Spinning Reserve is defined as the sum of (1) the unloaded generating capacity resources of a company which are connected and ready to supply power upon demand, (2) generating capacity which can be started and made available within 10 minutes, and (3) generating capacity which can be made available within 10 minutes by appropriate interruptible or other contracts. New capacity that has not been declared commercial can be included to the extent of its current capability.

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Generating capacity which is a part of Spinning Reserve must be available indefinitely. Hydro capacity will be included only to the extent it can deliver its capacity until a fuel unit can be started to replace it and only if such a fuel unit is available. Standing combustion turbines will be classified as Spinning Reserve by the amount of generation which can be produced in 10 minutes.

During the first 24 hours following the loss of generating capacity, the capacity lost shall be considered a part of the owning company's Spinning Reserve Commitment. Similarly, emergency assistance being rendered a third party system for a period of 24 hours following the beginning of a period of delivery shall be considered as part of a company's total Spinning Reserve Commitment.

SECTION 3 - SERVICES TO BE RENDERED

3.1 It is recognized that service reliability will be improved when the reserves of two or more systems are available to backstand the loss of large generating units and also that significant operating savings will result from two or more systems each sharing in the Spinning Reserve capacity of the others. Each party will, therefore, maintain Spinning Reserve capacity each day in the amount of the sum of (1) 3 percent of the largest unit in commercial operation on the respective systems, and (2) 4 percent of the estimated annual peak load, except as may be amended by the Operating

Committee, such total in each system to be known as each system's Spinning Reserve Commitment. Following the emergency loss of generating capacity on a system, that system will first utilize its own Spinning Reserve Commitment to replace the capacity lost except as may otherwise be agreed upon, and may then call upon the other system to make available the additional capacity required to replace the capacity lost, up to the amount of the other company's Spinning Reserve Commitment, less any amount of such capacity already utilized or committed to a third party system because of an emergency. Upon request, the delivering party will endeavor to obtain capacity from third party systems for delivery to the receiving party.

3.2 In the event of extreme emergencies, each system will make available to the other total available reserve capacity on its system and will attempt to obtain capacity and/or energy from third party systems as required.

3.3 From time to time it may be more economical for either system to purchase capacity to supply a portion of its Spinning Reserve Commitment rather than supply it from its own resources; then in the amounts and for the period agreed upon the other system will make available such capacity.

SECTION 4 - COMPENSATION

4.1 Demand Charge

4.11 When capacity provided during the first 24 hours following an emergency is made available

from the system of the delivering party under Section 3.1 and/or 3.2 there will be no demand charge. If the party suffering the outage requires assistance for more than 24 hours, then after the 24 hour period it will purchase available capacity necessary to carry its load and, to the extent that it is available, capacity to restore its Spinning Reserve to normal, for the period of the emergency, or for one week, whichever period is shorter. When such capacity is from the system of the delivering party, the receiving party will pay a demand charge of \$.08 per KW per day which includes a transmission use charge.

4.12 When the capacity made available under Section 3.3 is from the system of the delivering party, the receiving party will pay a demand charge of \$.08 per KW per day which includes a transmission use charge.

4.13 In the event the delivering party provides capacity to the receiving party from a third party system, the demand charge to the receiving party shall be (1) that charged by the third party, plus (2) a transmission use charge of \$.02 per KW per day. In transactions

where no demand charge is made by the third party, the receiving party will pay the delivering party a transmission use charge of \$.02 per KW per day or 2 mills per KWH, whichever is less.

4.2 Energy

4.21 When the energy delivered is generated on the system of the delivering party, the receiving party will pay the delivering party a rate per KWH equal to (1) the out-of-pocket cost, plus (2) cost of transmission losses to make the delivery, plus (3) 10 percent of the sum of (1) and (2) under this Section, or 5 mills per KWH, whichever is less; or at option of the delivering party, the energy may be returned in kind.

4.22 For energy delivered by the delivering party from a third party the receiving party will pay the delivering party a rate per KWH equal to (1) the rate per KWH paid to the third party, plus (2) the cost of supplying the associated transmission losses on the system of the delivering party, plus (3) 10 percent of the sum of (1) and (2) under this section or 2 mills per KWH, whichever is less; or by mutual agreement the energy may be returned

in kind. In return in kind transactions the receiving party will pay the delivering party 2 mills per KWH to cover the cost of supplying the associated transmission losses on the system of the delivering party and to provide compensation in lieu of the 10% margin normally applied to cash transactions.

4.3 Where applicable, taxes will be added to the billings under 4.1 and 4.2 including but not limited to:

Support of South Carolina Public Service Commission
South Carolina Gross Receipts Tax
South Carolina Generation Tax
North Carolina Gross Receipts Tax

Any new or additional applicable taxes enacted after the date of this Service Schedule shall be included in billings under this Service Schedule.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

BY:

T. C. Nichols, Jr.

T. C. Nichols, Jr.
Vice President & Group Executive
Power Production & System Operations

ATTEST:

H. M. Bryant
H. M. Bryant
Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BY:

William C. Mescher

William C. Mescher
President & Chief Executive Officer

ATTEST:

L. P. Dorman
L. P. Dorman
Secretary

SERVICE SCHEDULE B
SHORT TERM POWER

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SECTION 1 - DURATION

1.1 This Service Schedule, a part of and under the Interchange Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Interchange Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.

1.2 Either party upon at least one year prior written notice to the other party may terminate this schedule.

SECTION 2 - SERVICE TO BE RENDERED

2.1 Either party may arrange to reserve from the other for the remainder of the calendar week or for periods of one or more calendar weeks, electric power whenever, in the sole judgment of the party requested to reserve the same, such power is available.

2.11 Prior to each reservation of short term power, the number of kilowatts to be reserved, the period of the reservation, and the system supplying the power in third party transactions shall be agreed upon. Such Agreement shall be confirmed in writing. If, during such period, conditions arise that

could not have been reasonably foreseen at the time of the reservation and cause the reservations to be burdensome to the delivering party, such party may, by written notice to the receiving party, or oral notice later confirmed in writing, reduce the number of kilowatts reserved by such amount and for such time as it shall specify in such notice. Kilowatts reserved hereunder by the delivering party from a third party may be reduced only to the extent they are reduced by the third party or to the extent necessary to alleviate burdensome system conditions.

2.12 During each period that Short Term Power has been reserved, the delivering party shall upon reasonable notice, provide "Short Term Power" in amounts agreed upon. Receiving party shall notify delivering party of its scheduled use of kilowatts reserved to assist in the commitment of generation.

SECTION 3 - COMPENSATION

POOR ORIGINAL

3.1 The receiving party shall pay the delivering party:

3.11 Demand Charge

(a) When the capacity sold under this contract is from the system of the delivering party, the receiving party will

pay a demand charge of \$0.65 per week times the number of kilowatts of capacity reserved. For periods of less than one week the receiving party will pay a demand charge of \$.108 per day times the number of kilowatts of capacity reserved. If the delivering party reduces the number of kilowatts of capacity reserved in accordance with Section 2.11 for all or part of a day, the delivering party will reduce the demand charge to the receiving party at the rate of \$.108 per kilowatt per day.

- (b) In the event the delivering party provides short term power to the receiving party from a third party system, the demand charge to the reserving party will be (1) that charged by the third party, plus (2) a transmission use charge of \$.15 per week or \$.025 per day for periods of less than a week times the number of kilowatts of capacity reserved.

3.12 Energy Charge

- (a) When energy delivered hereunder is generated on the system of the delivering party, the receiving party will pay the delivering party a rate per KWH

equal to: (1) the out-of-pocket cost, plus (2) cost of transmission losses to make the delivery, plus (3) 10% of the sum of (1) and (2) under this section or 5 mills per KWH, whichever is less.

(b) For energy delivered by the delivering party from a third party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the rate per KWH paid to the third party, plus (2) the cost of associated transmission losses, plus (3) 10% of the sum of (1) and (2) under this section or 2 mills per KWH, whichever is less.

3.13 Where applicable, taxes will be added to the billings under 3.11, 3.12 including but not limited to:

Support of South Carolina Public Service Commission

South Carolina Gross Receipts Tax

South Carolina Generation Tax

North Carolina Gross Receipts Tax

Any new or additional taxes applicable to transactions hereunder enacted after the date of this service schedule shall be included in billings under this service schedule.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

BY: *T. C. Nichols, Jr.*
T. C. Nichols, Jr.
Vice President & Group Executive
Power Production & System Operations

ATTEST:

H. M. Bryant
H. M. Bryant
Secretary



SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BY: *William C. Mescher*
William C. Mescher
President & Chief Executive Officer

ATTEST:

L. P. Dorman
L. P. Dorman
Secretary

POOR ORIGINAL

SERVICE SCHEDULE C
LIMITED TERM POWER

SECTION 1 - DURATION

1.1 This Service Schedule, a part of and under the Interchange Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Interchange Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.

1.2 Either party upon at least one year prior written notice to the other party may terminate this schedule.

SECTION 2 - SERVICES TO BE RENDERED

2.1 Either party may arrange to reserve from the other for periods of not less than one month, such electric power whenever, in the sole judgment of the party requested to reserve the same, such power is available.

2.11 Prior to each reservation of Limited Term Power the number of kilowatts to be reserved the period of the reservation and the system supplying the power in third party transactions shall be agreed upon. Such determination shall be confirmed in writing.

POOR ORIGINAL

2.12 During each period that Limited Term Power has been reserved, the party that has agreed to deliver such power shall, upon reasonable notice, provide Limited Term Power in the amounts agreed upon. Receiving party shall notify delivering party of its scheduled use of kilowatts reserved to assist in the commitment of generation.

SECTION 3 - REDUCTION IN DELIVERY

3.1 Deliveries of Limited Term Power may be suspended if the delivering party must interrupt service to its firm customers in order to make the delivery; however, before suspending delivery, the delivering company will make every effort to obtain replacement power from all adjacent systems. Deliveries of third party capacity and energy may be reduced or suspended only to the extent that such deliveries are reduced or suspended by the third party system. In addition, the supply of kilowatts to the receiving system may be interrupted or reduced to prevent or limit any instability on either system.

SECTION 4 - COMPENSATION

4.1 The Receiving Party will compensate the Delivering Party as follows:

- 4.11 For any month the charge for Limited Term Capacity produced by the Delivering Company is \$3.25 per KW.
- 4.12 For Limited Term Capacity purchased from a third party system, the charges to the Receiving Party are charges by the third party system plus a transmission use charge of \$.75 per KW per month.
- 4.13 When energy delivered hereunder is generated on the system of the delivering party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the out-of-pocket cost, plus (2) cost of transmission losses to make the delivery, plus (3) 10% of the sum of (1) and (2) of this section or 5 mills per KWH, whichever is less.
- 4.14 For energy delivered by the delivering party from a third party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the rate per KWH paid to the third party, plus (2) the cost of associated transmission losses, plus (3) 10% of the sum of (1) and (2) under this section or 2 mills per KWH, whichever is less.

SECTION 5 - TAXES

5.1 Where applicable, taxes will be added to the billings under 4.11, 4.12, 4.13 and 4.14 including but not limited to:

Support of South Carolina Public Service Commission
South Carolina Gross Receipts Tax
South Carolina Generation Tax
North Carolina Gross Receipts Tax

Any new or additional applicable taxes enacted after the date of this Service Schedule shall be included in billings under this Service Schedule.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

BY: T. C. Nichols, Jr.
T. C. Nichols, Jr.
Vice President & Group Executive
Power Production & System Operations

ATTEST:

H. M. Bryant
H. M. Bryant
Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BY: William C. Mescher
William C. Mescher
President & Chief Executive Officer

ATTEST:

L. P. Dorman
L. P. Dorman
Secretary

POOR ORIGINAL

SERVICE SCHEDULE D
ECONOMY INTERCHANGE

SECTION 1 - DURATION

1.1 This Service Schedule, a part of and under the Interchange Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Interchange Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.

1.2 Either party upon at least one year prior written notice to the other party may terminate this schedule.

SECTION 2 - SERVICE TO BE RENDERED

From time to time each of the parties will have electric energy (hereinafter called "Economy Energy") available from surplus capacity on its own system and/or from sources outside its own system, and such Economy Energy can be supplied to the other party at a cost that will result in operating savings to such other party. Such operating savings will result from the displacement of electric energy that otherwise would be supplied from capacity on the system and/or from sources outside the system of such other party. To promote the economy of electric power supply and to

POOR ORIGINAL

achieve efficient utilization of production capacity, either party, whenever in its own judgment determines Economy Energy is available, may offer Economy Energy to the other party. Promptly upon receipt of any such offer the receiving party shall notify the supplying party of the extent to which it desires to use such economy energy. Schedules providing the periods and extent of use shall be mutually agreed upon.

SECTION 3 - COMPENSATION

ECONOMY ENERGY

Economy Energy supplied hereunder shall be considered as displacing electric energy that otherwise would have been generated by the receiving party at its own electric generating stations or any electric energy from third parties mutually agreed to be subject to displacement hereunder. Economy Energy shall be settled for at rates which shall be predicated upon the principle that savings resulting from the use of Economy Energy shall be divided equitably among the parties. Prior to any transaction involving the sale and purchase of Economy Energy, authorized representatives of the parties shall determine and agree upon the rate applicable to such transaction. A charge for generating unit start-up and other incidental costs necessary to make the Economy Energy available may be made if applicable. This charge shall be

SERVICE SCHEDULE E

OTHER ENERGY

SECTION 1 - DURATION

1.1 This Service Schedule, a part of and under the Interchange Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Interchange Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.

1.2 Either party upon at least one year prior written notice to the other party may terminate this schedule.

SECTION 2 - SERVICES TO BE RENDERED

2.1 It is recognized that from time to time occasions will arise when one of the parties may have electric energy (hereinafter called "Other Energy") available from surplus capacity on its own system and/or from sources outside its own system that can be utilized advantageously for short intervals by the other party.

2.11 It shall be the responsibility of the party desiring the receipt of the Other Energy to initiate the purchase and sale of such energy. The party desiring such receipt of energy shall inform the other party of the extent to which it desires to use Other Energy.

agreed upon between the parties prior to the transaction and included in the energy charge.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

BY: T. C. Nichols, Jr.
T. C. Nichols, Jr.
Vice President & Group Executive
Power Production & System Operations

ATTEST:

H. M. Bryant
H. M. Bryant
Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BY: William C. Mescher
William C. Mescher
President & Chief Executive Officer

ATTEST:

L. P. Dorman
L. P. Dorman
Secretary



ARC PUBLIC DOCUMENT ROOM

**SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
SANTEE-COOPER**

**ELECTRIC AND NAVIGATION SYSTEM
MONCK'S CORNER, SOUTH CAROLINA 29461**

POST OFFICE BOX 394
TELEPHONE 899-2121

PRINCIPAL OFFICE

February 3, 1967

Mr. J. C. Ray
Distribution Manager
South Carolina Electric and Gas Company
P. O. Box-196
St. Matthews, South Carolina



Dear Mr. Ray:

Enclosed herewith is fully executed License to the South Carolina Electric and Gas Company for the construction, operation and maintenance of electric power line in regard to the electric service to Authority lessees in its Belvedere Subdivision, Section-II, Orangeburg County, South Carolina.

Yours truly,


David L. Richardson
Land Agent

DLR:mlw
Enclosure

STATE OF SOUTH CAROLINA)
)
COUNTY OF ORANGEBURG.)

LICENSE

KNOW ALL MEN BY THESE PRESENTS, That the South Carolina Public Service Authority, hereinafter called the "Authority," for and in consideration of the sum of one (\$1.00) dollar, to it in hand paid by the South Carolina Electric and Gas Company, hereinafter called the "Company," subject to the conditions and restrictions hereinafter set out, grants unto the Company the license, right and privilege to construct, operate and maintain an electric power line with wires, poles, and other fixtures and appurtenances, in the streets and drives of Belvedere Subdivision, Section II, in Orangeburg County, S. C.:

Said line shall be located as shown in red on the Authority's Drawing No. B-910, dated 11-14-66, revised 12-5-66, entitled "Belvedere Subdivision, Section II," and as shown in red by Authority's Land Map No. 52, dated 6-5-39, revised 2-3-65, both of which drawings are on file in the offices of the Authority in Moncks Corner, S. C., and are hereby made a part of this description. Said line traverses portions of the Authority's Tracts SR-284 and SR-285 near Lake Marion. Poles shall be installed approximately one (1) foot inside lot lines.

Said line shall be so constructed, operated and maintained as to in no way obstruct, block or interfere with any roads, streets or drives. The Company shall have the right to clear and keep clear trees and brush within ten (10) feet on each side of the center line of said electric power line. The Company shall have the right of access to said line by means of the streets and drives of Belvedere Subdivision, Section II. Said right of access shall be in common with the use of

said streets and drives by others having occasion to use the same.

The Company shall indemnify and hold the Authority harmless from all loss, cost, damage and expense, and from all claims and demands therefor from any and all persons whomsoever, arising from or in any way connected with the exercise of any rights or privileges granted or conferred by this instrument.

All rights granted or conferred hereunder shall be subject and subordinate to the right of the Authority to manipulate or change the water levels of Lake Marion and its tributaries, and to flood, sub, erode, or seep said property, or in any other manner damage or injure the same or any portion thereof.

The Authority makes no warranty whatsoever as to its title or right to the property herein described, and only grants the rights set out in this instrument insofar as the Authority's rights and titles extend.

The Authority may cancel or terminate this license and all rights hereunder at any time by first giving six (6) months' notice in writing of such termination or cancellation to the Company, and on the date specified in such notice this license shall expire. On or before the effective date of such termination or cancellation the Company shall at its own expense, remove its said wires, poles, and other fixtures and appurtenances, and in the event that such wires, poles, and other fixtures and appurtenances are not so removed by the Company, the Authority may remove the same and the Company shall pay all costs and expenses incurred by the Authority incident to such removal.

The acceptance of this instrument by the Company, and/or the exercise by it of all or any of the rights or privileges herein granted shall constitute an agreement on the part of the Company to comply with all of the terms hereof.

IN WITNESS WHEREOF, The South Carolina Public Service

and its corporate seal hereto affixed by J. B. Thomason, its
General Manager, and L. P. Dorman, its Secretary, thereunto duly
authorized, this 2nd day of February, in

the year of our Lord one thousand nine hundred sixty-seven.

WITNESS:

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Rebecca K. Smith

By J. B. Thomason
J. B. Thomason, General Manager

Margaret C. Tiencken

ATTEST: L. P. Dorman
L. P. Dorman, Secretary

(SEAL OF AUTHORITY)

STATE OF SOUTH CAROLINA,
COUNTY OF BERKELEY.

PERSONALLY appeared before me Rebecca K. Smith
and made oath that she saw J. B. Thomason, as General Manager,
and L. P. Dorman, as Secretary, of the South Carolina Public
Service Authority, sign, seal and as the act and deed of said
Authority deliver the within written License; and that she with
Margaret C. Tiencken witnessed the due execution thereof.

SWORN to before me this 2nd day
of February, 1967

Rebecca K. Smith

Margaret C. Tiencken (SEAL)
Notary Public for South Carolina

SERVICE AGREEMENT FOR THE SUPPLY OF WHOLESALE ELECTRIC POWER SERVICE TO MUNICIPALITIES, PUBLIC POWER BODIES, AND RURAL ELECTRIC COOPERATIVES

This Agreement, made and entered into this 6th day of November, 1973, by and between SOUTH CAROLINA ELECTRIC & GAS COMPANY, hereinafter referred to as "Company," and SOUTH CAROLINA PUBLIC SERVICE AUTHORITY hereinafter referred to as "Customer."

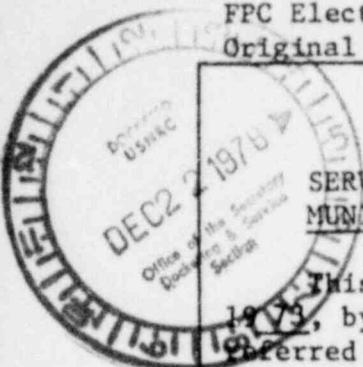
W I T N E S S E T H:

That in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree with each other as follows:

1. Company shall sell and deliver to Customer, and Customer shall purchase and receive from Company, electric service as specified on Exhibit A attached hereto and made a part hereof, or on any successor exhibit. If electric service is to be furnished at more than one point of delivery, an Exhibit A shall be executed and attached hereto for each such point of delivery.
2. For said electric service, furnished to Customer in accordance with the General Terms and Conditions of the Company's FPC Electric Tariff, Customer shall pay to Company monthly during the term of this Agreement at the rates and charges and under the provisions contained in Resale Service Schedule SR-1, or Resale Service Schedule SR-2, whichever is applicable, or any successor schedule(s) included in Company's FPC Electric Tariff. It is recognized that Company's FPC Electric Tariff and the terms, conditions, rates, and rate schedules included therein are subject to changes or substitutions, either in whole or in part, made from time to time by a legally effective filing of Company with, or by order of, the regulatory authority having jurisdiction, and both Company and Customer shall have the right to seek unilaterally changes or substitutions from such regulatory authority.
3. This Service Agreement adopts by reference all of the provisions of Company's FPC Electric Tariff as the same may be so amended from time to time.
4. Bills rendered for electricity supplied hereunder are due and payable when rendered at Company's principal office.

Issued by:
Allan C. Mustard
Senior Vice President
Issued on: February 27, 1973

Effective: June 15, 1973



5. This Service Agreement shall remain in effect from the date of execution with respect to each delivery point shown in an Exhibit A attached hereto, or on any successor exhibit, until terminated by either party by giving to the other party at least two years' written notice, specifying the point or points of delivery with respect to which service is to terminate and specifying the date of termination as to each such delivery point; provided, however, the initial term for service at a point of delivery stated in an Exhibit A shall not be less than ~~ten (10)~~ ^{five (5)} years from the effective date shown on the Exhibit A for such point of delivery.

7/15/73
SAC

6. The terms and conditions of this Agreement cannot be added to, varied or waived, either verbally or in writing by any agent, solicitor or other person connected with the Company on its behalf except by an authorized officer of the Company in writing.

In Witness Whereof, Company and Customer have caused this Service Agreement to be executed in duplicate in their names by their respective duly authorized officials, as of the day and year first above written.

Witness:

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
Name of Customer

By Margaret M. Johnson

By J B Thomson

Witness:

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By Emmie E. Timmerman

By Walter D. ...

APPROVED
TO EFFECT
Nov 8, 1973
W
NOT PREPARED
FOR APPROVAL
PRIOR TO
EXECUTION

Issued by:
Allan C. Mustard
Senior Vice President
Issued on: February 27, 1973

Effective: June 15, 1973

EXHIBIT A

DELIVERY POINT AND SERVICE SPECIFICATIONS

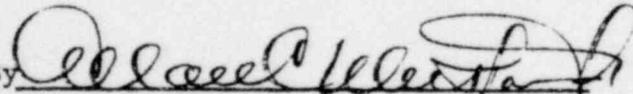
1. Name of Customer: SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
2. Location of point of delivery: Company's McMeekin-Williams Station 115 KV line, south of the Saluda River at a point generally opposite Continental Can Co., Inc. which is located on Bush River Road north of the Saluda River in Lexington County, South Carolina.
3. Description of electricity:
Electricity supplied by Company will be three phase, three (3) wire, alternating current of approximately 60 cycles, at a nominal voltage of 115,000 volts, for an initial contract demand of 3,000 KW and a maximum demand of 30,000 KW.
4. Metered Voltage: 12,470 and 24,940
5. Location of Meter: Totalized 12,470 and 24,940 volt buses of Mid-Carolina Electric Cooperative's Woodland Hills Substation, which is near Continental Can Co., Inc. with adjustment for substation transformer bank losses.
6. Effective date: July 3, 1973
7. Provisions for special facilities or conditions: See Sheet No. 2 of Exhibit A "Delivery Point and Service Specifications."

In Witness Whereof, Company and Customer have each caused this Exhibit to Service Agreement for the Supply of Electric Service at Wholesale to Municipalities, Public Power Bodies, and Rural Electric Cooperatives, dated July 3, 1973, to be executed in their names by their respective duly authorized officials on this 6th day of November, 1973.

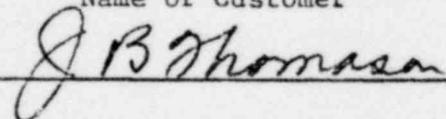
SOUTH CAROLINA ELECTRIC & GAS COMPANY

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
Name of Customer

By



By



Issued by:
Allan C. Mustard
Senior Vice President
Issued on: February 27, 1973

Effective: June 15, 1973

EXHIBIT A

DELIVERY POINT AND SERVICE SPECIFICATIONS

7. Provisions for special facilities or conditions:

- (a) Rate for billing is Schedule SR-1. If and when the Company's Rate Schedule SR-2 proves to be more beneficial to the Customer than Rate Schedule SR-1, then Rate Schedule SR-2 will be offered to the Customer for a period of not less than one (1) year.
- All facilities hereinafter referred to as being installed, owned, and operated by the Customer will actually be installed and owned by Central Electric Power Cooperative, Inc., and leased to the Customer for operation pursuant to Lease Contracts dated January 1, 1950, October 22, 1952, and April 25, 1963, and Amendments hereto between the Customer and Central and all provisions of this Agreement as they relate to such leased facilities are subject to the provisions of such lease contract.
- (c) The Customer shall construct, own, and operate a 115 KV transmission line with a minimum conductor size of 477 MCM ACSR from the point of service to a new substation known as Woodland Hills owned by Mid-Carolina Electric Cooperative, Inc., located south of the CN&L Railroad and north of the Saluda River in the vicinity of Continental Can Company. The Customer agrees that no additional extensions of this 115 KV service shall be made without prior written approval of the Company.
- (d) The Company shall install, own, operate and maintain the necessary switching equipment at the point of service which may be reasonably necessary to enable the Customer to satisfactorily receive and use the electric energy hereunder and to protect the system of the Company. Upon installation of this equipment, the Customer shall pay or cause to be paid to the Company the total actual cost of said installation. The Customer shall make all final connections to its system at the point of service.
- (e) The Customer shall install or cause to be installed and maintain an automatic interrupting device, suitable to the Company, on the primary side of the Mid-Carolina station transformer.
- (f) The Customer shall own, install, and maintain the necessary metering equipment of the 12,470 and 24,940 buses of Mid-Carolina Electric Cooperative's substation. The Company shall own, install, and maintain the electric meters.
- (g) In Article 4, Facilities and Access, Paragraph (-), of the General Terms and Conditions, "premises of customer " shall be construed to mean property of Central Electric Power Cooperative, Inc. and Mid-Carolina Electric Cooperative, Inc. for purposes of this Agreement.
- (h) The initial term of service shall be ^{five(5)} ~~ten(10)~~ years.

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RESALE SERVICE TO MUNICIPALITIES, PUBLIC
POWER BODIES, AND REA COOPERATIVES

Schedule SR-2

AVAILABILITY

This rate is available to any municipality, public power body, or REA cooperative using the Company's service for power and light requirements and having demands of 2,000 KW or over.

CHARACTER OF SERVICE

Alternating current, 60 cycle, three phase; at the delivery voltage which shall be specified by the Company.

RATE PER MONTH

Demand Charge:

First2,000 KW of Billing Demand for \$3,900.00
Excess over.....2,000 KW of Billing Demand @ \$1.95 per KW

The billing demand (to the nearest whole KW) shall be the greatest of: (1) the maximum integrated fifteen minute demand measured during the current month; (2) seventy percent (70%) of the highest demand occurring during the eleven preceding months; (3) the contract demand; or (4) 2,000 KW.

The customer shall maintain a power factor of as nearly unity as is practicable. If the power factor of the customer's installation falls below 85%, the Company will adjust the billing demand to a basis of 85% power factor.

Energy Charge:

All Kilowatt-hours @\$0.00667 per Kwhr.

DISCOUNT

A discount of 15c per KW of Billing Demand will be allowed when the service is supplied at a delivery voltage of 46,000 volts or higher.

FUEL ADJUSTMENT CLAUSE

Current net monthly bills shall be increased or decreased, per kilowatt-hours, by an amount equal to \$0.00001 (1/1000 of 1c) per kilowatt-hour for each one-tenth cent (1/10c) or major fraction thereof that the fuel price increases above \$0.456 per million BTU or decreases below \$0.456 per million BTU of fuels burned in the Company's own generating stations. Such increases and decreases shall be determined from the weighted average fuel costs charged to the Company's electric generating stations during the preceding calendar month from Account 151 (Uniform System of Accounts for Public Utilities and Licensees, effective January 1, 1970) and multiplied by a factor representing the proportion that the Company's steam and internal combustion generation in kilowatt-hours bears to the total generation in kilowatt-hours, including hydroelectric generation, plus purchased power and plus or minus net interchange during the 12 months ending with the same preceding calendar month.

MINIMUM CHARGE

The monthly minimum charge is the demand charge as determined above.

PAYMENT TERMS

All bills are net and payable when rendered.

RULES AND REGULATIONS

Service under this rate is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Terms and Conditions" and contract agreements applicable to Rate Schedules SR-1 and SR-2.

Issued by:
Allan C. Mustard
Senior Vice President
Issued on: February 27, 1973

Effective: June 15, 1973

POOR ORIGINAL

RESALE SERVICE TO PUBLIC POWER
BODIES AND REA COOPERATIVES

Schedule SR-1

AVAILABILITY

This rate is available to any public power body and REA cooperative using the Company's service for power and light requirements.

CHARACTER OF SERVICE

Alternating current, 60 cycle, three phase; at the delivery voltage which shall be specified by the Company.

RATE PER MONTH

Energy Charge:

All Kilowatt-hours @.....\$0.01122 per Kwhr.

FUEL ADJUSTMENT CLAUSE

Current net monthly bills shall be increased or decreased, per kilowatt-hour, by an amount equal to \$0.00001 (1/1000 of 1¢) per kilowatt-hour for each one-tenth cent (1/10¢) or major fraction thereof that the fuel price increases above \$0.456 per million BTU or decreases below \$0.456 per million BTU of fuels burned in the Company's own generating stations. Such increases and decreases shall be determined from the weighted average fuel costs charged to the Company's electric generating stations during the preceding calendar month from Account 151 (Uniform System of Accounts for Public Utilities and Licensees, effective January 1, 1970) and multiplied by a factor representing the proportion that the Company's steam and internal combustion generation in kilowatt-hours bears to the total generation in kilowatt-hours, including hydroelectric generation, plus purchased power and plus or minus net interchange during the 12 months ending with the same preceding calendar month.

MINIMUM CHARGE

The monthly minimum charge shall be \$1.95 per KW of the greatest of: (1) the maximum integrated fifteen minute demand measured during the current month; (2) seventy percent (70%) of the highest demand occurring during the eleven preceding months; (3) the contract demand.

PAYMENT TERMS

All bills are net and payable when rendered.

RULES AND REGULATIONS

Service under this rate is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Terms and Conditions" and contract agreements applicable to Rate Schedules SR-1 and SR-2.

General Terms and Conditions

1. CONTRACT FOR SERVICE

(a) As a condition precedent to Company's supplying electric service under this tariff, Customer shall execute a Service Agreement in the form hereinafter provided. When executed by Customer and Company, such Service Agreement, the applicable Resale Rate Schedule, and these General Terms and Conditions shall constitute the Contract for Service between Company and Customer. When executed, a Service Agreement may be thereafter modified only by a written instrument.

However, acceptance of electric service by Customer at any point of delivery shall bind Customer to the provisions of this tariff the same as if such a Service Agreement had been executed.

(b) In the event of any conflict between these General Terms and Conditions and the provisions of the Service Agreement or applicable rate schedules, the provisions of the Service Agreement or applicable rate schedules shall govern.

(c) Any and all parts of the Contract for Service, including the rate and rate schedules, the Service Agreement and exhibits thereto, and these General Terms and Conditions, are subject to changes or substitutions, either in whole or in part, made from time to time by a legally effective filing of Company with, or by order of, the regulatory authority having jurisdiction, and both Company and Customer shall have the right to seek unilaterally changes or substitutions from such regulatory authority.

2. CONDITIONS OF SERVICE

(a) Company's obligation to deliver electricity on the date specified for service to a point of delivery is contingent upon its ability to acquire, at a sufficient time prior to the date for commencement of such service, the necessary rights-of-way and equipment for providing such service.

(b) With respect to facilities installed by Company for service to Customer, Company reserves the right to use any available capacity of such facilities not needed for such service to supply other customers of Company.

3. ELECTRICITY SUPPLIED

(a) Company will supply electricity to Customer in the form of three-phase, alternating current at a frequency of approximately 60 cycles at

such delivery points: (1) as may be established on the Company's system where the operating voltage is 46 KV, 115 KV, or 230 KV; or (2) at other points agreed upon by the Company and the Customer.

(b) All service required at the point of delivery by the Customer shall be furnished through one meter.

(c) Customer will provide, install, operate and maintain all necessary lines, substations, transformers, and other equipment necessary to utilize the electric service delivered hereunder, including the switching and protective equipment to be installed at the point of delivery.

(d) Normal variation in voltage will be limited to plus or minus 10% of the nominal voltage agreed upon. Should the delivered voltage regularly exceed the 10% variation from the specified nominal voltage, Company will remedy such condition and bring the voltage within such limits.

(e) Company will supply electricity at the nominal voltage desired by Customer pursuant to the provisions of this Tariff provided it is available generally in the area in which the service is desired. For points of delivery existing on the date these General Terms and Conditions become effective, the nominal voltage supplied shall be Company's present nominal delivery voltage at such points.

(f) Electricity supplied by Company shall not be electrically connected with any other source of electricity without reasonable written notice to Company and agreement by the parties on such measures or conditions, if any, as may be required for the protection and reliability of both systems.

4. FACILITIES AND ACCESS

(a) All wiring, pole lines, conductors, transformers, meters and other electrical equipment beyond the point of delivery on the Company's interconnected system, except Company's metering equipment, shall be considered the system of Customer and shall be paid for, installed and maintained by Customer. Customer shall install and maintain suitable protective devices on its system in order to afford reasonably adequate protection to the facilities of Company against trouble originating on Customer's system. Such protective devices shall be in accordance with Company standards relating to such equipment.

Customer shall not utilize or allow to be utilized any equipment, appliance or device which tends to affect adversely Company's supply of service to, or in the use of service by, Customer or others. Customer shall maintain a reasonable electrical balance between the phases at each point of delivery. Customer shall install and maintain adequate protective devices.

Issued by:
Allan C. Mustard
Senior Vice President
Issued on: February 27, 1973

Effective: June 15, 1973

Customer will be the owner and have exclusive control of all electricity after it passes the point of delivery.

(b) Company shall install, own, operate and maintain all lines and equipment located on its side of the point of delivery, except that the meter and metering equipment may, at Company's option, be located on Customer's side of the point of delivery. In such cases, Customer shall provide a location, acceptable to Company, for the installation of such metering equipment.

(c) When Customer requests Company to supply electricity in a manner requiring facilities in addition to or different than those normally provided by Company, Company will provide such facilities, on its side of the point of delivery, if it finds it practicable to do so, under the following conditions:

1. The Service Agreement between the parties shall set forth appropriate provisions concerning the installation and maintenance of the additional facilities and to provide for adequate compensation by Customer to the Company for the additional facilities.
2. The facilities will be of a kind and type used by, or acceptable to, Company and will be installed in a place and in a manner acceptable to Company.
3. Customer will pay to Company, on a monthly basis, the fixed charges associated with the investment in, and the installation of, such additional facilities or shall pay to the Company as a contribution to construction the total costs of installation of such additional facilities. The investment cost shall be based on current prices.

(d) Except where the parties have agreed otherwise in writing, Company will continue to provide deliveries at the voltage specified in Exhibit A to the Service Agreement for each point of delivery. Changes in delivery voltage at existing delivery points shall be made only by mutual agreement.

The Company shall provide the same degree of regulation as it provides on its own transmission system in similar circumstances. The portion of Customer's electric system supplied through any point of delivery under this Tariff shall not be connected at any time with any other source of power unless previously agreed in writing by Company.

(e) The duly authorized agents of Company shall have the right of access to the premises of Customer at all reasonable hours for the purpose of installing facilities, reading meters, inspecting Company's wiring and apparatus, changing, exchanging, or repairing its property on the premises of Customer and moving such property at the time of or at any time after suspension of service or termination of the Service Agreement.

(f) Customer and Company shall each protect the other party's facilities and equipment located on its premises and shall permit no one but the other party's qualified representatives to handle same. In the event of any loss of or damage to the property of one party caused by or arising out of the carelessness, neglect or misuse of the other party or its representatives, the responsible party shall reimburse for the loss or damage occasioned thereby. Company and Customer shall each indemnify and save harmless the other from and against any and all legal and other expenses, claims, cost, losses, suits or judgments for damages, for injuries to or death of persons or damage to or destruction of property, arising in any manner directly or indirectly by reason of the acts of such authorized agents and employees of the other party on the premises of the property of the other under the right of access provided herein.

5. BILLING AND PAYMENT

(a) Company's meters will be read as nearly as practicable at regular intervals of not less than 27 days and not more than 33 days. Where term "Month" or "Monthly" is used in this Tariff it shall mean the interval transpiring between the previous meter reading date and the current meter reading date and bills shall be rendered accordingly. If the period covered by a bill is for less than 27 days or more than 33 days the demand charge shall be prorated based on the ratio of the number of days service is rendered to the number of days in the billing month.

(b) If Company is unable to read a meter for any reason, Customer's use may be estimated by Company on the basis of Customer's use during the next preceding billing period for which readings were obtained, unless in Company's or Customer's opinion the use of such billing period is inappropriate. In that event the Company and the Customer shall mutually agree on use. A bill rendered on the basis of such estimate shall be as valid as if made from actual meter readings.

(c) Bills for electric service shall be computed under the applicable rate schedules and shall be due and payable when rendered.

(d) Failure to receive a bill from the Company will not entitle the Customer to any delay in the settlement of each month's account. A charge of 1½% will be added to any unpaid balances brought forward from a previous billing.

(e) The Company shall also have the right to discontinue the delivery of electric energy to Customer in the event Customer shall fail to pay any sum due, or, in the event Customer otherwise violates, or fails to comply with, the provisions of this Tariff; provided that the Company shall give Customer at least sixty (60) days' written notice of its intention to discontinue the delivery of electric energy and the reason therefor. Customer shall have such period in which to pay such sum or cure such default; provided, however, that the foregoing shall not be applicable to the extent that a bona fide dispute exists.

(f) Failure of Company to resort to any legal remedy or to exercise any one or more alternative remedies, shall not waive or in any manner affect Company's right later to resort to any one or more of such rights or remedies on account of any such grounds then existing or which may subsequently occur.

(g) No claim or demand which Customer may have or assert against Company shall be set off or counterclaimed against the payment of any sum of money due Company hereunder and all such sums shall be paid as herein provided regardless of any such claim or demand.

6. METERING

(a) The electric power and energy delivered hereunder will be measured at or as of the point(s) of delivery. When measurement is made at any location other than at the point of delivery, provision shall be made to compensate for losses between the point of measurement and the point of delivery.

(b) Company will read its meters, for billing purposes, on or about the same date in each calendar month so that twelve bills will be rendered in each calendar year.

(c) In the event that the meter fails to register within the limits of two percent (2%) fast or slow, or for any other reason fails to register the amount of electricity received by Customer, Company shall estimate the amount and shall bill Customer on the basis of such estimate. Such estimate shall be based on all known pertinent facts. Company shall refund or credit to Customer, or Customer shall pay to Company, whichever is applicable, the difference between the amount billed and the estimated amount which should have been billed for service supplied during the two immediately preceding billing periods. If the meter has not been in service for two full preceding billing periods, or if the

Issued by:
Allan C. Mustard
Senior Vice President
Issued on: February 27, 1973

Effective: June 15, 1973

date of error can be fixed to be within such periods, then the estimated amount to be refunded for Company or paid by Customer shall reflect these factors.

(d) Company will make periodic tests of its metering equipment. At Customer's request Company will test its metering equipment at no charge to Customer provided Company has not made a test within the last six months. If the metering has been tested within the last six months and on the requested test is found to be measuring within the limits of plus or minus 2% accuracy, Customer will reimburse Company for the cost of the requested test.

7. POWER FACTOR

The Customer shall maintain or cause to be maintained a power factor of as nearly unity as is practicable. If the power factor of the Customer's system falls below eighty-five percent (85%), the Company will adjust the billing to a basis of eighty-five percent (85%) power factor.

8. ADDITIONAL POINTS OF DELIVERY

Additional delivery points will be furnished in accordance with the provisions of the applicable Rate Schedule. The capacity and delivery voltage for each such additional point of delivery shall be as set forth in an Exhibit A to be attached to the Service Agreement.

9. COMMENCEMENT AND CONTINUITY OF SERVICE

(a) In the event that Company is delayed in the delivery of electric service because of the matters covered in Section 2(b) above, or because of injunction, strike, riot, invasion, flood, fire, explosion, breakdown, acts of God or the public enemy, or any cause beyond its control, the time specified for the commencement of delivery of electric service and the term of the Service Agreement, shall be correspondingly extended.

(b) Company shall not be liable to Customer, nor shall Customer be liable to Company, for failure of Company to deliver or of Customer to receive electric service because of injunction, strike, riot, invasion, flood, fire, explosion, breakdown, acts of God or the public enemy, or by any cause beyond the control of the party affected.

(c) Company does not guarantee continuous service but shall use reasonable diligence at all times to provide an uninterrupted supply of electricity and having used reasonable diligence shall not be liable to Customer for damages for failure of, or for interruptions or suspension of, the same.

(d) Company reserves the right to suspend service without liability on its part at such times and for such periods and in such manner as it may deem advisable for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations, and facilities, and in cases where, in its opinion, the continuance of service to Customer would endanger persons or property.

(e) In the event of an adverse condition or disturbance on the system of Company, or on any other system directly or indirectly interconnected with it, which involves automatic or manual interruption of the supply of electricity to some customers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, Company may, without incurring liability, interrupt service to Customer and take such other action as appears reasonably necessary.

(f) Customer assumes responsibility for and shall indemnify, defend and save Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to Customer and its employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on Customer's side of the point(s) of delivery.

10. TERM

The Contract For Service with respect to each delivery point shall remain in effect from the date of execution thereof until terminated by either party by giving the other party at least two years' written notice, specifying the point or points of delivery where service is to be terminated and specifying the date of termination as to each such delivery point; provided, however, the initial term for service at a point of delivery shall be not less than ~~two (2)~~ ^{five (5)} years from the effective date shown on the Exhibit A for such point of delivery.

11. EXISTING CONTRACTS

Contracts and/or Service Agreements which are in force on the date this Tariff becomes effective, shall remain in force until terminated as provided therein. During their continuation they shall be subject to these General Terms and Conditions, which supersede the "Service Regulations" for those contracts of which the "Service Regulations" are a part, or the equivalent provisions of those contracts of which the "Service Regulations" are not a part. Upon the termination of any such contract or Service Agreement, electric service shall thereafter be available only in accordance with the provisions of this Tariff.

Issued by:
Allan C. Mustard
Senior Vice President
Issued on: February 27, 1973

Effective: June 15, 1973

Continuation of existing Contracts and/or Service Agreements shall not affect the right of either party to seek unilaterally changes or substitutions in the rates of conditions of service under said Contracts and/or Service Agreements.

Issued by:

Allan C. Mustard

Senior Vice President

Issued on: February 27, 1973

Effective: June 15, 1973

REID & PRIEST

40 WALL STREET
NEW YORK, N. Y. 10003
212 344-2233

FEB 5 4 14 PM '73
WASHINGTON OFFICE
1701 K STREET, N.W.
WASHINGTON, D. C. 20006
202 638-3752

CABLE ADDRESS
"REIDAPT"

Washington, D. C.
February 5, 1973

Federal Power Commission
Washington, D. C. 20426

Attention: Mr. Kenneth F. Plumb, Secretary

Gentlemen:

Enclosed herewith for filing with the Commission pursuant to Part 35 of the Regulations under the Federal Power Act are two copies of an agreement between South Carolina Electric & Gas Company ("Company") and the South Carolina Public Service Authority ("Authority"), dated August 9, 1972.

By virtue of certain power contracts between the Authority and Central Electric Power Cooperative, Inc., the Authority furnishes electric energy to distribution members of Central, one of whom is Mid-Carolina Electric Cooperative, Inc. Under the attached contract, the Authority will purchase electric energy from the Company for delivery to Mid-Carolina Electric Cooperative, Inc., at a new substation known as Woodland Hills. The Company's service point will be on its McMeekin-Williams Street 115 kv line and the Authority will construct, own and operate a 115 kv line from the point of service to this new Woodland Hills substation. Enclosed are two copies of a single line diagram showing the proposed facilities.

The enclosed agreement would provide for the delivery of a minimum of 3,000 kva and a maximum of 30,000 kva of electric energy by the Company at the aforementioned point of delivery. Service is expected to commence on or about March 1, 1973 for a term of five (5) years and continuing thereafter for terms of five (5) years from each expiration date.

Article 4 of the enclosed contracts sets forth the rates for such service. Whereas there is no demand charge for the service specified in the contract, there is an energy

POOR ORIGINAL

February 5, 1973

charge of \$0.0075 per kwh subject to adjustment because of increases or decreases in the Company's cost of fuel. The rates and the fuel clause are identical to those contained in FPC Rate Schedule No. 31, as supplemented. There is also a minimum monthly bill charge. The contract further provides that, when the Company's Rate Schedule No. 23 (High Load Factor Service) with the fuel clause in the contract proves to be more beneficial to the Authority, then Rate Schedule No. 23 as amended will be offered to the Authority for a five (5) year term. The rates specified in the contract were arrived at by negotiation.

Enclosed are two copies of the estimates by months and for the year of the quantities of service to be rendered and of the revenues to be derived therefrom during the twelve-month period commencing March 1973.

Article 1 of the contract indicates that service was expected to commence on or about January 1, 1973. The Company was advised by letter dated January 25, 1973 from the Authority that construction of the new facilities to effectuate this sale would be completed by March 1, 1973 and it is now anticipated that service will commence on that date. Upon being so informed, the Company has sought to file the attached contract as promptly as practicable. Accordingly, the Company respectfully requests that the Commission assign an effective date of March 1, 1973 and, pursuant to Section 35.11, also requests a waiver of the 30-day notice requirement on the basis of the foregoing reason.

Additionally, a check in the amount of \$100 is enclosed to cover the requisite filing fee prescribed by the Commission's Regulations under the Federal Power Act.

Service upon the Authority has been made in accordance with Section 35.2(d). If further information is required, please advise the undersigned or George H. Fischer, Esq., Vice President and General Counsel, South Carolina Electric & Gas Company.

Respectfully submitted,

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By

J. Richard Tiano
J. Richard Tiano
Its Attorney

Enclosure

POOR ORIGINAL

(1) Name of Filing Utility

South Carolina Electric & Gas Company

(2) Name of Utility Receiving Service

South Carolina Public Service Authority

(3) Brief Description of Contract

South Carolina Public Service Authority will purchase electric energy for delivery to Mid-Carolina Electric Cooperative, Inc.

POOR ORIGINAL

SOUTH CAROLINA ELECTRIC & GAS COMPANY

CONTRACT FOR ELECTRIC SERVICE

This Agreement, made this 9th day of August, 1972, ^{FEB 5 4 15 PM '73}

by and between SOUTH CAROLINA ELECTRIC & GAS COMPANY, hereinafter referred to as the "Company" and the SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, hereinafter referred to as the "Authority."

WHEREAS, by virtue of certain power contracts between the Authority and Central Electric Power Cooperative, Inc., the Authority furnishes electric energy to the distribution electric cooperative members of Central, one of whom is Mid-Carolina Electric Cooperative, Inc., and

WHEREAS, the Authority desires to purchase from the Company electric energy to be delivered to Mid-Carolina Electric Cooperative, Inc., at a new substation known as Woodland Hills, and

WHEREAS, all facilities hereinafter referred to as being installed, owned and operated by the Authority will actually be installed and owned by Central Electric Power Cooperative, Inc., and leased to the Authority for operation pursuant to Lease Contracts dated January 1, 1950, October 22, 1952, and April 25, 1963, and Amendments thereto between the Authority and Central and all provisions of this Agreement as they relate to such leased facilities are subject to the provisions of such lease contract.

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the parties hereto for themselves, their successors and assigns, contract and agree with each other as follows, namely;

Article 1. That for and during the term of five (5) years, beginning on the date service is established, which is estimated will be on or about January 1, 1973, and continuing thereafter for terms of five (5) years from each expiration date, unless at least two (2) years prior to the expiration of the initial term of this Agreement,

POOR ORIGINAL

or any subsequent term thereafter, either party shall notify the other in writing of its desire to terminate this Agreement, the Company agrees to sell and deliver a minimum of 3000 KVA and a maximum of 30,000 KVA of electric energy at the delivery point herein described.

Article 2. The electric energy to be supplied hereunder shall be in the form of alternating current, three phase, three wire, delta connected service at a frequency of approximately sixty (60) cycles and at a nominal voltage of 115,000 volts.

The Company's service point shall be on the Company's McMeekin-Williams Street 115 KV line, south of the Saluda River at a point generally opposite Continental Can Company Inc. which is located on Bush River Road, north of the Saluda River in Lexington County, South Carolina.

The Authority shall construct, own, and operate a 115 KV transmission line with a minimum conductor size of 477 MCM ACSR from the point of service to a new substation known as Woodland Hills owned by Mid-Carolina Electric Cooperative, Inc., located south of the CN&L Railroad and north of the Saluda River in the vicinity of Continental Can Company. The Authority agrees that no additional extensions of this 115 KV service shall be made without prior written approval of the Company.

The demand and energy shall be metered by totalizing the energy from a 12,470 bus and a 24,900 volt bus. The recorded energy consumed by the Authority shall be adjusted to include substation transformer losses. Calculations of these transformer losses shall be based upon data supplied by the manufacturer of the transformers in use in Mid-Carolina Electric Cooperative, Inc.'s substation. A schematic diagram showing the general intent of the metering and relaying is attached and made a part hereof.

Article 3. The Company shall install, own, operate and maintain the necessary switching equipment at the point of service which may be reasonably necessary to enable the Authority to satis-

POOR ORIGINAL

factorily receive and use the electric energy hereunder and to protect the system of the Company. Upon installation of this equipment, the Authority shall pay or cause to be paid to the Company the total actual cost of said installation. The Authority shall make all final connections to its system at the point of service.

The Authority shall install or cause to be installed and maintain an automatic interrupting device, suitable to the Company, on the primary side of the Mid-Carolina station transformer.

The Authority shall own, install, and maintain the necessary metering equipment, ~~of the 12,470 and 24,900 buses of Mid-Carolina Electric Cooperative's substation.~~ ^{also} of the 12,470 and 24,900 buses of Mid-Carolina Electric Cooperative's substation. The Company shall own, install and maintain the electric meters.

Article 4. The Authority agrees to pay monthly for the electric energy delivered hereunder as follows:

RATE PER MONTH

Demand Charge:

None

Energy Charge:

All Kilowatt-hours \$0.0075 per Kwhr.

FUEL ADJUSTMENT CLAUSE

Current net monthly bills shall be increased or decreased, per kilowatt-hour, by an amount equal to \$0.00001 (1/1000 of 1¢) per kilowatt-hour for each one-tenth cent (1/10¢) or major fraction thereof that the fuel price increases above \$0.30 per million BTU or decreases below \$0.30 per million BTU of fuels burned in the Company's own generating station. Such increases and decreases shall be determined from the weighted average fuel costs charged to the Company's electric generating stations during the preceding calendar month from Account 151 (Uniform System of

Accounts for Public Utilities and Licensees, effective January 1, 1970) and multiplied by a factor representing the proportion that the Company's steam and internal combustion generation in kilowatt-hours bears to the total generation in kilowatt-hours, including hydroelectric generation, plus purchased power and plus or minus net interchange during the twelve (12) months ending with the same preceding calendar month.

MINIMUM MONTHLY BILL

The monthly minimum charge shall be One and One-half (\$1.50) Dollars per KW of the maximum integrated fifteen minute demand measured during the current month or seventy (70%) percent of One and One-half (\$1.50) Dollars per KW of the highest demand occurring during any of the eleven (11) preceding months; or Four Thousand Five Hundred (\$4,500.00) Dollars, whichever is highest.

The Company shall make an annual analysis of the billing of the account. If and when Company's Rate Schedule No. 23 with the aforementioned Fuel Adjustment Clause substituted for that of the published tariff proves to be more beneficial to the Authority than the aforementioned rate, then Rate No. 23 as amended will be offered to the Authority for a period of not less than five (5) years. A copy of Rate No. 23 is attached herewith and made a part hereof.

Service shall be taken and paid for under and in accordance with said rate schedule as provided above or such other effective superseding rate schedule. Either party may unilaterally at any time seek, by appropriate filing with the regulatory agency or agencies having jurisdiction, changes or substitutions in the rate and terms and conditions for such service.

Article 5. The Authority shall maintain or cause to be maintained a power factor of as nearly unity as is practicable. If the power factor of the Authority's system falls below eighty-five (85%) percent, the Company will adjust the billing to a basis of eighty-five (85%) percent power factor.

POOR ORIGINAL

Article 6. The Authority may at any time, upon reasonable notice, make written request of the Company to test the accuracy of the Company meter or meters in use for the service. No payment shall be required from the Authority for such meter test if said meter has not been tested within six (6) months after date of installation or the last previous test of the meter. If the meter has been installed or has been tested within six (6) months prior to the Authority's request, the Authority shall bear the cost of such test unless the meter is found inaccurate in which case the cost shall be borne by the Company. Meters shall be deemed to register accurately if the error is three (3%) percent or less.

Article 7. The Company shall have at all times the right of ingress and egress over and upon Central's or Mid-Carolina's property to maintain, operate or inspect any of the Company's equipment, or to inspect the equipment of Central or Mid-Carolina, but shall be under no obligation to inspect Central's or Mid-Carolina's equipment or to communicate the results of any such inspection to anyone.

Article 8. In the event that the Company is delayed in the delivery of electric energy herein contracted for by strike, riot, invasion, fire, flood, explosion, breakdown, act of God, or the public enemy, or any cause beyond its control, the time fixed for the commencement of delivery of electric energy hereunder shall be correspondingly extended. The Company shall not be liable to the Authority hereunder, nor shall the Authority be liable to the Company hereunder, by reason of failure of the Company to deliver, or the Authority to receive electric energy as the result of fire, strike, riot, explosion, flood accident, breakdown, act of God, or the public enemy, or other acts beyond the control of the party affected, it being the intention of each party to relieve the other of the obligation to supply energy or to receive and pay for energy when, as a result of any of the above mentioned causes, either party may be unable to

deliver or use in whole or in part the electric energy herein contracted to be delivered or received. Both parties shall be prompt and diligent in removing and overcoming the cause or causes of said interruption, but nothing hereunder contained shall be construed as permitting the Company to refuse to deliver or the Authority to refuse to receive electric energy after the cause of interruption has been removed.

Article 9. The Company does not guarantee that the supply of electrical energy hereunder will be free from interruptions, and it is agreed that interruption of the Company's service, occasioned by any of the causes mentioned in the foregoing article, shall not constitute a breach of this Agreement on the part of the Company, and the Company shall not be liable to the Authority for damages resulting from such interruptions. In the event of interruptions of service, the Company will restore the service as soon as it reasonably can do so, and will, at all times, exert itself towards the end of supplying as nearly constant service as is reasonably practicable. In case of impaired or defective service, the Authority shall immediately give notice to the nearest office of the Company by telephone, confirming such notice in writing, on same date notice is given.

Article 10. Company and the Authority do respectively assume full responsibility for the maintenance and operation of the facilities which they either own, operate, or are responsible hereunder by each of them, and each shall indemnify and save harmless the other from all liability on account of any damages, claims or actions, including injury to and death of persons, arising from the installation, maintenance, operation and/or removal of its facilities; it being understood that the Authority shall be responsible for and liable to Company for Mid-Carolina's and Central's facilities as if owned and operated by the Authority. Except as may otherwise be provided herein, it is also agreed that the Company shall not

It may be responsible for the distribution, control, or care of or protection in the utilization of electricity beyond the Company's service point.

Article 11. This Agreement, as well as the rate mentioned herein, is subject to the approval of the Federal Power Commission of the United States of America.

Article 12. The terms and conditions of this Agreement cannot be added to, varied or waived, either verbally or in writing by any agent, solicitor or other person connected with the Company on its behalf except by an authorized office of the Company in writing.

Article 13. The terms and conditions of this Agreement shall not in any way modify any other agreements existing between the Company and the Authority.

WITNESS:

Emmie E. Timmerman

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By Clare Allister

Title Senior Vice President

WITNESS:

L.P. Dorman
Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

By J.B. Thomas

Title General Manager

POOR ORIGINAL

CONCURRENCE OF
GENERAL COUNSEL

Wallace S. Mungler

DATE: July 28, 1972

RATE 23

HIGH LOAD FACTOR SERVICE

AVAILABILITY

This rate is available to any customer using the Company's standard service for power and light requirements and having demands of 2,000 K.W. or over. It is not available for resale service.

CHARACTER OF SERVICE

Alternating current, 60 cycle, three phase; metering at the delivery voltage which shall be standard to the Company's operation.

RATE PER MONTH

Demand Charge:

First..... 2,000 K.W. of Billing Demand for \$3,000.00.

Excess over..... 2,000 K.W. of Billing Demand @ \$1.50 per K.W.

The billing demand (to the nearest whole K.W.) shall be the greatest of: (1) the maximum integrated fifteen minute demand measured during the current month; (2) seventy per cent (70%) of the highest demand occurring during the eleven preceding months; (3) the contract demand; or (4) 2,000 K.W.

The customer shall maintain a power factor of as nearly unity as is practicable. If the power factor of the customer's installation falls below 85%, the Company will adjust the billing demand to a basis of 85% power factor.

Energy Charge:

All Kilowatt-Hours @.....\$0.004 per Kwhr.

FUEL ADJUSTMENT CLAUSE

Current net monthly bills shall be increased or decreased, per kilowatt-hour, by an amount equal to \$0.00001 (1/1000 of 1¢) per kilowatt-hour for each one-tenth cent (1/10¢) or major fraction thereof that the fuel price increases above \$0.30 per million BTU or decreases below \$0.28 per million BTU of fuels burned in the Company's own generating stations. Such increases or decreases shall be determined from the weighted average fuel costs for the Company's electric generating plants during the second preceding calendar month.

MINIMUM CHARGE

The monthly minimum charge is the demand charge as determined above. The company may allow a build up period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The company shall not commit itself to a build up period exceeding six months without prior approval of the Commission for the specific account involved.

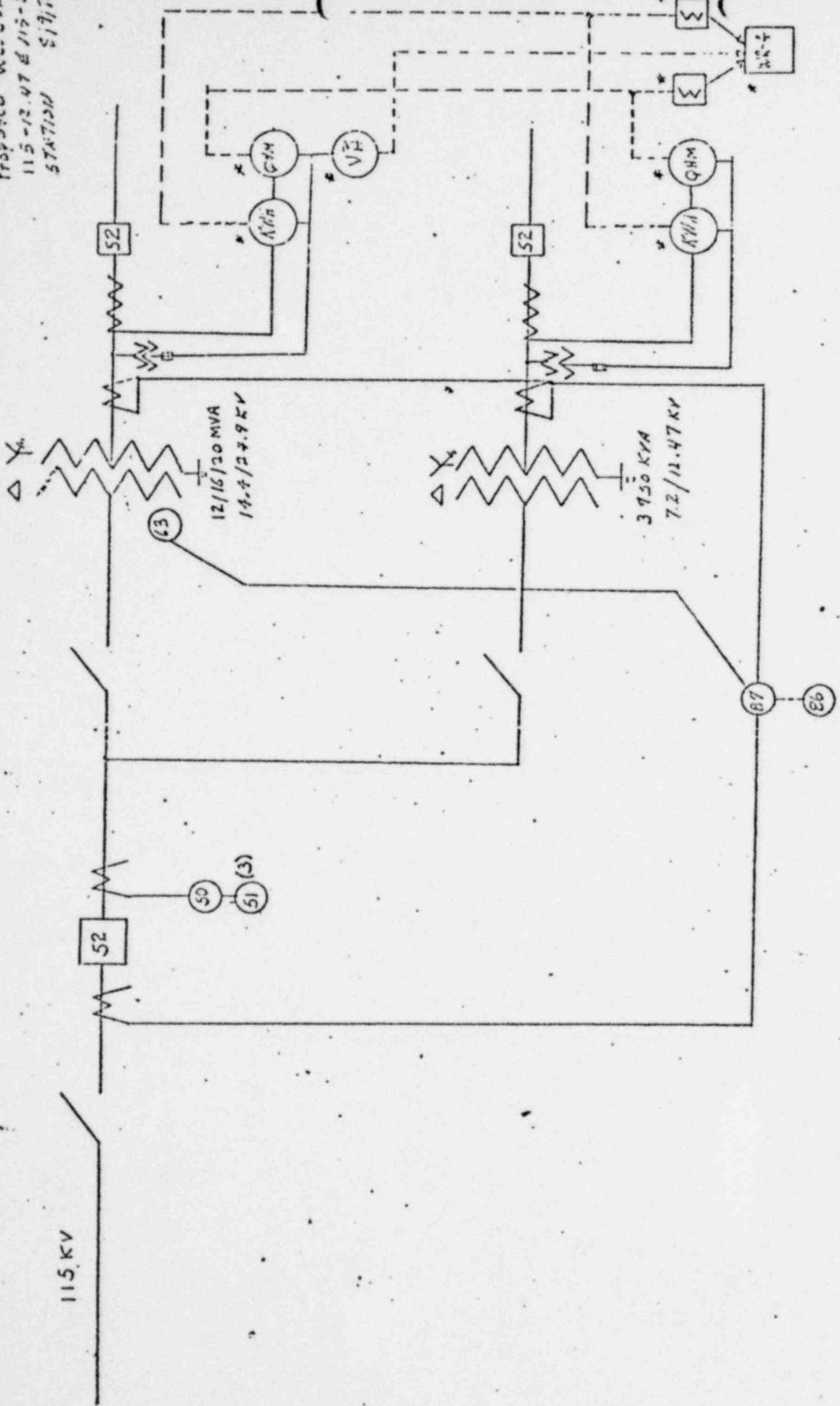
PAYMENT TERMS

All bills are net and payable when rendered.

TERMS OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period of less than five (5) years. A separate contract shall be written for each meter at each location.

SINGLE LINE DIAGRAM
 Proposed West
 115-12.47 @ 115-12
 STATION 5/9/22



R. B. Y. SCOTT CO.

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<u>Date</u>	<u>Kilowatt-hours</u>	<u>Forecasted Fuel Surcharge</u>	<u>Revenue</u>
March, 1973	1,530,000	\$.00190	\$ 14,382.00
April	1,734,000	.00191	16,316.94
May	1,530,000	.00193	14,427.90
June	1,530,000	.00175	14,152.50
July	1,836,000	.00172	16,927.92
August	1,734,000	.00177	16,074.18
September	2,346,000	.00176	21,723.96
October	2,448,000	.00174	22,619.52
November	2,142,000	.00171	19,727.82
December	2,550,000	.00178	23,664.00
January, 1974	2,040,000	.00177	18,910.80
February	<u>1,836,000</u>	.00173	<u>16,946.28</u>
Total	23,256,000		\$215,873.82

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SOUTH CAROLINA ELECTRIC & GAS COMPANY

CONTRACT FOR ELECTRIC SERVICE

This Agreement, made this 9th day of August, 1972,

by and between SOUTH CAROLINA ELECTRIC & GAS COMPANY, hereinafter referred to as the "Company" and the SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, hereinafter referred to as the "Authority."

WHEREAS, by virtue of certain power contracts between the Authority and Central Electric Power Cooperative, Inc., the Authority furnishes electric energy to the distribution electric cooperative members of Central, one of whom is Mid-Carolina Electric Cooperative, Inc., and

WHEREAS, the Authority desires to purchase from the Company electric energy to be delivered to Mid-Carolina Electric Cooperative, Inc., at a new substation known as Woodland Hills, and

WHEREAS, all facilities hereinafter referred to as being installed, owned and operated by the Authority will actually be installed and owned by Central Electric Power Cooperative, Inc., and leased to the Authority for operation pursuant to Lease Contracts dated January 1, 1950, October 22, 1952, and April 25, 1963, and Amendments thereto between the Authority and Central and all provisions of this Agreement as they relate to such leased facilities are subject to the provisions of such lease contract.

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the parties hereto for themselves, their successors and assigns, contract and agree with each other as follows, namely;

Article 1. That for and during the term of five (5) years, beginning on the date service is established, which is estimated will be on or about January 1, 1973, and continuing thereafter for terms of five (5) years from each expiration date, unless at least two (2) years prior to the expiration of the initial term of this Agreement,

POOR ORIGINAL

or any subsequent term thereafter, either party shall notify the other in writing of its desire to terminate this Agreement, the Company agrees to sell and deliver a minimum of 3000 KVA and a maximum of 30,000 KVA of electric energy at the delivery point herein described.

Article 2. The electric energy to be supplied hereunder shall be in the form of alternating current, three phase, three wire, delta connected service at a frequency of approximately sixty (60) cycles and at a nominal voltage of 115,000 volts.

The Company's service point shall be on the Company's McMeekin-Williams Street 115 KV line, south of the Saluda River at a point generally opposite Continental Can Company Inc. which is located on Bush River Road, north of the Saluda River in Lexington County, South Carolina.

The Authority shall construct, own, and operate a 115 KV transmission line with a minimum conductor size of 477 MCM ACSR from the point of service to a new substation known as Woodland Hills owned by Mid-Carolina Electric Cooperative, Inc., located south of the CN&L Railroad and north of the Saluda River in the vicinity of Continental Can Company. The Authority agrees that no additional extensions of this 115 KV service shall be made without prior written approval of the Company.

The demand and energy shall be metered by totalizing the energy from a 12,470 bus and a 24,900 volt bus. The recorded energy consumed by the Authority shall be adjusted to include substation transformer losses. Calculations of these transformer losses shall be based upon data supplied by the manufacturer of the transformers in use in Mid-Carolina Electric Cooperative, Inc.'s substation. A

schematic diagram showing the general intent of the metering and relaying is attached and made a part hereof.

Article 3. The Company shall install, own, operate and maintain the necessary switching equipment at the point of service which may be reasonably necessary to enable the Authority to satis-

factorily receive and use the electric energy hereunder and to protect the system of the Company. Upon installation of this equipment, the Authority shall pay or cause to be paid to the Company the total actual cost of said installation. The Authority shall make all final connections to its system at the point of service.

The Authority shall install or cause to be installed and maintain an automatic interrupting device, suitable to the Company, on the primary side of the Mid-Carolina station transformer.

The Authority shall own, install, and maintain the necessary metering equipment ~~of the 12,470 and 24,900 buses of Mid-Carolina Electric Cooperative's substation.~~ of the 12,470 and 24,900 buses of Mid-Carolina Electric Cooperative's substation. The Company shall own, install and maintain the electric meters.

Article 4. The Authority agrees to pay monthly for the electric energy delivered hereunder as follows:

RATE PER MONTH

Demand Charge:

None

Energy Charge:

All Kilowatt-hours \$0.0075 per Kwhr.

FUEL ADJUSTMENT CLAUSE

Current net monthly bills shall be increased or decreased, per kilowatt-hour, by an amount equal to \$0.00001 (1/1000 of 1¢) per kilowatt-hour for each one-tenth cent (1/10¢) or major fraction thereof that the fuel price increases above \$0.30 per million BTU or decreases below \$0.30 per million BTU of fuels burned in the Company's own generating station. Such increases and decreases shall be determined from the

POOR ORIGINAL

weighted average fuel costs charged to the Company's
electric generating stations during the preceding
calendar month from Account 151 (Uniform System of

POOR ORIGINAL

Accounts for Public Utilities and Licensees, effective January 1, 1970) and multiplied by a factor representing the proportion that the Company's steam and internal combustion generation in kilowatt-hours bears to the total generation in kilowatt-hours, including hydroelectric generation, plus purchased power and plus or minus net interchange during the twelve (12) months ending with the same preceding calendar month.

MINIMUM MONTHLY BILL

The monthly minimum charge shall be One and One-half (\$1.50) Dollars per KW of the maximum integrated fifteen minute demand measured during the current month or seventy (70%) percent of One and One-half (\$1.50) Dollars per KW of the highest demand occurring during any of the eleven (11) preceding months, or Four Thousand Five Hundred (\$4,500.00) Dollars, whichever is highest.

The Company shall make an annual analysis of the billing of the account. If and when Company's Rate Schedule No. 23 with the aforementioned Fuel Adjustment Clause substituted for that of the published tariff proves to be more beneficial to the Authority than the aforementioned rate, then Rate No. 23 as amended will be offered to the Authority for a period of not less than five (5) years. A copy of Rate No. 23 is attached herewith and made a part hereof.

Service shall be taken and paid for under and in accordance with said rate schedule as provided above or such other effective superseding rate schedule. Either party may unilaterally at any time seek, by appropriate filing with the regulatory agency or agencies having jurisdiction, changes or substitutions in the rate and terms and conditions for such service.

Article 5. The Authority shall maintain or cause to be maintained a power factor of as nearly unity as is practicable. If the power factor of the Authority's system falls below eighty-five (85%) percent, the Company will adjust the billing to a basis of eighty-five (85%) percent power factor.

POOR ORIGINAL

Article 6. The Authority may at any time, upon reasonable notice, make written request of the Company to test the accuracy of the Company meter or meters in use for the service. No payment shall be required from the Authority for such meter test if said meter has not been tested within six (6) months after date of installation or the last previous test of the meter. If the meter has been installed or has been tested within six (6) months prior to the Authority's request, the Authority shall bear the cost of such test unless the meter is found inaccurate in which case the cost shall be borne by the Company. Meters shall be deemed to register accurately if the error is three (3%) percent or less.

Article 7. The Company shall have at all times the right of ingress and egress over and upon Central's or Mid-Carolina's property to maintain, operate or inspect any of the Company's equipment, or to inspect the equipment of Central or Mid-Carolina, but shall be under no obligation to inspect Central's or Mid-Carolina's equipment or to communicate the results of any such inspection to anyone.

Article 8. In the event that the Company is delayed in the delivery of electric energy herein contracted for by strike, riot, invasion, fire, flood, explosion, breakdown, act of God, or the public enemy, or any cause beyond its control, the time fixed for the commencement of delivery of electric energy hereunder shall be correspondingly extended. The Company shall not be liable to the Authority hereunder, nor shall the Authority be liable to the Company hereunder, by reason of failure of the Company to deliver, or the

Authority to receive electric energy as the result of fire, strike, riot, explosion, flood accident, breakdown, act of God, or the public enemy, or other acts beyond the control of the party affected, it being the intention of each party to relieve the other of the obligation to supply energy or to receive and pay for energy when, as a result of any of the above mentioned causes, either party may be unable to

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delivery or use in whole or in part the electric energy herein contracted to be delivered or received. Both parties shall be prompt and diligent in removing and overcoming the cause or causes of said interruption, but nothing hereunder contained shall be construed as permitting the Company to refuse to deliver or the Authority to refuse to receive electric energy after the cause of interruption has been removed.

Article 9. The Company does not guarantee that the supply of electrical energy hereunder will be free from interruptions, and it is agreed that interruption of the Company's service, occasioned by any of the causes mentioned in the foregoing article, shall not constitute a breach of this Agreement on the part of the Company, and the Company shall not be liable to the Authority for damages resulting from such interruptions. In the event of interruptions of service, the Company will restore the service as soon as it reasonably can do so, and will, at all times, exert itself towards the end of supplying as nearly constant service as is reasonably practicable. In case of impaired or defective service, the Authority shall immediately give notice to the nearest office of the Company by telephone, confirming such notice in writing, on same date notice is given.

Article 10. Company and the Authority do respectively assume full responsibility for the maintenance and operation of the facilities which they either own, operate, or are responsible hereunder by each of them, and each shall indemnify and save harmless the other from all liability on account of any damages, claims or

actions, including injury to and death of persons, arising from the installation, maintenance, operation and/or removal of its facilities; it being understood that the Authority shall be responsible for and liable to Company for Mid-Carolina's and Central's facilities as if owned and operated by the Authority. Except as may otherwise be provided herein, it is also agreed that the Company shall not

POOR ORIGINAL

in any way be responsible for the distribution, control, or care of or protection in the utilization of electricity beyond the Company's service point.

Article 11. This Agreement, as well as the rate mentioned herein, is subject to the approval of the Federal Power Commission of the United States of America.

Article 12. The terms and conditions of this Agreement cannot be added to, varied or waived, either verbally or in writing by any agent, solicitor or other person connected with the Company on its behalf except by an authorized office of the Company in writing.

Article 13. The terms and conditions of this Agreement shall not in any way modify any other agreements existing between the Company and the Authority.

WITNESS:

Emmie E. Timmerman

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By *Clare Alvestad*

Title Senior Vice President

WITNESS:

L.P. Dorman
Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

By *J.B. Thomas*
Title General Manager

CONCURRENCE OF
GENERAL COUNSEL

Wallace S. Mungler

DATE: *July 28, 1972*

RATE 23

HIGH LOAD FACTOR SERVICE

AVAILABILITY

This rate is available to any customer using the Company's standard service for power and light requirements and having demands of 2,000 K.W. or over. It is not available for resale service.

CHARACTER OF SERVICE

Alternating current, 60 cycles, three phase; metering at the delivery voltage which shall be standard to the Company's operation.

RATE PER MONTH

Demand Charge:

First..... 2,000 K.W. of Billing Demand for \$3,000.00.

Excess over..... 2,000 K.W. of Billing Demand @ \$1.50 per K.W.

The billing demand (to the nearest whole K.W.) shall be the greatest of: (1) the maximum integrated fifteen minute demand measured during the current month; (2) seventy per cent (70%) of the highest demand occurring during the eleven preceding months; (3) the contract demand; or (4) 2,000 K.W.

The customer shall maintain a power factor of as nearly unity as is practicable. If the power factor of the customer's installation falls below 85%, the Company will adjust the billing demand to a basis of 85% power factor.

Energy Charge:

All Kilowatt-Hours @.....\$0.004 per Kwhr.

FUEL ADJUSTMENT CLAUSE

Current net monthly bills shall be increased or decreased, per kilowatt-hour, by an amount equal to \$0.00001 (1/1000 of 1c) per kilowatt-hour for each one-tenth cent (1/10c) or major fraction thereof that the fuel price increases above \$0.30 per million BTU or decreases below \$0.30 per million BTU of fuels burned in the Company's own generating station. Such increases and decreases shall be determined from the weighted average fuel costs charged to the Company's electric generating stations during the preceding calendar month from Account 151 (Uniform System of Accounts for Public Utilities and Licensees, effective January 1, 1970) and multiplied by a factor representing the proportion that the Company's steam and internal combustion generation in kilowatt-hours bears to the total generation in kilowatt-hours, including hydroelectric generation, plus purchased power and plus or minus net interchange during the twelve (12) months ending with the same preceding calendar month.

MINIMUM CHARGE

The monthly minimum charge is the demand charge as determined above. The company may allow a build up period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The company shall not commit itself to a build up period exceeding six months without prior approval of the Commission for the specific account involved.

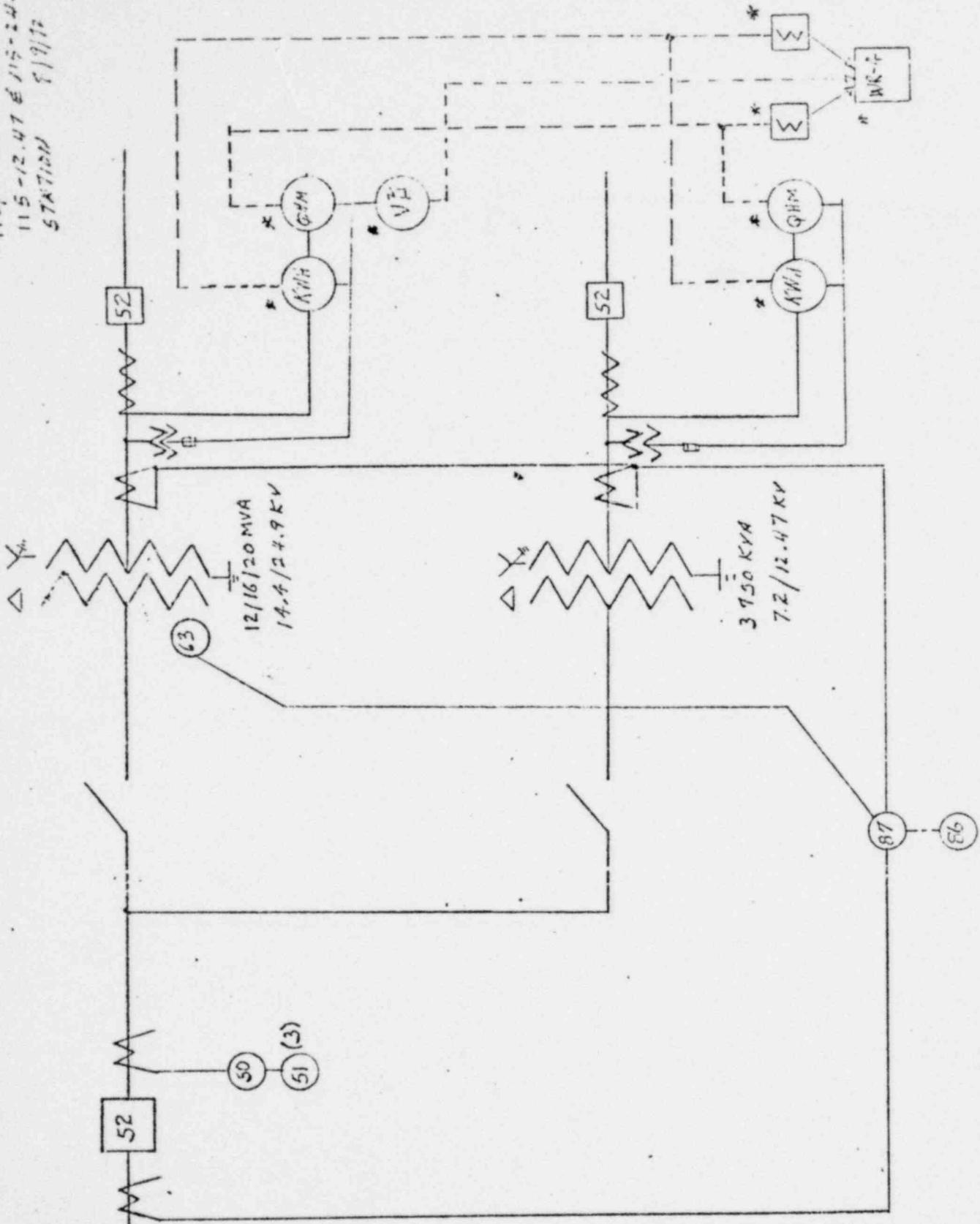
PAYMENT TERMS

All bills are net and payable when rendered.

TERMS OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period of less than five (5) years. A separate contract shall be written for each meter at each location.

SINGLE LINE DIAGRAM
 Proposed WOODLAND HILLS
 115-12.47 @ 115-24.9 KV
 STATION 8/9/72



K-BY SCHEG CO.

POOR ORIGINAL

DUKE POWER COMPANY

POWER BUILDING

422 SOUTH CHURCH STREET, CHARLOTTE, N. C. 28242

6/1

A. C. THIES
SENIOR VICE PRESIDENT
PRODUCTION AND TRANSMISSION

May 26, 1976

P. O. Box 2178

NRC PUBLIC DOCUMENT ROOM

Mr. J. B. Thomason
General Manager
South Carolina Public Service Authority
223 N. Live Oak Dr
Moncks Corner, SC 29461

Mr. V. C. Summer ✓
Senior Vice President - Operations
South Carolina Electric and Gas Co
P. O. Box 764
Columbia, SC 29218



Gentlemen:

Attached for your information and file is a photostatic copy of the agreement letter on head water benefits with respect to the Santee Cooper Plants of the South Carolina Public Service Authority, which has been executed by the Authority, South Carolina Electric & Gas Co and Duke Power Co. This letter has been mailed to the Federal Power Commission.

Sincerely yours,

A. C. Thies

ACT/hr
Attachment

cc: Mr. D. G. Jeter - SCE&G
Mr. L. P. Julian
Mr. G. W. Ferguson, Jr
Mr. W. S. Lee
Mr. F. L. Von Cannon
Attachment



SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

March 16, 1976

PRINCIPAL OFFICE

223 NORTH LIVE OAK DRIVE
MONCK'S CORNER, SOUTH CAROLINA 29461
803/899-2121

Mr. Whitman Ridgeway, Chief
Bureau of Power
Federal Power Commission
Washington, D. C. 20426

Dear Mr. Ridgeway:

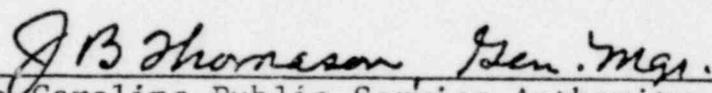
Past correspondence with the South Carolina Public Service Authority, South Carolina Electric & Gas Company and Duke Power Company indicates that the South Carolina Public Service Authority, Licensee for Project No. 199, has not furnished the data enumerated in Section 11.26(b) of the Regulations under the Federal Power Act. Thereafter, the General Manager of the South Carolina Public Service Authority wrote that head water benefits to the Santee-Cooper plants of the South Carolina Public Service Authority are de minimis with respect to the installations located above said plants operated by the South Carolina Electric and Gas Company and the Duke Power Company.

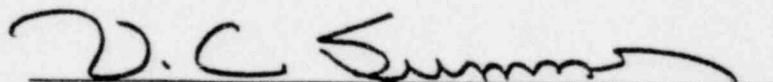
Reference is made to letter, dated February 2, 1971, wherein the Chief, Bureau of Power, of the Federal Power Commission indicated that if all parties hold the same opinion as that of the South Carolina Public Service Authority and believe that the cost of future studies in regard to this matter would be unwarranted, a letter signed by all parties agreeing that this is the situation, would enable the Staff to make a recommendation to the Commission that future negotiations in regard to an agreement under the provisions of Section 13.1 of the Commission's Regulations are unnecessary.

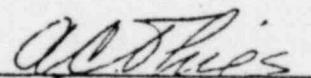
Officials of the South Carolina Public Service Authority, South Carolina Electric and Gas Company and Duke Power Company have determined that future studies are unnecessary and that the effect of head water benefits on the Santee-Cooper plants operated by the South Carolina Public Service Authority are de minimis at the present time. Should changes in the present plants operated by South Carolina Electric & Gas Company and

Duke Power Company take place at some future time or additional installations be installed, a different conclusion might be reached. Therefore, reservation is made for any such change or addition which may occur in the future and the conclusions reached in this letter with respect to such would not be binding on South Carolina Electric & Gas Company and Duke Power Company. With that exception, the entities listed in this letter are of the opinion that the head water benefits to the South Carolina Public Service Authority are de minimis.

Yours very truly


South Carolina Public Service Authority


South Carolina Electric & Gas Company


Duke Power Company

SENIOR VICE PRESIDENT
PRODUCTION AND TRANSMISSION

June 6, 1977

NRC PUBLIC DOCUMENT ROOM



Mr. H. G. Boylston, Jr.
Vice President
Marketing & Area Development
South Carolina Electric & Gas Company
Post Office Box 764
Columbia, SC 29218

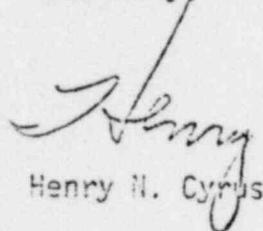
Dear Harry:

Reference is made to your letter of May 17, 1977, and to our negotiations for a contract for electric service between the Authority and SCE&G Company for delivery at Company's substation at Kempson's Bridge.

We are returning herewith your copy of the contract which has been executed on the part of the Authority. This is for your files.

We look forward to serving your needs and working with you on this matter and other matters.

Sincerely,


Henry N. Cyrus

Encl.

mj

copy: Mr. H. M. Bryant (original) ✓
Mr. T. C. Nichols, Mr. G. C. Croft
Mr. D. R. Tomlin, Mr. G. C. Meetze
Mr. V. C. Summer, Mr. T. M. Groetzinger
Mr. G. C. How, Mr. R. W. Stedman
PSC - Charles Ballentine
HGB - June 7, 1977

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This Copy to be returned for
files of S. C. Electric & Gas Company.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
CONTRACT FOR ELECTRIC SERVICE

This Agreement, made this 27th day of May, 1977,
by and between SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, (hereinafter
referred to as the "Authority") and the SOUTH CAROLINA ELECTRIC &
GAS COMPANY (hereinafter referred to as the "Company"):

WHEREAS, the Company desires to purchase from the Authority
electric capacity and energy to be delivered to the Company's substation
known as Kempson's Bridge for the purpose of serving the Company's
load in that area, and

WHEREAS, the Authority operates near Kempson's Bridge
transmission lines constructed and owned by the Central Electric Power
Cooperative, Inc.

WITNESSETH: That in consideration of the mutual covenants
and agreements herein contained, the parties hereto for themselves,
their successors and assigns, contract and agree with each other as
follows; namely,

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ARTICLE IV. The Company shall maintain or cause to be maintained an average monthly power factor of as nearly unity as is practicable and in no event shall the average monthly power factor at the delivery point described in ARTICLE II fall below eighty-five (85%) percent. If the average monthly power factor falls below eighty-five (85%) percent, the Company shall take immediate remedial action to correct the average monthly power factor to a minimum of eighty-five (85%) percent.

ARTICLE V. All bills are due and payable at the office of the Authority in Moncks Corner, South Carolina, within ten (10) days after the date on which the bill is mailed or otherwise rendered. If payment is not received within 25 days after the date the bill is mailed, or otherwise rendered, the bill shall be increased by \$100 plus 3% of the first \$25,000 of the bill plus 1% of all remainder of the bill above \$25,000. If payment is not made within 30 days after the bill is mailed, or otherwise rendered, the Authority may discontinue service until all past due bills are paid in full. Discontinuance of service shall not relieve the Company of its liability for the agreed minimum monthly payment during the period of time service is so discontinued.

ARTICLE VI. The Authority shall, not less frequently than once each year, make periodic tests and inspection of meters installed by it. At the request of the Company, the Authority shall make additional tests or inspections. Readings of metering instruments found to be in error by

more than two (2%) percent either fast or slow will be corrected and credits or debits made to the Company's account accordingly. Such correction shall apply for a period of not more than thirty (30) days prior to the date of test unless a longer period of inaccuracy can be definitely determined.

The Company shall pay all costs caused by additional tests requested by the Company if tests show meters to be accurate within two (2%) percent.

The Authority will give advance notice of all tests and representatives of the Company may witness all tests and inspections if Company so desires.

ARTICLE VII. The Authority shall have at all times the right of ingress and egress over and upon the Company's property to maintain, operate or inspect any of the Authority's equipment, or to inspect the Company's equipment, but shall be under no obligation to inspect Company's equipment or to communicate the the results of any such inspection to anyone.

ARTICLE VIII. In the event that the Authority is delayed in the delivery of electric energy herein contracted for by strike, riot, invasion, fire, flood, explosion, breakdown, act of God, or the public enemy, or any cause beyond its control, the time fixed for the commencement of delivery of electric energy hereunder shall be correspondingly extended. The Authority shall not be liable to the Company hereunder, nor shall the Company be liable to the Authority hereunder, by reason of failure of the Authority to deliver, or the Company to receive electric energy as the result of fire, strike, riot, explosion, flood, breakdown, act of God, or the public enemy, or other acts beyond the control of the party affected, it being the intention

of each party to relieve the other of the obligation to supply energy or to receive and pay for energy when, as a result of any of the above mentioned causes, either party may be unable to deliver or use in whole or in part the electric energy herein contracted to be delivered or received. Both parties shall be prompt and diligent in removing and overcoming the cause or causes of said interruption, but nothing herein contained shall be construed as permitting the Authority to refuse to deliver or the Company to refuse to receive electric energy after the cause of interruption has been removed.

ARTICLE IX. The Authority does not guarantee that the supply of electric energy hereunder will be free from interruptions, and it is agreed that interruption of the Company's service, occasioned by any of the causes mentioned in the foregoing ARTICLE, shall not constitute a breach of this Agreement on the part of the Authority, and the Authority shall not be liable to the Company for damages resulting from such interruptions. In the event of interruptions of service, the Authority will restore the service as soon as it reasonably can do so, and will, at all times, exert itself towards the end of supplying as nearly constant service as is reasonably practicable. In case of impaired or defective service, the Company shall immediately give notice to the Authority's Dispatcher in Moncks Corner, South Carolina, by telephone, confirming such notice in writing, on same date notice is given.

ARTICLE X. The Authority and the Company do respectively assume full responsibility for the maintenance and operation of the facilities which they either own, operate, or are responsible hereunder by each of them, and each shall indemnify and save harmless the other from all liability on

on account of any damages, claims or actions, including injury to and death of persons, arising from the installation, maintenance, operation and/or removal of its facilities; it being understood that the Company shall be responsible for and liable to the Authority for its facilities. Except as may otherwise be provided herein, it is also agreed that the Authority shall not in anyway be responsible for the distribution, control, or care of or protection in the utilization of electricity beyond the Authority's delivery point.

ARTICLE XI. This Agreement, as well as the rates mentioned herein, is subject to the approval of the Federal Power Commission of the United States of America.

ARTICLE XII. The terms and conditions of this Agreement cannot be added to, varied or waived, either verbally or in writing by any agent, solicitor or other person connected with the Authority on its behalf except by an authorized officer of the Authority in writing.

ARTICLE XIII. The terms and conditions of this Agreement shall not in anyway modify any other agreements existing between the Authority and the Company.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

BY

H. G. Boylston, Jr., Vice President
Marketing and Area Development

WITNESS:

Marsha H. Blackman

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

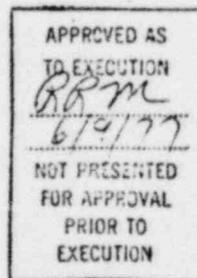
BY

William C. Mescher, President

WITNESS:

L. P. Dorman

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RELIABILITY AGREEMENT

NRC PUBLIC DOCUMENT 1970

VIRGINIA-CAROLINAS RELIABILITY GROUP



Section 0.1 THIS AGREEMENT made and entered into this 1st day of July, 1970, by and between Carolina Power & Light Company, Duke Power Company, South Carolina Electric & Gas Company, South Carolina Public Service Authority, Southeastern Power Administration and Virginia Electric and Power Company (hereafter referred to separately as a Member System and collectively as Member Systems);

WITNESSETH:

Section 0.2 WHEREAS each of the Member Systems is interconnected with one or more of the other Member Systems so as to constitute a reliable generation and transmission network within the combined service area of the Member Systems; and

Section 0.3 WHEREAS each of the Member Systems is a member of the Southeastern Electric Reliability Council; and

Section 0.4 WHEREAS the Member Systems have coordinated their planning and operation to further augment the reliability of their service; and

Section 0.5 WHEREAS the Member Systems mutually desire to enter into a coordination agreement to further safeguard the reliability of their service and to coordinate their reporting requirements as members of the Southeastern Electric Reliability Council.

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Section 0.6 NOW THEREFORE, in consideration of the above premises and of the mutual benefits to be derived by all from the covenants herein set forth, the parties do hereto agree as follows:

ARTICLE I

NAME

Section 1.1 This organization shall be known as the Virginia-Carolinas Reliability Group.

ARTICLE II

TERM OF AGREEMENT

Section 2.1 This agreement shall become effective on the 1st day of April, 1970, and shall continue in effect for a period of ten years and thereafter until terminated by a majority of the parties hereto by not less than one year's written notice to the other parties; provided, however, that any party may withdraw from this agreement at any time upon thirty days' written notice to the other parties.

ARTICLE III

PURPOSE

Section 3.1 The purpose of this agreement is to further augment the reliability of each Member System's bulk power supply through coordination of the Member Systems' planning and operation of their generation and bulk power transmission facilities.

ARTICLE IV

EXECUTIVE COMMITTEE

Section 4.1 Appointment: Each Member System shall appoint a representative and an alternate to the Executive Committee. Appointments to the Executive Committee shall be made by written notice to each Member System and may be changed by thirty days' written notice.

Section 4.2 Officers: The members of the Executive Committee shall periodically elect one of their number to serve as Chairman, another as Vice Chairman and another as Secretary-Treasurer, all for terms not to exceed two years.

Section 4.3 Meetings: The Executive Committee shall meet quarterly or as required to carry out its duties. Meetings shall be called by the Chairman on his own initiative, or in his absence or disability, by the Vice Chairman on his own initiative, or upon the request of any member of the Executive Committee.

Section 4.4 Voting: Voting shall be in proportion to installed firm generating capacity operated by each Member System in North Carolina, South Carolina, Virginia and West Virginia, and a vote of 60% of the total voting rights of the membership shall be required for action by the Executive Committee: provided, however, that no Member System shall have power to veto any measure approved by the remainder of the Executive Committee. Installed generating capacity shall be determined as nameplate value reported on F. P. C. Form 1.

Section 4.5 Duties: The Executive Committee shall establish and periodically review principles and procedures with respect to matters affecting reliability of bulk power supply. These matters shall include but not necessarily be limited to:

1. Joint studies and investigations of emergency performance of bulk power supply facilities;
2. Generation and transmission planning, construction, operating and protection arrangements;
3. Maintenance schedules of generating units and transmission lines;
4. Requirements for and adequacy of communication facilities;
5. Load relief measures and restoration procedures;
6. Spinning reserve requirements;
7. Coordination of voltage levels and reactive interchange;
8. Exchange of information on such items as:
 - a. Magnitude and characteristics of actual and forecasted loads;
 - b. Additions, deletions, and modifications of bulk power supply facilities;
 - c. Programs of capacity additions;
 - d. Capability of bulk power generating and interchange facilities;
 - e. Plant and system emergencies such as generating unit outages, transmission line outages, etc.

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Section 4.6 Task Forces: The Executive Committee shall appoint or employ such Task Forces as it deems necessary to carry out assigned duties.

ARTICLE V

INTER-AREA RELIABILITY

Section 5.1 The Member Systems recognize that attainment of their objectives will be facilitated by continued cooperation with neighboring interconnected systems not parties to this agreement. The Member Systems also recognize that as a result of further augmenting reliability of their own bulk power supply, the benefits of greater reliability inherently pass to other interconnected systems. Accordingly, each of the Member Systems will attempt to review periodically matters affecting reliability with systems to which it is directly interconnected and which are not parties to this agreement.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1 Expenses: The expense of each member or alternate member of the Executive Committee and each appointed member of its Task Forces, shall be borne by the Member System he represents. Any other expense of the Executive Committee or its Task Forces shall be shared as agreed by the Committee. Any Member System withdrawing from this agreement on thirty days' notice shall remain liable for its share of any expense incurred while it was a member.

Section 6.2 Successors and Assigns: This agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective

Member Systems, but it shall not be assignable by any Member System without the written consent of the other Member Systems except in accordance with the provisions of a mortgage or deed of trust or to a successor in the operation of its properties, either by merger or otherwise.

Section 6.3 Ownership: Each Member System shall retain sole control over its own facilities and the use thereof.

Section 6.4 Effective Date: This agreement shall become effective upon its execution by any four of the six Systems listed in Section 0.1 above.

Section 6.5 Additional Parties: Any entity having electric generation and bulk power transmission facilities located in whole or in part in the states of North Carolina, South Carolina, Virginia or West Virginia and otherwise being qualified for membership in the Southeastern Electric Reliability Council, may, upon request to the Executive Committee and execution of a supplement hereto, become a party to this agreement upon the same terms and conditions as the original Member Systems.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed by their duly authorized officers.

ATTEST:
[Signature]
Secretary

CAROLINA POWER & LIGHT COMPANY
By [Signature]
President

ATTEST:
[Signature]
Secretary

DUKE POWER COMPANY
By [Signature]
President

ATTEST:

W. Simpson
Secretary

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By [Signature]
President

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

By _____
General Manager

SOUTHEASTERN POWER ADMINISTRATION

By _____
Administrator

ATTEST:

[Signature]
Secretary

VIRGINIA ELECTRIC AND POWER COMPANY

By [Signature]
President

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