

Exhibit B

Dominion Management Proposal

This Exhibit B is Dominion's submission to the Department. Projections included herein may not match the normalized projections discussed in the Report.

ATTACHMENT 1

Bid Letter

Attached.

P. Rodney Blevins
President and CEO – Southeast Energy Group



Dominion Energy, Inc.
400 Otarre Parkway
Cayce, South Carolina 29033

November 26, 2019

CONFIDENTIAL

VIA EMAIL

Attention: South Carolina Department of Administration
C/O Moelis & Company
399 Park Avenue, 5th Floor
New York, NY 10022
USA

Dear Sir or Madam,

In response to that certain Request for Final Submissions: South Carolina Public Service Authority (**Santee Cooper**) Electric and Water Utility Systems dated October 14, 2019, Dominion Energy, Inc. (NYSE: D) ("**Dominion Energy**") is pleased to provide this proposal (the "**Management Proposal**") to provide operations and management services to Santee Cooper pursuant to a Management Agreement (the "**Management Agreement**") substantially in accordance with the terms set forth on Appendix A. Subject to the terms and provisions set forth in this letter (this "**Bid Letter**") and negotiation of a mutually agreeable and definitive Management Agreement, Dominion Energy agrees to keep this offer open until at least June 30, 2020, or such earlier date as the General Assembly decides not to proceed with our proposal.

Dominion Energy proposes a unique management arrangement with potential savings of up to \$1 billion over 20 years that will provide significant and immediate relief to Santee Cooper's customers in South Carolina. Dominion Energy's proposal offers the opportunity to reduce overhead, fuel, and capital related costs on an ongoing basis for years to come. Under our proposal, South Carolina's ownership of Santee Cooper's valuable assets continues, and Santee Cooper remains an independent, State-owned entity focused on serving its customers, which we believe is the most beneficial outcome for its customers and South Carolina. Further, the Management Proposal maintains Santee Cooper's advantageous tax-exempt status and low cost of capital and continues the ability of the State to utilize Santee Cooper in its longstanding, successful program of economic development for the State. Dominion Energy's Management Proposal creates value

for all stakeholders, does not increase customer rates, and does not require any “bailout” or tax abatements from the State or its tax payers.

Because Santee Cooper is State-owned, it already enjoys very significant cost advantages related to financing and tax as compared to any investor-owned utility or private entity. These primary cost advantages, as you know, include:

1. No federal or state income tax, the burden of which would otherwise be passed on to customers;
2. Given its affiliation with the State, a low-cost “A+” credit rating for Santee Cooper; and
3. A 100% debt-financed capital structure.

As a result of these cost advantages, any attempt by an investor-owned utility or private holding company to purchase or “take-over” Santee Cooper would, in our view, result in higher rates for Santee Cooper’s electric customers and/or a State-financed bailout. While we understand one purpose of this process is to determine whether or not Santee Cooper should be considered for sale, given the facts and circumstances surrounding Santee Cooper, such a transaction would not serve the best interests of Santee Cooper’s customers or South Carolina.

Proposal / Manager Overview:

The Management Agreement

Dominion Energy through its affiliates (collectively, the “**Manager**”) would serve as the entity providing services to Santee Cooper under the Management Proposal. Pursuant to the Management Agreement, the Manager would provide a team of experienced employees (the “**Seconded Managers**”) to assume roles in Santee Cooper’s senior management, with each Seconded Manager ultimately reporting to the President and Chief Executive Officer of Santee Cooper. While the management team may vary over the initial ten-year term proposed by Dominion Energy, the initial management team would include employees of Dominion Energy prepared to assume senior roles within Santee Cooper.

In exchange for the services provided, Dominion Energy would not receive any compensation other than reimbursement for its costs and would potentially benefit from joint cost savings measures to be recommended by the Seconded Managers—each of which would be subject to the approval of Santee Cooper’s Board of Directors. To further align the joint interests of Dominion Energy and Santee Cooper in serving South Carolina and its citizens, as part of its proposal, Dominion Energy would agree to use commercially reasonable efforts to seek a mutually agreeable and comprehensive solution to the existing litigation involving Dominion Energy South Carolina and Santee Cooper that would result in committed and additional direct cash benefits to Santee Cooper.

These standalone and joint cost savings opportunities, along with our extensive, and often overlapping, operations and presence in South Carolina, are a core benefit of the Management Proposal. Within Santee Cooper, the Seconded Managers will leverage Dominion Energy’s experience in utility operations to drive savings in the areas identified on Appendix A, Schedule

II. The Seconded Managers will also identify areas in which Santee Cooper can partner with Dominion Energy to create value for both organizations, including the areas set forth on Appendix A, Schedule III. In the longer term, Dominion Energy believes that a partnership with Santee Cooper to explore upgrades to existing assets or the joint development of new assets could greatly benefit our combined 3 million customers in all 46 counties in South Carolina, including the members of Central Electric Power Cooperative, Inc. (“**Central**”).

We expect that upon implementation of the Management Proposal, the benefit to Santee Cooper over a twenty year period could exceed \$1 billion of cost and capital savings, in addition to any standalone savings already identified by Santee Cooper management. This amount is inclusive of the services costs paid to Dominion Energy as the Manager. Dominion Energy believes that this relationship will not disrupt the existing consideration arrangements paid by Santee Cooper to the State of South Carolina (i.e., Dominion Energy will not need to enter in to a new franchise fee or other consideration payment arrangement).

Our South Carolina Presence

Dominion Energy recently completed its merger with SCANA Corporation, benefiting customers and communities in South Carolina and North Carolina. This combination expanded Dominion Energy's operations in the Carolinas, where the company had already operated an electric utility serving 120,000 customer accounts in northeastern North Carolina, a 1,500-mile interstate pipeline principally in South Carolina, and nearly 1,000 megawatts of gas, hydro and solar generating capacity in both states. SCANA Corporation is now a first-tier, wholly-owned subsidiary of Dominion Energy, maintaining substantial operations throughout its South Carolina footprint and a South Carolina-based management team.

Dominion Energy Generally

Nearly 7.5 million customers in 18 states energize their homes and businesses with electricity or natural gas from Dominion Energy. We are committed to sustainable, reliable, affordable, and safe energy and are one of the nation's largest producers and transporters of energy with about \$100 billion of assets providing electric generation, transmission and distribution, as well as natural gas storage, transmission, distribution, and import/export services. The company expects to cut generating fleet carbon dioxide emissions 55 percent by 2030 and reduce methane emissions from its gas assets 50 percent by 2030.

Dominion Energy now serves:

- 3.3 million electric utility customer accounts in North Carolina, South Carolina and Virginia; and
- 3.3 million natural gas utility customer accounts in Idaho, North Carolina, Ohio, South Carolina, Utah, West Virginia and Wyoming.

Our Experience

Dominion Energy or its affiliates have successfully partnered with several utilities, cooperatives and investors throughout the country to operate generation assets across all classes and of all sizes. These include:

- Dominion Energy has partnered with numerous military facilities across the country to operate and maintain electric and natural gas utility infrastructure serving over 500,000 military and civilian personnel including:
 - Fort Jackson, Fort Belvoir, Fort McNair, Joint Base Myer-Henderson Hall, Fort Story, Fort Eustis, Fort Lee, Fort Hood, and Arlington National Cemetery
- Dominion Energy through its utility affiliates jointly owns with cooperatives and utilities and operates for cooperatives and utilities several thousand MWs of generation assets including:
 - Bath County Pumped Storage (3,000 MW pumped storage facility); jointly owned with, and operated for, First Energy and LS Power
 - North Anna Nuclear Power Station (2,000 MW 2 unit nuclear facility); jointly owned with, and operated for, Old Dominion Electric Cooperative
 - Clover Power Station (850 MW coal power station); jointly owned, and operated for, Old Dominion Electric Cooperative
 - Millstone Unit 3 (1,230 MW nuclear unit) jointly owned, and operated for, Green Mountain Power and Massachusetts Municipal Wholesale Electric Company
- Partnership with Duke Energy and Southern Company for the 600-mile Atlantic Coast Pipeline from West Virginia through Virginia to North Carolina
- Partnership with Smithfield Foods for renewable natural gas created from swine waste product
- Various other partnerships and joint ventures relating to wind and solar generation and the import, export, storage and transmission of natural gas

Adherence to Fixed Assumptions

Our Management Proposal is based upon, and does not reflect any changes to, the Fixed Assumptions as originally provided in the Process Model.

Approvals

Dominion Energy has obtained all internal approvals required to submit the Management Proposal, and, subject to negotiation of a definitive Management Agreement, no other internal approvals are necessary.

Under the Management Proposal, no regulatory approvals are required, and Dominion Energy has not identified any regulatory concerns or complications, or other risks or uncertainties, that must be addressed to enter into the Management Agreement. We would welcome the opportunity to discuss any concerns by Santee Cooper with its management and counsel.

Central

Other than meetings with Central and confirmatory due diligence to substantiate the opinions to be delivered by outside counsel, our Management Proposal is not subject to further due diligence. We have retained McGuireWoods LLP as counsel, and we have already deployed significant internal resources to perform the diligence underlying the Management Proposal.

Dominion Energy does not believe that Central's consent is required for the Management Agreement and Dominion Energy does not require any changes to the existing Power System Coordination and Integration Agreement (the "**Coordination Agreement**"). However, Dominion Energy believes that a positive working relationship with Central will be an important factor in the success of the Management Agreement. Therefore, the Management Proposal is subject to both the approval of Central and confirmation by Central that execution of the Management Agreement would not trigger a right to terminate the Coordination Agreement.

Estimated Time to Closing

Because no regulatory approvals are required, subject to a successful meeting with Central, Dominion Energy is prepared to enter into the Management Agreement and undertake the Management Proposal on "Day 1," with no additional time necessary, and to cooperate with Santee Cooper to minimize any time spent transitioning the Seconded Managers from Dominion Energy to Santee Cooper as quickly as practicable.

Process Confirmation

The Dominion Energy Management Proposal is a unique opportunity for Dominion Energy, Santee Cooper, and the State of South Carolina to benefit from the joint stewardship of assets, employees, and experience. Dominion Energy proposes to recover only its own costs. Once Dominion Energy is selected, an appropriate contract can be negotiated to protect the interests of the State of South Carolina, whether through a deposit of funds to be paid to Santee Cooper in the event Dominion Energy breaches its obligations under the Management Agreement, or as the parties may otherwise determine is adequate and in compliance with the Joint Resolution.

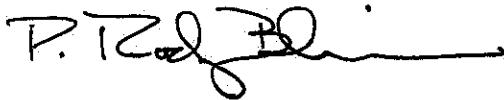
Legislative Requirements Appendix

Please refer to Appendix C to review the balance of the items required by the Joint Resolution.

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Because of our operations in South Carolina, Dominion Energy's proposal presents a compelling and unique opportunity for Santee Cooper's customers and South Carolina. Thank you for your consideration of our proposal. We invite you to contact Prabir Purohit, Vice President – Finance, at (804) 819-2414 or Prabir.Purohit@DominionEnergy.com in the event you wish to discuss the Management Proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Rodney Blevins', with a long horizontal flourish extending to the right.

P. Rodney Blevins
President and CEO – Southeast Energy Group

cc (email only):
John Colella
Roger Wood
Scott DeGhetto
Nathan Barnes
Glenn Muscosky

Enclosures

APPENDIX A

MANAGEMENT PROPOSAL TERM SHEET

This term sheet (“**Term Sheet**”) sets forth certain matters for discussion with respect to determining whether the parties shall proceed to developing definitive documents (“**Management Documents**”) pursuant to which Dominion Energy, Inc. and its affiliates (“**Dominion Energy**”) would seek to aid the South Carolina Public Service Authority (“**Santee Cooper**”) in improving the efficiency and cost of Santee Cooper’s utility operations (the “**Transaction**”). This Term Sheet is confidential and its use and disclosure is subject to the terms and conditions of the confidentiality agreement previously executed between Dominion Energy and the South Carolina Department of Administration in connection with the potential Transaction.

This Term Sheet does not reference all matters upon which agreement must be reached in order for the Management Documents to be negotiated, finalized and executed. Unless and until the Management Documents have been mutually executed and delivered by the parties, no party will be under any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this Term Sheet. Notwithstanding this Term Sheet or any past or future discussions or other communications between the parties, no party will have any liability or obligation with respect to the failure to enter into Management Documents. If any party chooses to rely to its detriment on the expectation that the other parties will, in fact, enter into Management Documents, such reliance is undertaken at that party’s sole risk, and the other parties will have no liability or responsibility for any adverse consequences if no Management Documents are executed. The following terms represent a proposal for discussion and shall be non-binding in all respects:

MANAGEMENT AGREEMENT TERMS:

<p>Background:</p>	<ul style="list-style-type: none"> • Pursuant to a master management agreement and/or one or more secondment agreements, Dominion Energy shall second to Santee Cooper certain Dominion Energy employees that Dominion Energy reasonably believes are capable of satisfying the Standard of Performance (the “Seconded Employees”) to serve Santee Cooper for a limited time. No change to Santee Cooper’s current governance structure is contemplated except as otherwise noted herein. • One or more Seconded Employees shall either (i) replace Santee Cooper’s Executive Vice President and Chief Operating Officer, Santee Cooper’s Senior Vice President and Chief Financial Officer and Santee Cooper’s Deputy Chief Executive Officer and Chief of Planning (or certain other) senior officers of Santee Cooper to be reasonably agreed between Santee Cooper’s Board of Directors and Dominion Energy) or (ii) assume roles in Santee Cooper’s organizational structure where such senior officers report to such Seconded Employees (in either case, the “Temporary Officers”). Dominion Energy may appoint one or more additional Seconded Employees to serve under the Temporary Officers to provide additional support to the Temporary Officers and to Santee Cooper. • Dominion Energy shall arrange or cause its applicable affiliate to arrange for each Seconded Employee to work at such location as the responsibilities of such Seconded Employee from time to time
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	<p>require, but it is anticipated that each Seconded Employee will be based primarily in Moncks Corner, South Carolina.</p> <ul style="list-style-type: none"> • Each Seconded Employee will have the authority currently held by the senior officer that such Seconded Employee is replacing, including (i) in the case of the Temporary Officers, with respect to the tasks set forth as responsibilities of each senior officer on <u>Schedule I</u> and (ii) authority to undertake the efficiency and cost-cutting projects set forth on <u>Schedule II</u>. Each Temporary Officer shall report to Santee Cooper's President and Chief Executive Officer and, ultimately, the Santee Cooper Board of Directors. Each other Seconded Employee shall report to a Temporary Officer. • The Temporary Officers, together with Santee Cooper's President and Chief Executive Officer and one or two other senior officers of Santee Cooper selected by Santee Cooper, shall convene an Operational and Process Improvement Committee (the "OPIC") specifically tasked with evaluating and pursuing joint opportunities with Dominion Energy and other joint measures with Dominion Energy that may result in cost savings or other efficiencies for Santee Cooper or the State of South Carolina. The OPIC shall report to Santee Cooper's Board of Directors. Santee Cooper shall agree to pursue any such joint opportunities and measures that are approved by a majority of the members of the OPIC and subsequently approved by Santee Cooper's Board of Directors. Each member of the OPIC shall have one vote; provided, if the OPIC is voting on an agreement to which Dominion Energy or one or more of its affiliates is a party, the votes of the Temporary Officers will be disregarded for that vote. The OPIC will meet at least once per quarter, where Santee Cooper will present on ongoing joint opportunities and measures, and from time to time the OPIC may identify additional joint opportunities and measures. An initial list of potential joint opportunities and measures is attached as <u>Schedule III</u>. At the reasonable request of Dominion Energy, a representative of Dominion Energy shall be entitled to attend meetings of the OPIC from time to time, but for the avoidance of doubt, shall not be entitled to any vote. • At all times, the Seconded Employees shall remain employees of Dominion Energy. • Dominion Energy shall pay (and be solely responsible for), or shall cause its affiliates to pay (and be solely responsible for), all expenses and costs in connection with the Seconded Employees, including those related to compensation, salaries, wages, social security taxes, other employment taxes, workers' compensation insurance, retirement and insurance and all other benefits (including health and welfare benefits), and other such expenses. Dominion Energy shall maintain (either directly or through self-insurance) workers' compensation insurance coverage for injuries or death to each Seconded Employee the level of which shall satisfy the minimum standards required by all applicable laws. Such compensation and benefits for the Seconded Employees shall be determined by Dominion Energy or its applicable affiliate.
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	<ul style="list-style-type: none"> • Santee Cooper shall provide for each Seconded Employee appropriate facilities and equipment and appropriate access to books, records, information and employees with which to discharge the management and other responsibilities assigned to such Seconded Employee. All work performed and any documents and materials prepared by Seconded Employees in the performance of their respective positions will be the work product of Santee Cooper and will be solely owned by Santee Cooper. • If the Management Documents are entered into, Dominion Energy will agree to use commercially reasonable efforts to seek a mutually agreeable and comprehensive solution relative to existing litigation involving Dominion Energy South Carolina and Santee Cooper that would result in committed and additional direct cash benefits to Santee Cooper.
<p>Coordination with CEPC:</p>	<p>Dominion Energy does not believe that the arrangements contemplated by the Management Documents constitute a change of “management or control” of Santee Cooper that would entitle Central Electric Power Cooperative, Inc. (“Central”) to terminate the Power Systems Coordination and Integration Agreement. Similarly, Dominion Energy is not requiring any changes to that agreement as part of its proposal. However, Dominion Energy desires to maintain a positive working relationship with Central, and Central’s confirmation that execution of the Management Documents would not trigger a right to terminate the Coordination Agreement will be a condition to Dominion Energy’s obligations thereunder.</p>
<p>Term:</p>	<p>The initial term of the arrangement contemplated by the Management Documents shall be 10 years, and shall thereafter automatically continue for two successive two-year renewal terms unless either party delivers written notice of cancellation to the other party no later than six months prior to the end of the initial term or then-current renewal term, as applicable.</p> <p>The Management Documents and the secondment of all Seconded Employees will terminate upon notice from Dominion Energy, without any further liability of either Dominion Energy or Santee Cooper, (a) in the event of a change of the senior management of Santee Cooper or control over its operations in connection with any management, secondment or similar arrangement entered into by Santee Cooper with any third party or (b) in the event of a sale by Santee Cooper of all or substantially all of its assets or any other indirect transfer of its assets or rights.</p> <p>In the event of a material default by either party of its obligations under the Management Documents that remains uncured within thirty days after written notice of such breach by the non-breaching party, either party may terminate the Management Documents upon written notice to the other party.</p>
<p>Compensation:</p>	<p>During the term of the Management Documents, Santee Cooper shall reimburse Dominion Energy (a) for its fully-loaded costs of the Seconded Employees, including those costs set forth on <u>Schedule IV</u>, and all taxes, employee benefits, training, dues, certifications and subscriptions, licenses, and associated overhead and (b) for any related third party costs and expenses, including travel, but Dominion Energy shall not otherwise receive any compensation under the Management Documents. Within 10 business days after the end of each calendar month, Dominion Energy shall</p>

	<p>invoice Santee Cooper for such costs, and Santee Cooper shall reimburse Dominion Energy for such costs within 10 business days after the receipt of each such invoice.</p> <p>Dominion Energy agrees that it will not materially increase any compensation, commission, bonus, benefits or other direct or indirect remuneration payable or potentially payable to any Seconded Employee except as may be required by law, in the ordinary course of business, consistent with Dominion Energy corporate policy or to the extent paid by Dominion Energy for which reimbursement is not sought.</p>
<p>Addition and Replacement of Seconded Employees:</p>	<p>From time to time, Santee Cooper may reasonably request that Dominion Energy provide one or more additional Seconded Employees to serve in a senior management role for Santee Cooper. If Dominion Energy reasonably determines that such additional Seconded Employee or Seconded Employees are likely to benefit Santee Cooper by contributing to additional savings or increased efficiency at Santee Cooper and are unlikely to have a material and adverse impact on Dominion Energy, Dominion Energy will use commercially reasonable efforts to second such additional Seconded Employee or Seconded Employees.</p> <p>Dominion Energy has the right to replace a Seconded Employee: (i) on 60 days' prior written notice; <u>provided</u> that it uses commercially reasonable efforts to provide a suitable alternative replacement and <u>provided, further</u>, that Dominion Energy will not replace a Seconded Employee any earlier than 12 months after the initial date of secondment of such Seconded Employee; and (ii) immediately in the event of the resignation by a Seconded Employee from his or her employment or termination of such Seconded Employee by Dominion Energy or its applicable affiliate.</p>
<p>Standard of Performance:</p>	<p>Each Seconded Employee shall be reasonably experienced in the management and/or operations of utilities, shall have demonstrated success in a position with similar responsibilities and shall possess relevant qualifications to fulfill the role of the respective Temporary Officer.</p> <p>Each Seconded Employee shall act in a manner that such Seconded Employee, acting reasonably and in good faith, believes to be in the best interests of Santee Cooper.</p> <p>Each Seconded Employee shall exercise that degree of skill and care as would be exercised by a reasonably prudent person performing similar services in similar circumstances.</p>
<p>Termination of Seconded Employees:</p>	<p>Dominion Energy or its applicable affiliate shall remain responsible for all employment action in respect of each Seconded Employee, including performance appraisals, career development, suspension and termination, and at no time shall Santee Cooper have the right to terminate the employment of any Seconded Employee with Dominion Energy or its affiliates, as applicable. Communications by Santee Cooper regarding the performance of a Seconded Employee shall be made by Santee Cooper directly to Dominion Energy. If Santee Cooper reasonably determines that a Seconded Employee does not meet the Standard of Performance, it may so notify Dominion Energy, and Dominion Energy and Santee Cooper shall discuss in good faith appropriate measures to take in respect of such Seconded Employee.</p>

	<p>Dominion Energy shall have the right to terminate any Seconded Employee at any time, for any reason or no reason. In the event that Dominion Energy terminates a Seconded Employee, such Seconded Employee shall cease to be a Seconded Employee, and Dominion Energy will provide a replacement for such Seconded Employee as soon as reasonably practicable, but in any event within 90 days of such termination.</p>
<p>Exclusive Services:</p>	<p>The Seconded Employees shall provide their services exclusively to Santee Cooper on a full time basis, and shall have no actual or apparent authority to act on behalf of Dominion Energy in their capacity as Seconded Employees, nor shall they have any authority in their capacity as Seconded Employees that would require the approval of any governmental authority (other than the South Carolina General Assembly, with respect to the approval of the Management Documents in accordance with the Joint Resolution) prior to or after execution of the Management Documents. No Seconded Employee will be involved in the business or affairs of Dominion Energy or its applicable affiliate, or manage or supervise any personnel of Dominion Energy or its applicable affiliate (other than Seconded Employees), at any time during the term of such Seconded Employee's secondment, other than administrative duties associated with being an employee of Dominion Energy or its affiliate.</p> <p>Notwithstanding the foregoing, it is understood and agreed that (i) each Seconded Employee, has prior to the commencement of their secondment, performed services for Dominion Energy or its affiliates that may be similar to the responsibilities of such Seconded Employee described herein, and (ii) in the course of performing services for Santee Cooper during their secondment, such Seconded Employee may be invited by Dominion Energy and/or third parties to discuss certain assets, operations or business opportunities relating to the Management Documents and/or potential joint opportunities being evaluated by the OPIC. A Seconded Employee may discuss such matters with Dominion Energy and its affiliates and/or a third party, in each case to the extent the Seconded Employee continues to act in the best interests of Santee Cooper and such discussions do not materially interfere with the Seconded Employee's performance of the responsibilities assigned to Seconded under the Management Documents, as may be directed by Santee Cooper's President and Chief Executive Officer and/or the Santee Cooper Board of Directors.</p> <p>For the purposes of this arrangement, Dominion Energy shall be an independent contractor engaged by Santee Cooper for a limited purpose. Nothing in the Management Documents shall constitute or create a partnership or joint venture between Dominion Energy and Santee Cooper, or render any Seconded Employee an employee of Santee Cooper. Dominion Energy agrees that the Seconded Employees shall abide by all applicable rules, regulations and other practices in operation for the guidance and conduct of Santee Cooper's personnel.</p>

Limitation of Liability:	Neither Dominion Energy (including the Seconded Employees) nor Santee Cooper shall have any liability for, and shall expressly release any right to, any consequential, indirect, special, exemplary, incidental or punitive damages, or any lost profits or revenue, down time costs, loss of opportunity, loss of goodwill, or claims of customers, incurred by the other party, regardless of whether such damages or losses arise out of a claim under contract, tort or otherwise (collectively, “ Excluded Damages ”).
Indemnification:	<p>Dominion Energy shall defend, indemnify and hold harmless Santee Cooper from and against any losses (other than Excluded Damages) incurred by Santee Cooper and arising from the performance of the Seconded Employees, but only to the extent such losses are the direct result of the fraud, willful misconduct or gross negligence of a Seconded Employee.</p> <p>Santee Cooper shall release, waive and discharge Dominion Energy, its affiliates, and each Seconded Employee from and against any and all claims and losses arising out of the implementation of the arrangement contemplated by the Management Documents and/or the performance by a Seconded Employee of his or her responsibilities under the Management Documents, except to the extent such claims or losses are the direct result of the fraud, willful misconduct or gross negligence of a Seconded Employee.</p>
Non-Solicitation	Santee Cooper shall covenant and agree that it will not directly recruit or otherwise directly solicit or induce a Seconded Employee to terminate their employment, or otherwise cease their relationship, with Dominion Energy or its applicable affiliate or hire away from Dominion Energy or its affiliate a Seconded Employee (whether as an employee, contractor, or agent) within two years after the termination or expiration of such Seconded Employee’s employment with Dominion Energy or its applicable affiliate, unless agreed by Dominion Energy in writing. This provision shall survive the expiration or termination of the arrangement contemplated by the Management Documents.
Dispute Resolution:	In the event of any dispute between Dominion Energy and Santee Cooper under the Management Documents, either party may request a meeting with senior management of the other party, and the parties shall act in good faith and use commercially reasonable efforts to resolve such dispute within 30 days. If such dispute is not resolved within 30 days, either party may elect to discontinue further discussions and pursue such other rights and remedies as may be available under applicable law.

SCHEDULE I

CERTAIN AUTHORITY OF TEMPORARY OFFICERS

Operations

- Generation
- Technology Services
- Power Delivery
- Retail Operations

Finance & Administration

- Treasury / Controller's Office
- Administration
- Economic Development
- Environmental & Water Systems Management
- Continuous Improvement
- Construction Services
- Transportation Services

Deputy CEO and Chief of Planning

- Fuels Strategy and Supply
- Corporate Planning & Pricing
- Transmission Planning & System Design
- Wholesale & Industrial Services

SCHEDULE II

CERTAIN EFFICIENCY AND COST-SAVINGS PROJECTS

- No new employee headcount change is contemplated as a direct result of implementation of the Dominion Energy Management Proposal, beyond Santee Cooper's current standalone operating assumptions for planned staffing reductions (10% staffing reduction from 2017 through 2020)
- Manage fuel costs: reduce coal assets and replace with solar, battery storage, demand-side programs and natural gas resources
- Accelerate automated metering infrastructure: reach all retail customers by 2021
- Refinance debt: refund \$175 million of outstanding muni-bonds with lower interest rate debt
- Additional debt reductions: reduce debt with internally generated funds and coal pile optimization in 2020
- Employee training: introduce best practices and additional improvements in employee training
- Supply chain management: optimize procurement of real property, supplies, prepare procurement agreements
- Fleet expenses: optimize management, maintenance, acquisition / disposal of fleet
- Cash management: introduce best practices in cash management and financing functions; assist company in corporate planning to improve capital allocation (i.e., Flex Card benefits)
- Delivery maintenance: improve transmission maintenance and delivery outage support through enhanced scale and combined efforts
- Plant maintenance: improve plant maintenance / generation outage support process and timing
- Load management: implement planning of load retention and formulation of load shaping

SCHEDULE III

JOINT COST SAVINGS OPPORTUNITIES AND MEASURES

- Metering and grid modernization: jointly modernize metering infrastructure across the state achieving cost savings
- Power supply: leverage larger volume of gas and coal purchases to achieve discounted pricing from vendors, implementation of conservation / efficiency programs, etc.
- IT and call center: leverage local expertise with a common IT platform with centralized call centers, customer service and IT functions reducing support costs and equipment obsolescence, assuming similar CIS platforms are available
- IRP and project management: joint resource planning and construction management for the state, bringing process expertise of building large projects, including new efficient and latest technology generation assets
- Facilities management: lease / title and records management, office facilities management, assist in procuring property, casual, etc. insurance. Potential to include Lake Management.
- Evaluate supplying gypsum: Optimize supply of gypsum
- Gas supply: explore the optimization of pipeline capacity in Dominion Energy's system and sourcing of efficient gas supply for any new generation to meet rate payer's increasing demand

SCHEDULE IV
CERTAIN COSTS

1. Reimbursement for the actual, fully burdened cost (salary or wage, plus bonus) of the Seconded Employees providing the services including an amount equal to the costs of incentives for such Seconded Employees, benefits and allowances, vacation and holiday pay, sick leave, employer's portion of such employees' insurance, social security retirement and medical benefits, withholding (including social security), employment and unemployment taxes, worker's compensation and employer's liability insurance, any other insurance premiums measured by such costs, other employee contributions, and relocation expenses, and benefits from time to time imposed by applicable law; and
2. Reimbursement for all third party costs and out of pocket costs and expenses actually and reasonably incurred in connection with the provision of the services, including the cost of relocation, purchasing materials, equipment, supplies or other services, and transportation and related costs, in connection with the performance of the services, in each case excluding any cost included in item (1) above).

APPENDIX B
BID SUPPLEMENT MATERIALS

[Attached]

Dominion Energy

Appendix B

Management Proposal Supplement Materials

November 26, 2019



**Dominion
Energy[®]**

Executive Summary



✓ **Immediately actionable proposal which preserves future strategic optionality**



✓ **Maintains benefits of state ownership without decreasing employment levels**



✓ **~\$1 billion¹ savings over Santee's plan with benefits remaining in state**



✓ **Complementary fit across South Carolina, with overlapping localities of operations**



✓ **Known counterparty with track record of execution and cost savings**



✓ **Overlapping core values, with stand-out track records in safety and excellence**

Immediately Actionable Proposal

Dominion Energy's Management Proposal requires similar approvals as Santee Cooper's Self-Reform Plan while providing additional savings

Approvals and Actions Required prior to Achieving Cost Savings

Dominion Proposal	Santee's Self-Reform	Other MSAs	Sale
<ul style="list-style-type: none"> ✓ South Carolina Governor and Legislature approval 	<ul style="list-style-type: none"> ✓ South Carolina Governor and Legislature approval 	<ul style="list-style-type: none"> ✓ South Carolina Governor and Legislature approval — Central approval of renegotiated contract¹ ➤ Potentially other supply / demand contract approval¹ ➤ Potentially FERC/NRC/HSR approval¹ 	<ul style="list-style-type: none"> ✓ South Carolina Governor and Legislature approval — Central approval of renegotiated contract ➤ Potentially other supply / demand contract approval¹ ➤ FERC/NRC/HSR approval ➤ Santee Cooper bondholder approval ➤ City and county tax authority approval ➤ Reregulation under PUC

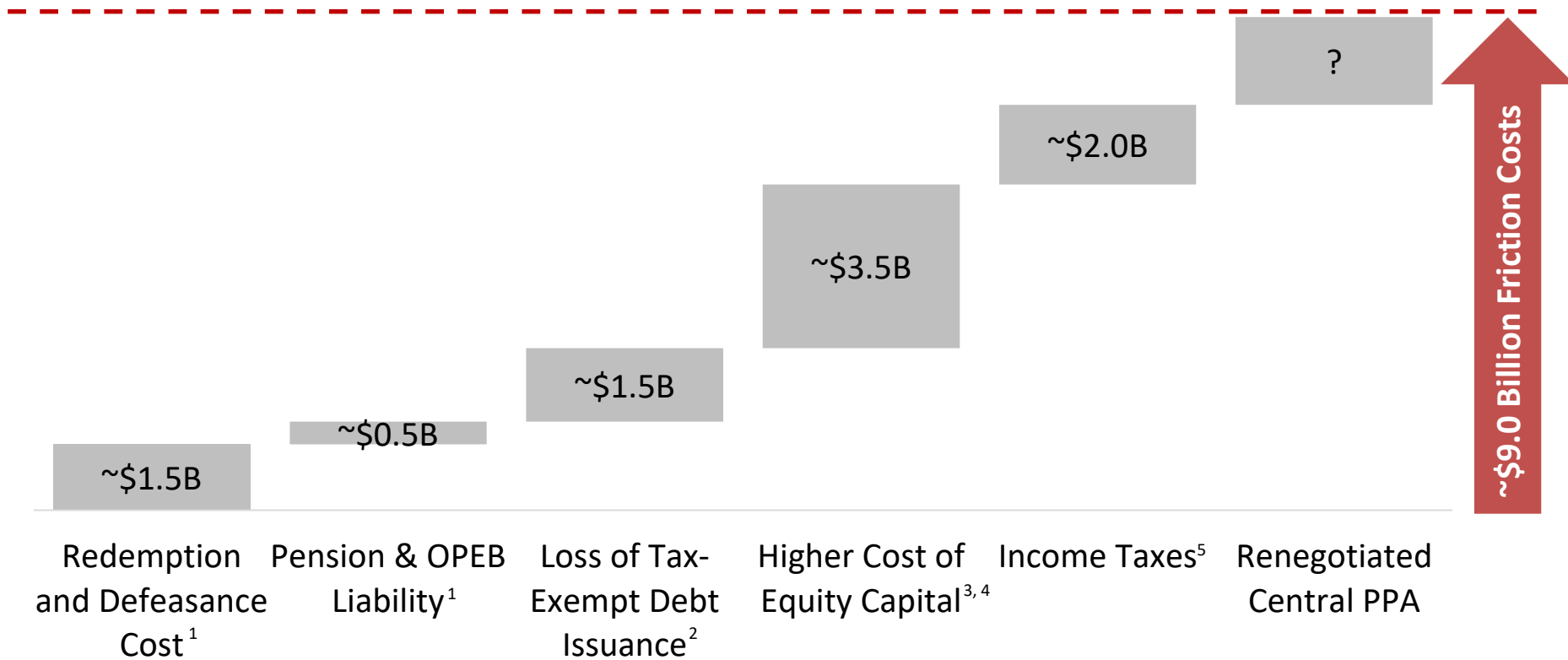
Actionable with and incremental to Santee's Self Reform

Preserves future optionality – either MSA with new counterparty or potential sale of Santee Cooper

Maintaining Efficiencies

Any private purchase or “take-over” of Santee Cooper would result in higher rates for Santee Cooper customers and / or a state-financed bailout

Dominion Energy Management Proposal – Avoided Costs over 20 years



Dominion Energy’s MSA avoids “take-over” costs of ~\$9.0 billion



1. Per Project Santee Cooper Confidential Information Presentation
 2. Assumes 1.0% Increase in cost of capital on \$8.4bn in debt over 20 years
 3. Based on the difference between allowed ROE and Santee Cooper standalone implied debt rate x the implied equity portion of rate base (assumed \$5.4bn) over 20 years

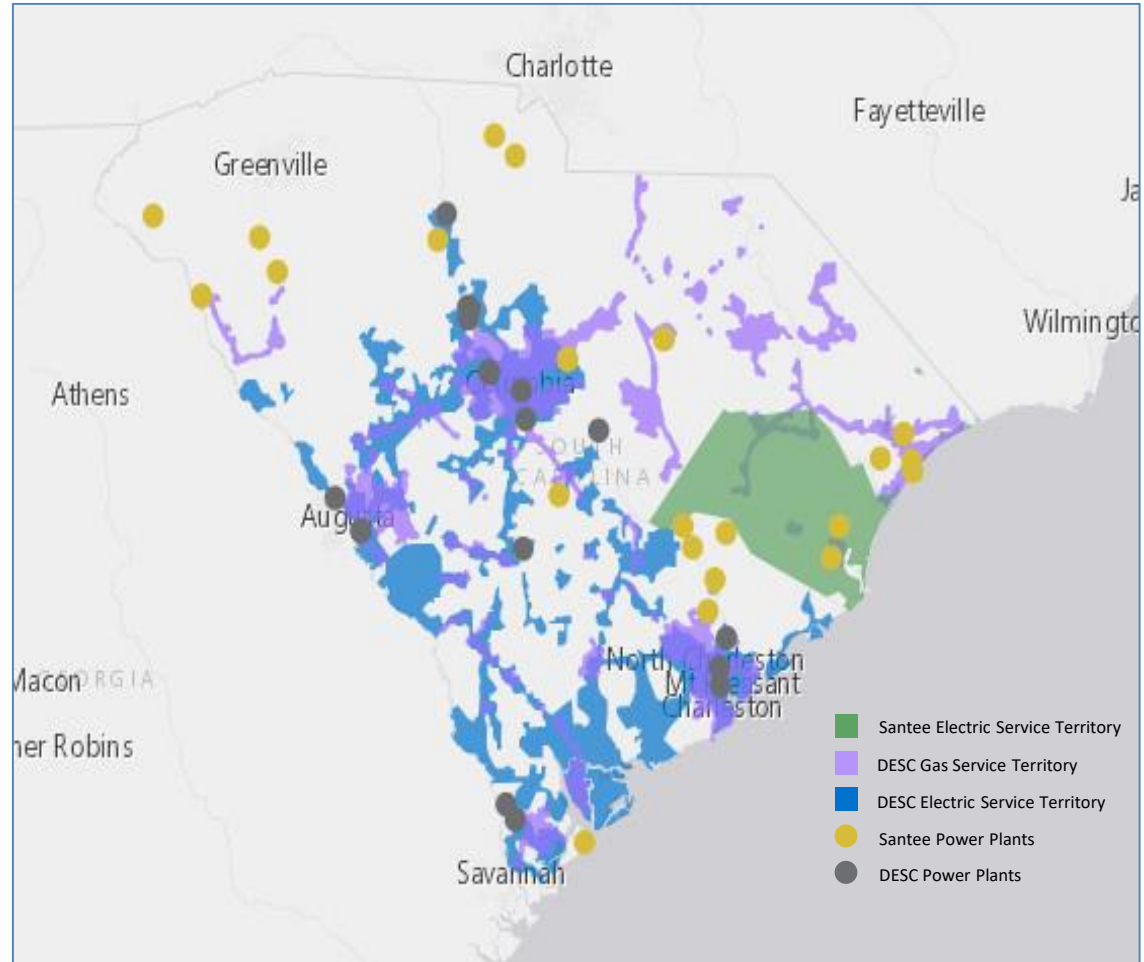
4. Assumed allowed 9.50% ROE and 53.0% equity-to-debt ratio based on most recent allowed ROE and equity-to-debt for an electric utility in South Carolina (Duke Energy Progress rate case settled in May 2019)
 5. Assumes a blended effective 25% tax rate for Federal and State taxes

Savings Over And Above Santee Cooper Self-Reform Plan

Dominion Energy Benefits

- Dominion Energy Management Proposal allows Santee Cooper to continue with Self-Reform Plan while providing additional savings
- Incremental scale to pursue new projects and enter into new contracts
- Contiguous service area and existing Santee / Dominion Energy partnerships results in faster execution
 - Santee has most interconnection points with Dominion Energy vs. any other utility
- All cost savings benefit South Carolina rate payers as both companies will pass on the savings to customers

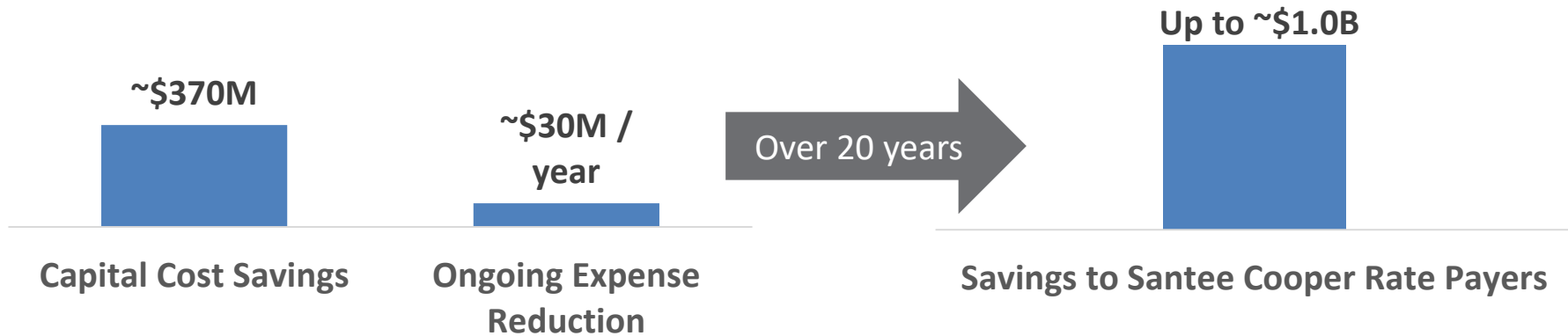
South Carolina Utility Assets & Service Area



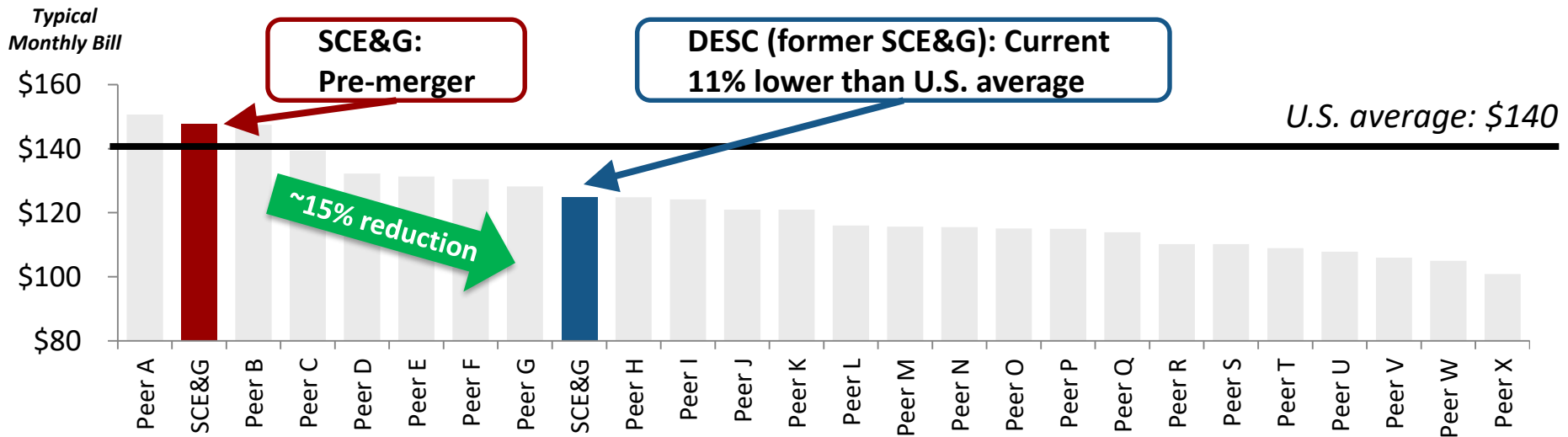
Significant operational overlap and proximity

Track Record of Creating Efficiencies in South Carolina

Dominion has identified up to \$1 billion of cost savings (expense and capital) over 20 years beyond the ~\$3 billion of savings already identified by management



Track Record of Efficient Rates



Track Record Of Execution Certainty

Regulated M&A



Closing Time:
1 year



Closing Time:
< 8 months



Closing Time:
< 2 months



Closing Time:
< 2 months

Major Projects

Bear Garden CCGT



- CapEx: ~\$0.6B
- COD: In service May 2011

Warren County CCGT



- CapEx: ~\$1.6B
- COD: In service Dec. 2014

Brunswick CCGT



- CapEx: ~\$1.2B
- COD: In service April 2016

Greenville CCGT



- CapEx: ~\$1.3B
- COD: In service Dec. 2018

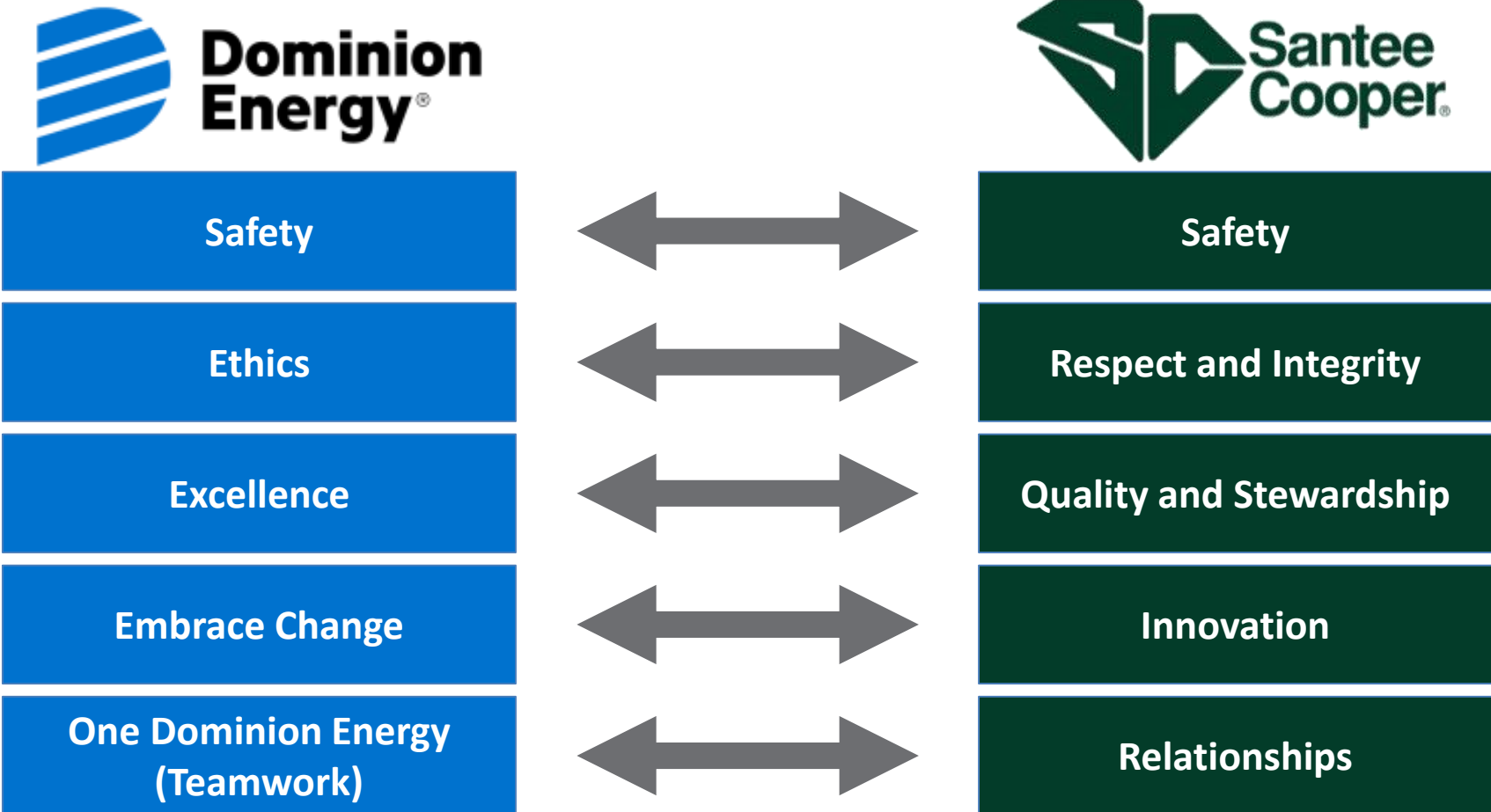
Cove Point



- CapEx: ~\$4.0B
- COD: In service April 2018

Dominion has extensive experience and track record of successful execution

Core Values And Community Involvement



Overlapping core values, with similar stand-out track records in safety

APPENDIX C

BID LETTER AND LEGISLATIVE REQUIREMENTS APPENDIX

<i>Item/Bid Letter or Joint Resolution Section</i>	<i>Reference/Response</i>
(3)(A)(1) terms and conditions of the proposal, including the proposed time period for the management proposal	As set forth in our Bid Letter under “Dominion Energy and the Management Proposal – the Management Agreement,” and Appendix A.
(3)(A)(2) the amount of projected rates for each customer class of Santee Cooper's retail customers over the next twenty years and plans demonstrating how these rates can be achieved;	Attached as Appendix C-1.
(3)(A)(3) fees and costs to be paid by Santee Cooper retail customers for the management proposal, as well as any other benefits to that entity resulting from the proposal;	As set forth in our Bid Letter under “Dominion Energy and the Management Proposal – the Management Agreement,” and as further set forth in Appendix A.
(3)(A)(4) projected needs for generation, transmission, and distribution during the period of the proposal and how those needs would be met;	Dominion Energy does not contemplate any changes to Santee Cooper’s Integrated Resource Plan.
(3)(A)(5) an opinion letter from a bond attorney that the management proposal would neither violate nor alter the terms of Santee Cooper's bonds and other indebtedness;	Attached as Appendix C-2.
(3)(A)(6) an opinion letter from a tax attorney that the proposal would not impact Santee Cooper's current tax status;	Attached as Appendix C-2.
(3)(A)(7) the proposing entity's experience with the type of arrangement as proposed with an investor-owned utility and a publicly owned utility;	As set forth in our Bid Letter under “Dominion Energy and the Management Proposal – Our Experience.”
(3)(A)(8) the impact the management proposal would have on Santee Cooper's employees including, but not limited to, any projected elimination of positions within the next five years, if any;	No employee change is contemplated directly as a result of implementation of the Management Proposal; assumes implementation of Santee Cooper management’s plan for 10% staffing reduction from 2017 through 2020.
(3)(A)(9) the financial capability of the entity offering the proposal;	As set forth in our most recent Form 10-Q, Dominion Energy has tangible assets of nearly \$80 billion. Dominion Energy maintains an issuer credit rating of “BBB+” with S&P and Fitch and an issuer credit rating of “Baa2” with Moody’s.

<p>(3)(A)(10) a comparison of the service territory in South Carolina of the entity offering the proposal, if the proposal is successful, with investor-owned utilities serving South Carolina; and</p>	<p>Please see service territory map included in Appendix B.</p>
<p>(3)(A)(11) an agreement that if the management proposal is awarded, the entity offering the proposal will submit an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives regarding the implementation of the management plan including, but not limited to, plans for the next calendar year and accomplishments and challenges for the prior calendar year.</p>	<p>Dominion Energy, by execution of its Bid Letter, hereby agrees that it will submit an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives regarding the implementation of the management plan including, but not limited to, plans for the next calendar year and accomplishments and challenges for the prior calendar year.</p>
<p>3(B)(2), as supplemented by Process Letter addendum dated November 15, 2019 Plans to increase the transparency of the ratemaking and resource planning process.</p>	<p>Dominion Energy is open to discussing and improving the transparency of the ratemaking and resource planning process. Specifically, a key initiative of the OPIC will be to explore ways to optimize resource planning.</p>

APPENDIX C-1

Please see attached for Dominion Energy's response to Section (3)(A)(2) of the Joint Resolution: "the amount of projected rates for each customer class of Santee Cooper's retail customers over the next twenty years and plans demonstrating how these rates can be achieved."

[Please see document titled “03 - Appendix C-1 to Dominion Energy Bid Letter.xlsm” as submitted electronically with the Dominion Bid on February 7, 2020]

APPENDIX C-2

[Please see Exhibit B.3 of this Report]

ATTACHMENT 2

Central Negotiations Agreement

Attached.

November 18, 2019

**Process for the Conduct of Confidential Negotiations by and between
Central Electric Power Cooperative, Inc., Santee Cooper and Participants**

To Process Participants, Central and Santee Cooper:

Section 5 of the Joint Resolution (Act No. 95 of 2019) adopted by the General Assembly of the State of South Carolina on May 21, 2019 and signed by the Governor on May 22, 2019 (the "Joint Resolution") requires the South Carolina Department of Administration (the "Department") to establish a process pursuant to which its professional services experts conduct confidential negotiations between Central Electric Power Cooperative, Inc. ("Central") and each entity that submitted a qualified bid for sale or management proposal (each a "Participant") after all bids have been submitted. Section 5 of the Joint Resolution further requires, subject to the aforementioned process to be established by the Department, that each Participant, as well as Santee Cooper, must individually negotiate with Central to determine terms for a binding contract between Central and that entity in the event the entity's bid or proposal is successful.

This letter sets forth the terms and conditions of the process required to be established by the Department pursuant to Section 5 of the Joint Resolution. You are receiving this letter as a representative of Central, a representative of Santee Cooper or a representative of an entity that has indicated its intent to submit a bid or proposal to the Department on or before November 25, 2019 and in so doing to become a Participant.

The Department expects that Central and each party negotiating with Central pursuant to Section 5 of the Joint Resolution shall adhere to the following requirements:

1. You will be contacted separately by the Department's advisors to schedule a time for your initial negotiations. The Department intends to afford Santee Cooper and each Participant one full day for its initial, in person negotiations with Central. Those negotiations will take place in Columbia, South Carolina, and one or more of the Department's advisors will be present during such negotiations. Thereafter, Central and any prospective counterparty shall keep the Department's advisors copied on all correspondence and afford them the opportunity to participate in any discussions (whether in person, by phone, or otherwise) in respect of negotiations. Per Section 5 of the Joint Resolution, no negotiations or discussions regarding potential terms and conditions for an agreement with Central can occur outside of the process established by the Department.
2. Parties should be mindful that the potential terms and conditions of a proposed contract with Central are just one of many factors that the Joint Resolution requires the Department to consider in connection with its evaluation of bids for sale and proposals for management, which must take into account the best interests of the State, its taxpayers, and the customers of Santee Cooper. It therefore behooves each Participant and Central to submit a proposed contract in a form

that ultimately can be executed and delivered if the Participant's bid for sale or management proposal is selected and approved by the General Assembly. Each Participant and Central also should negotiate under the assumption that such Participant's bid or proposal will be recommended by the Department to the General Assembly.

3. Santee Cooper and each Participant that will be negotiating with Central pursuant to this process should be mindful of its confidentiality obligations running in favor of the Department. To the extent that Santee Cooper or any Participant has a question as to whether information it is planning to share with Central is subject to such confidentiality obligations, the Department encourages advance consultation with the Department or its advisors to avoid any inadvertent disclosures of information subject to a confidentiality obligation.

4. Although the Department and its advisors will be overseeing the negotiations between Central on the one hand and Santee Cooper and each Participant on the other, the burden of negotiating and drafting each contract, subject to adherence to the requirements of Section 1 above, shall be upon Central and each prospective counterparty.

5. The bilateral negotiations between Central and each Participant should result in an agreement that is, among other things, compliant with the language in Section 7 and Section 2(B)(5) of the Joint Resolution.

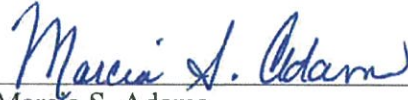
6. In order for the Department to be in a position to complete its evaluation of bids for sale, management proposals and Santee Cooper's reform proposal, it must receive from Santee Cooper and each Participant its proposed contract with Central on or before **noon EST, Friday, January 3, 2020**.

Section 5 of the Joint Resolution requires that the parties enter into a contract to negotiate in good faith, as well as to abide by any other conditions for negotiation as determined by the Department. By countersigning below, you agree to negotiate in good faith and otherwise to conform to the Department's process requirements as set forth in this letter.

Notwithstanding the prior sentence, Section 5 of the Joint Resolution provides that if the Department's advisors determine that one or more parties, including Central, is not negotiating in good faith, the subject negotiation shall be terminated and the Department's advisors *may* submit to the General Assembly terms they determine to be reasonable and in the best interests of Santee Cooper's customers and of the State of South Carolina and its taxpayers. The General Assembly

may consider a Participant's failure to negotiate in good faith as a disqualification of its bid for sale or management proposal.


Sincerely,



Marcia S. Adams

On behalf of the South Carolina
Department of Administration

Agreed and Acknowledged:


Name: PRABIR BORAHIT
Company Name: Dominion Energy
Title: VP Finance

ATTACHMENT 3

Management Agreement

[Please see Exhibit B.1 of this Report]

ATTACHMENT 4

Management Proposal Follow-up Materials

Attached.

Dominion Energy

Management Proposal Follow-up Materials

December 18, 2019



**Dominion
Energy[®]**

Executive Summary

The following pages provide additional detail around Dominion Energy's cost and capital savings assumptions above and beyond Santee's current plan



✓ ~\$1 billion¹ incremental savings over Santee's plan with benefits remaining in state



✓ Immediately actionable proposal which preserves future strategic optionality



✓ Maintains benefits of state ownership without decreasing employment levels



✓ Complementary fit across South Carolina, with overlapping localities of operations



✓ Known counterparty with track record of execution and cost savings



✓ Overlapping core values, with stand-out track records in safety and excellence

Dominion Energy's Resource Plan Assumptions

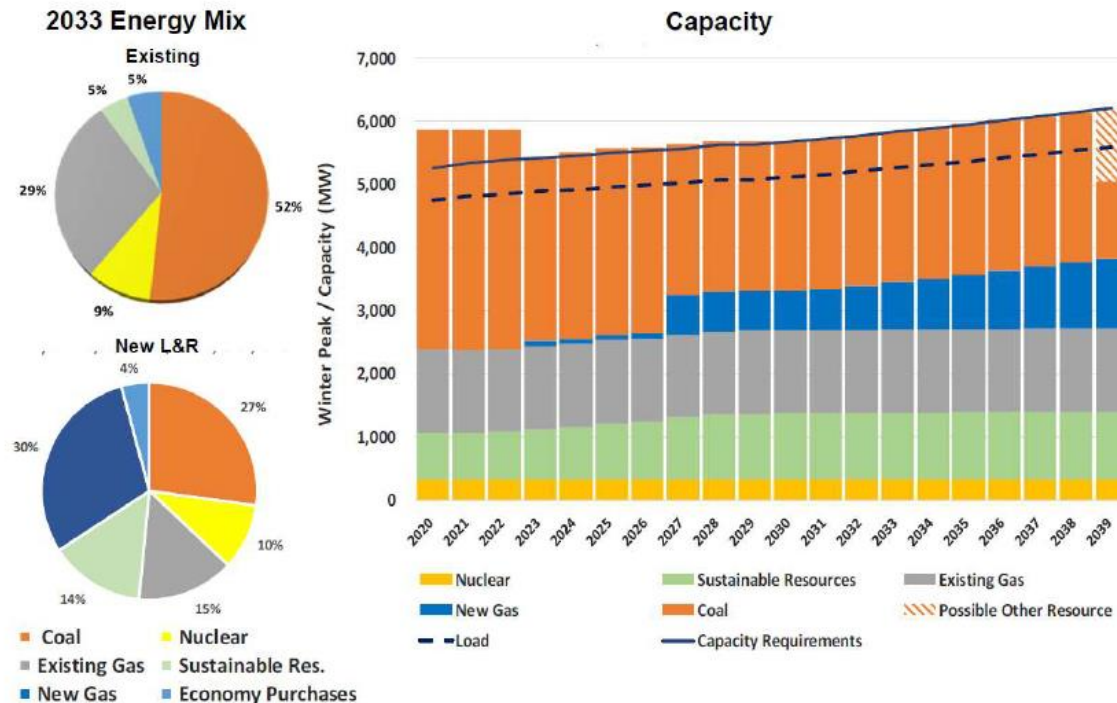
- Dominion Energy's load and resource plan makes no changes to the Santee 2020 Business Forecast below except for the capital costs as outlined later in this presentation



2020 Business Forecast: Load and Resources

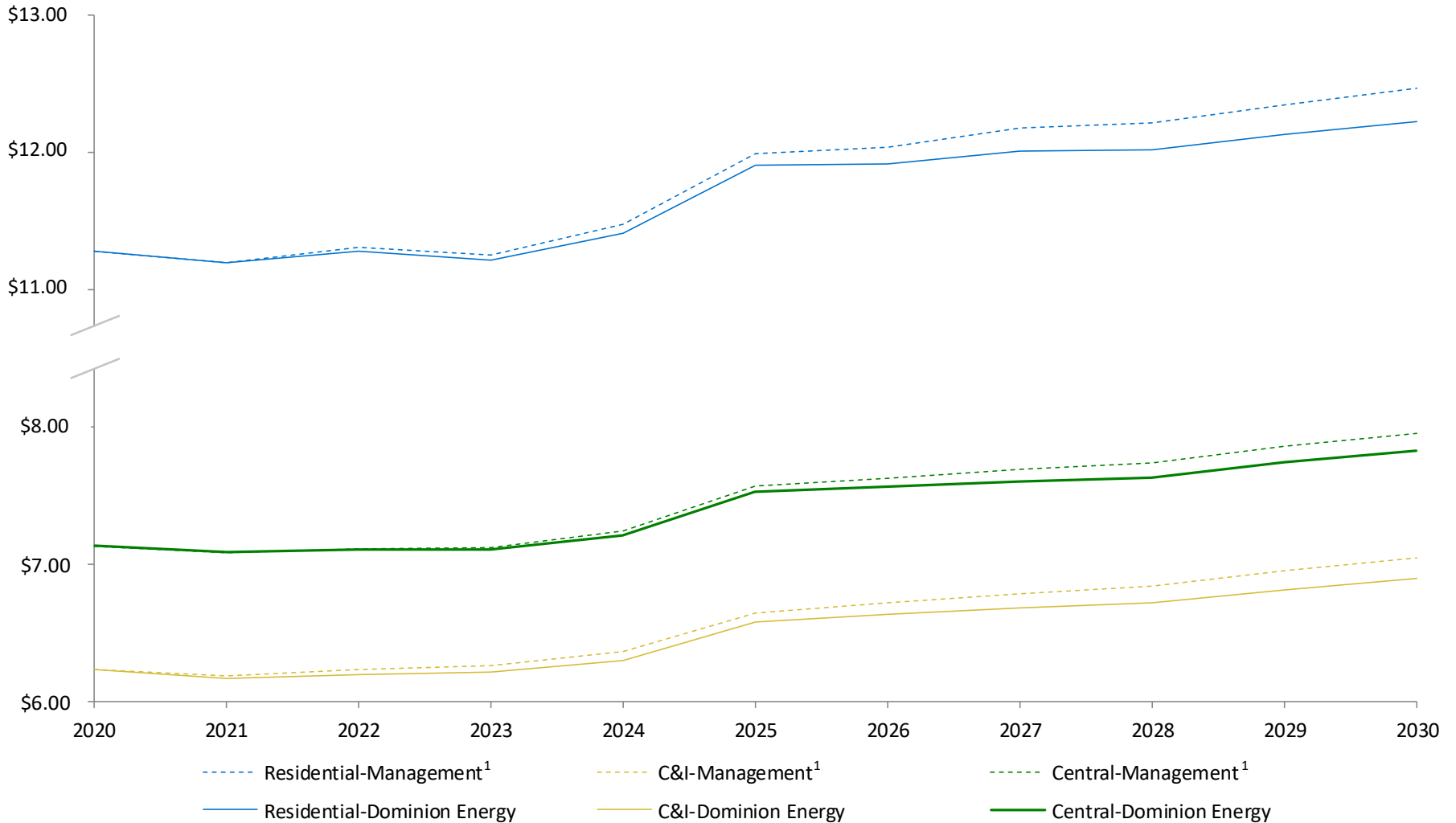
Strictly Confidential

+ Retire Winyah starting in 2023 and replace with new gas and solar



Dominion Energy and Management Rate Comparison

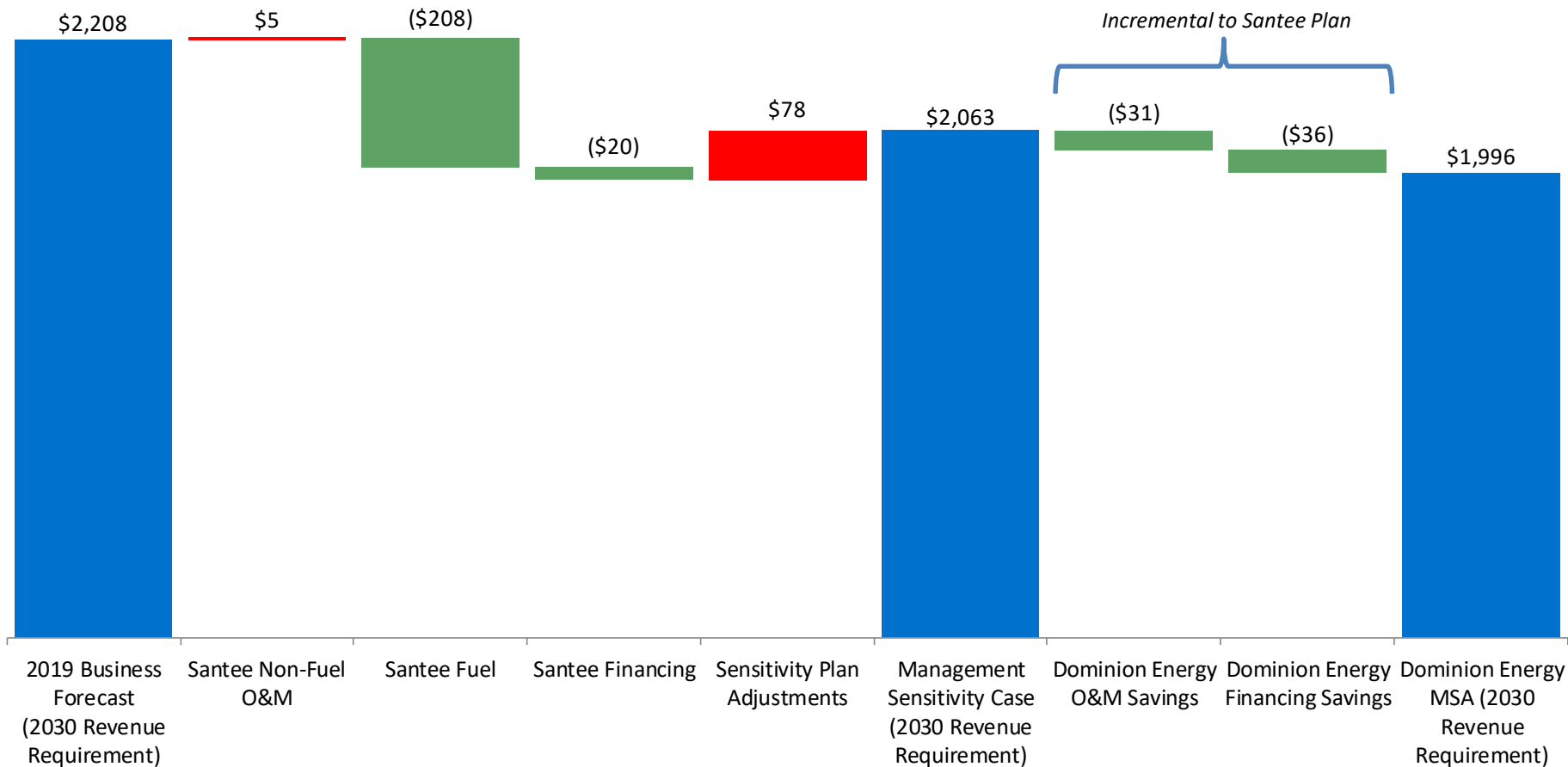
Average Rates by Class (2020-2030)—\$/kWh



Key Drivers of Cost Reductions

2030 Revenue Requirement Bridge (2019 Business Forecast to Dominion Energy MSA)

(\$ in Millions)

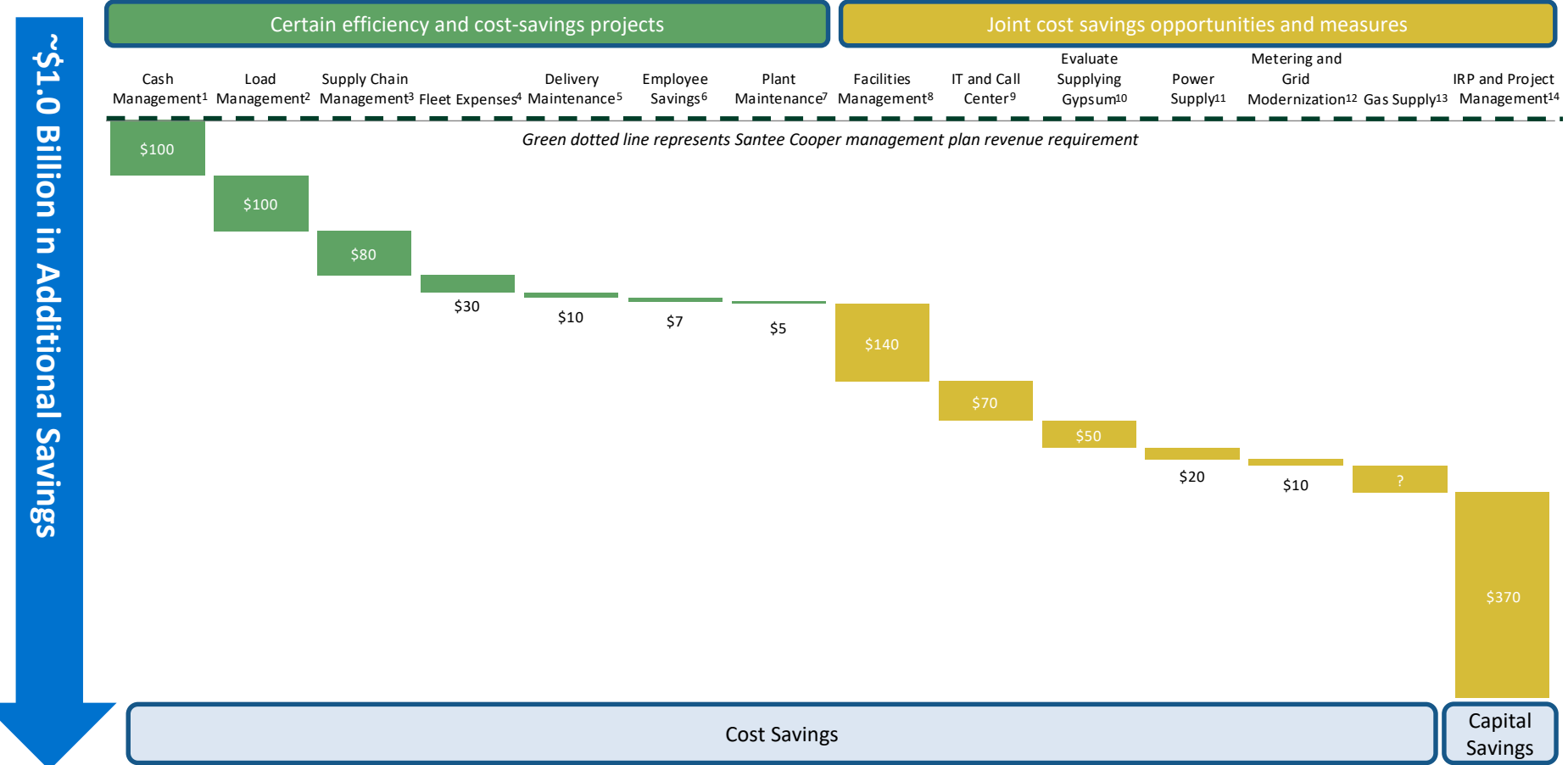


Summary of Dominion Energy MSA Cost & Capital Savings

\$1 Billion of cost and capital savings below are in addition to any savings achieved under management plans

Cost and Capital Savings Detail (Over 20 Years)

(\$ in Millions)



Dominion Energy MSA Cost & Capital Savings Supporting Footnotes

1. Introduce best practices in cash management and financing functions; assist company in corporate planning to improve capital allocation (i.e., Flex Card benefits)
2. Implement planning of load retention and formulation of load shaping
3. Optimize procurement of real property, supplies, prepare procurement agreements
4. Optimize management, maintenance, acquisition / disposal of fleet
5. Improve transmission maintenance and delivery outage support through enhanced scale and combined efforts
6. Introduce best practices and additional improvements in employee training
7. Improve plant maintenance / generation outage support process and timing
8. Lease / title and records management, office facilities management, assist in procuring property, casualty insurance, etc. Potential to include Lake Management
9. Leverage local expertise with a common IT platform with centralized call centers, customer service and IT functions reducing support costs and equipment obsolescence, assuming similar CIS platforms are available
10. Optimize supply of gypsum
11. Leverage larger volume of gas and coal purchases to achieve discounted pricing from vendors, implementation of conservation / efficiency programs, etc.
12. Jointly modernize metering infrastructure across the state achieving cost savings
13. Explore the optimization of pipeline capacity in Dominion Energy's system and sourcing of efficient gas supply for any new generation to meet rate payer's increasing demand
14. Joint resource planning and construction management for the state, bringing process expertise of building large projects, including the most efficient and latest technology in fossil fueled and renewable generation assets