

~~RESTATED AND UPDATED~~Rate Schedule No. 33

INTERCHANGE-INTERCONNECTION AGREEMENT

BETWEEN

SOUTH CAROLINA ELECTRIC & GAS COMPANY

AND

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

This INTERCONNECTION AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, ~~_____~~, 2018, (“Effective Date”) 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 ~~“CompanySCE&G.”~~ SCE&G and Authority may be referred to individually herein as a “Party” and collectively as “Parties”.

WITNESSETH

WHEREAS, SCE&G provides wholesale electric transmission service pursuant to its Open Access Transmission Tariff (“OATT”), as accepted by the Federal Energy Regulatory Commission (“FERC”), and Authority, as a non-FERC jurisdictional entity, provides wholesale electric transmission service pursuant to a “safe harbor” reciprocity OATT on file with the FERC;

WHEREAS, SCE&G 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~~ Parties, and

WHEREAS, SCE&G Company and Authority entered into an Interchange Agreement, dated January 1, 1975 and have amended and restated such agreement multiple times since that date; and

~~, 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; and~~

~~WHEREAS, Modification No. 1 to the above referenced Agreement was entered into on the 21st day of August, 1978; and~~

~~WHEREAS, Modification No. 2 to the above referenced Agreement was entered into on the 14th day of February, 1985; and~~

~~WHEREAS, Modification No. 3 to the above referenced Agreement entered into on the 1st day of January, 1995; and~~

WHEREAS, the pParties desire to provide an updated Agreement, described herein, reflecting the terms of amendments to this Agreement previously filed with the Commission and changes to FERC-jurisdictional facilities that SCE&G has or plans to construct, own, and operate pursuant to this Agreement~~new facilities including FERC-jurisdictional facilities that the Company has or will construct, own, and operate pursuant to the Interchange Agreement Dated January 1, 1975;~~

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

ARTICLE I

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 the parties~~Parties.

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

Nothing in this Agreement is intended to restrict what a Party may do to modify its electric transmission system on its side of any interconnection point. The Parties shall keep each other informed as to such modifications which might reasonably be expected to impact the other Party and to conduct additional studies of future modifications upon request of the other. The remedies for electric system operational problems as contained in this Agreement will apply to the interconnection points after they are placed in service.

ARTICLE II

DURATION OF AGREEMENT

2.1 Duration. This Agreement shall become effective on the date hereof and shall continue in effect for 10 years until terminated on April 30 of any year after the original ten year

term by either party-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.~~

2.4.2.2 This Agreement and any amendments thereto are contingent upon any approval required by Federal or State authorities.

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ARTICLE III

INTERCONNECTION POINT~~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 SCE&G Company or at any other mutually agreeable new point or points, such point or points ~~to be designated and are~~ hereinafter referred to as “Interconnection Point(s)”~~the “Delivery Point.”~~

3.2 Each pParty 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 pParty 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 partiesParties.

Article IV

DELIVERIES UNDER OTHER CONTRACTS

~~4.1~~ ARTICLE IV ~~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

~~5.14.1~~ In order that the advantages to be derived hereunder may be realized by the ~~parties~~ Parties to the fullest practicable extent, the ~~p~~ Parties shall name authorized representatives to be known as the "Operating Representatives" who shall coordinate the operations between the systems. Each of the ~~parties~~ Parties shall designate, in writing delivered to the other ~~p~~ Party not later than thirty (30) days after the date hereof, the person who is to act as its Operating Representative (and the person or persons who may serve as alternate whenever such Operating Representative is unable to act ("Alternate"). Such Operating Representatives and ~~alternates~~ Alternates shall be persons familiar with the generating, transmission, and substation facilities of the system of the ~~party~~ Party by which they have been so designated, and each shall be fully authorized to cooperate with the other Party's Operating Representative (or ~~alternate~~ Alternate) and from time to time as the need arises, subject to the declared intentions of the ~~parties~~ Parties herein set forth and to the terms hereof and the terms of any other agreements then in effect between the ~~parties~~ Parties, to determine and agree upon the following:

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- (a) All matters pertaining to the coordination of maintenance of the generating and transmission facilities of the ~~parties~~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~~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 the transactions herein contemplated.~~

~~Article VI~~ARTICLE V

~~FACILITIES~~INTERCONNECTION POINTS

5.1 All present ~~interconnection~~Interconnection Points including metering equipment between the Parties at the Faber Place Substation (SCE&G), the St. George Substation (Authority), the Lyles Substation (SCE&G), the Clark Hill Substation (Corps of Engineers), A.M. Williams Substation (SCE&G), the V.C. Summer Switchyard (SCE&G and Authority), the Mateeba Substation (Authority), the Purrysburg Substation (Authority), and the Yemassee Substation (Authority), will be utilized in carrying out the provisions of this Agreement and its Schedules. For the purposes of this agreement, the Interconnection Points are as follows:

~~6.1~~ ~~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

1. On the Faber Place (SCE&G) – North Charleston (Authority) 115 kV line at the point where the Authority’s conductors connect to facilities in SCE&G’s Faber Place Substation.
2. On the Faber Place (SCE&G) – Pinopolis/Carnes Crossroads (Authority) 115 kV line at the point where the Authority’s conductors connect to facilities in SCE&G’s Faber Place Substation.

St. George 115 kV Interconnection

1. On the two St. George (Authority) 115 kV bus extensions at the points where the Authority’s conductors connect to the SCE&G’s St. George Substation 115 kV bus.

Lyles 115 kV Interconnection

1. On the Lyles (SCE&G) – Sandy Run (Authority) 115 kV line at the point where the Authority’s conductors connect to the SCE&G’s Lyles Substation.
2. On the Lyles (SCE&G) – Columbia (Authority) 115 kV line at the point where the Authority’s conductors connect to the SCE&G’s Lyles Substation.

Clark Hill 115 kV Interconnection

1. On the Clark Hill Switchyard (SEPA) – Stevens Creek (SCE&G) 115 kV line at the point where the SCE&G’s conductors connect to the SEPA Clark Hill Switchyard. The Authority leases to SCE&G the southerly or downstream one-half of two double circuit electric transmission towers and footings located in McCormick County, State of South Carolina, near the switchyard of the Clark

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Hill Project. Said towers are known as Tower 3, located approximately 266.7 feet from the bay of the aforesaid Clark Hill Project, and Tower 4 located approximately 848.4 feet from the bay of the aforesaid Clark Hill Project. The term of this lease commenced on November 10, 1960, and subject to the provisions hereinafter contained will continue in effect so long as the Agreement between the Parties and any extension thereof is in effect. SCE&G shall pay the Authority rental annually in advance at the rate of \$784.00 per annum. Rental for portions of a year shall be apportioned on a 365-day basis. The Authority shall maintain the said towers, and shall have exclusive use of the northerly or upstream side thereof. SCE&G shall have exclusive use of the southerly or downstream one-half of said towers. SCE&G shall maintain, repair, operate and remove all of its facilities at its sole cost and expense. SCE&G shall have the right to remove all facilities installed by it at any time during the term of this Lease. All property of SCE&G not removed after any termination of this Lease shall become the property of the Authority. All rights granted to SCE&G hereunder shall be 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 twelve (12) months advance written notice of such intention to the other Party. Termination of this Lease does not terminate this Agreement.

Arthur M. Williams 230 kV Interconnection

1. On the A.M. Williams (SCE&G) – Charity (Authority) 230 kV line at the point where the SCE&G’s conductors connect to the Authority’s Tower #1.

Virgil C. Summer 230 kV Interconnections

1. On the V.C. Summer Switchyard (SCE&G and Authority) – Blythewood (Authority) 230 kV line at the point where the Authority’s conductors connect to the V.C. Summer Switchyard.
2. On the V.C. Summer Switchyard (SCE&G and Authority) – Winnsboro (Authority) 230 kV line at the point where the Authority’s conductors connect to the V.C. Summer Switchyard.
3. On the V.C. Summer Switchyard (SCE&G and Authority) – Pomaria (Authority) 230 kV #1 line at the point where the Authority’s conductors connect to the V.C. Summer Switchyard.
4. On the V.C. Summer Switchyard (SCE&G and Authority) – Pomaria (Authority) 230 kV #2 line at the point where the Authority’s conductors connect to the V.C. Summer Switchyard.

Mateeba 230 kV Interconnection

1. On the Pepperhill (SCE&G) – Mateeba (Authority) 230 kV line at the point where the SCE&G’s conductors connect to the Authority’s Mateeba Switching Station.

Purrysburg 230 kV Interconnections

1. On the Jasper County Switchyard (SCE&G) – Purrysburg (Authority) 230 kV #1 line at the point where the SCE&G’s conductors connect to the Authority’s Purrysburg Substation.

2. On the Jasper County Switchyard (SCE&G) – Purrysburg (Authority) 230 kV #2 line at the point where the SCE&G’s conductors connect to the Authority’s Purrysburg Substation.

Yemassee 230 kV Interconnection

1. On the Yemassee (SCE&G) – Yemassee (Authority) 230 kV line at the point where the SCE&G’s conductors connect to the Authority’s Yemassee Switching Station.

~~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.~~

(e) — 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.~~

~~The Authority leases to the Company the southerly or downstream one half of two double circuit electric transmission towers and footings located in McCormick County, State of South Carolina, near the switchyard of the Clark Hill Project. Said towers are known as Tower 3, located approximately 266.7 feet from the bay of the aforesaid Clark Hill Project, and Tower 4 located approximately 848.4 feet from the bay of the aforesaid Clark Hill Project.~~

~~The term of this lease commenced on November 10, 1960, and subject to the provisions hereinafter contained will continue in effect so long as this Interchange Agreement between the parties and any extension thereof is in effect.~~

~~The Company shall pay the Authority rental annually in advance at the rate of \$784.00 per annum. Rental for portions of a year shall be apportioned on a 365 day basis.~~

~~The Authority shall maintain the said towers, and shall have exclusive use of the northerly or upstream side thereof.~~

~~The Company shall have exclusive use of the southerly or downstream one half of said towers. The Company shall maintain, repair, operate and remove all of its facilities at its sole cost and expense.~~

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

~~All rights granted to the Company hereunder shall be 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.~~

~~(e) — 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 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.~~

~~(f) — Virgil C. Summer 230 kV Interconnection~~

~~The Joint Ownership Agreement between Company and Authority for the Virgil C. Summer Substation, Unit No. 1, in Section 14.01, entitled "Delivery of Project Output" states "Each party shall bear all costs of acquiring and installing its 230 kV transmission lines and switching facilities for connecting its transmission systems to the Project Substation or use mutually agreed to interconnection points to provide for delivery of Project Output." In conformity with the Joint Ownership Agreement, the Authority shall construct one (1) three phase, 230 kV transmission circuit from its Blythewood Substation to the Virgil C. Summer 230 kV substation, approximately 20 miles in length; and, one (1) three phase, 230 kV transmission circuit from its Newberry 230 kV substation to Virgil C. Summer Substation, approximately 15 miles in length. Each 230 kV line shall have three (3) conductors not smaller than 1272 MCM~~

~~ACSR. Authority shall provide suitable communication channels for the communication, telemetering and relaying as required by it for the operation of these two interconnections. Company shall purchase and install for the Authority at the Virgil C. Summer Substation two (2) 230 kV circuit breakers and their associated structures, foundation, disconnect switches, protective relaying and carrier equipment, meters and controls, all hereafter referred to as the 230 kV circuit breakers and associated equipment. One (1) circuit breaker shall be connected to the Authority's Blythewood Virgil C. Summer 230 kV transmission circuit, and one (1) circuit breaker connected 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 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.~~

~~6.3 — Proposed Facilities~~

~~(a) Mateeba Pepperhill 230 KV Interconnection~~

~~(4) — Authority will provide all metering and communications in Mateeba Station for this interconnection.~~

~~(1) Company will construct, at its expense, a 230 KV station at Pepperhill and a 230 KV line from Pepperhill to Authority's Mateeba Station. Cost of any Authority relocations required to accommodate the Company's Pepperhill tie line will be borne by Company. Specific details will be worked out through our respective engineering staffs. (2) Company will provide an oil circuit breaker (OCB), associated relays and relay panel for termination of the tie line at Authority's Mateeba Station. Authority will control this breaker through its Supervisory Control and Data Acquisition (SCADA) system. (3) Authority will install the Company's equipment listed in (2) above in Authority's Mateeba Station and will bill Company from time to time for~~

~~all required maintenance. (5)The specifications for all equipment, ratings and standards will be mutually agreed upon by Authority and Company as related to this interconnection. This applies to such equipment as OCB, communications, data acquisition, relays and metering.~~

5.2 Additional Interconnection Points

The Parties shall amend this Agreement if, in the future, they seek to add any new Interconnection Point(s) between Authority and SCE&G.

6.35.3 Operation and Maintenance of Interconnections

Authority ~~or SCE&G~~, at its expense, shall operate, maintain and replace ~~or cause to operate, maintain and replace~~, as required all ~~of its~~ facilities on its side of the Interconnection Points as described in Section 5.1, 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~~ Parties shall maintain in operable condition its facilities required for the effective use of the interconnections for the purpose herein provided.

6.45.4 Elimination of Interconnection Points

If, in the judgment of either ~~party~~ Party hereto, it is anticipated that conditions will develop such that the continuation of any Interconnection Point specified in Article V ~~interconnections specified in Article VI~~ hereof will place a burden ~~or expense~~ on either ~~party's~~ Party's system, the ~~parties~~ 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~~ Party whose system is so affected shall have the right to discontinue such ~~interconnection~~ Interconnection Point three (3) years after giving notice.

~~Article V~~ ARTICLE VI

SERVICE TO BE RENDERED

7.16.1 Service Schedule

The power to be supplied by each ~~party~~ 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~~ 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~~ is hereby agreed to initially and attached as parts hereof:

Service Schedule A ~~—~~ Reserve

~~Service Schedule B—Short term Power Service~~

~~Schedule C—Limited term Power;~~

~~Service Schedule D—Economy Interchange;~~

~~Service Schedule E—Other Energy~~

7.26.2 Rights and Obligations of Service

It is the express intention and understanding of the ~~parties~~ Parties that either ~~party~~ Party shall have the right, unilaterally, to take any action permitted or contemplated by Article XII of this Agreement.

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.

~~Article VIII~~ARTICLE VII

SERVICE CONDITIONS

8.47.1 Operation of Systems in Parallel

The Authority's system and ~~the SCE&G's Company's~~ system shall be and shall remain interconnected at the ~~interconnection~~Interconnection points~~Points~~ described in Article VI hereof, insofar as this can be done in the opinion of each ~~party~~Party and subject to provision in Section ~~6.55.4~~, without jeopardy to its system or to service to its customers.

8.27.2 Control of System Disturbances

Insofar as practicable ~~SCE&G 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 or equipment damage in the other's system or in any system interconnected therewith.

8.37.3 Kilovar Exchange

It is intended that neither ~~party~~Party shall impose an undue burden on the other with respect to the flow of kilovars. The Operating Representatives (provided for under Section ~~54.1~~) shall establish from time to time mutually satisfactory voltage schedules and kilovar supply arrangements.

8.47.4 Determination of Amounts of Power Supplied

The amounts of power being supplied hereunder by one ~~party~~Party to the other under ~~each~~ Service Schedule A, ~~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'~~² ~~Parties'~~ Operating Representatives or persons designated by them. The ~~parties~~-~~Parties~~ shall operate their respective system in such a manner as to make the actual net deliveries of power and energy as nearly equal as practicable to the scheduled net deliveries. Any difference between scheduled net deliveries and actual net deliveries shall be accounted for according to procedures for loop operation as approved by the Operating Representatives, and such differences shall be settled by appropriate compensatory delivery in accordance with established utility practice.

~~Article IX~~ARTICLE VIII

DELIVERY POINTS INTERCONNECTIONS AND METERING

9.18.1 Delivery-Interconnection Points

Unless otherwise agreed, the ~~delivery-Interconnection p~~Points ~~for power and energy~~ hereunder shall be ~~the interconnection points~~ described in Article VI ~~as existing or proposed interconnections~~.

9.28.2 Metering and Metering Facilities

The power and energy transactions over the system ~~interconnection-Interconnection points-Points~~ hereunder shall be measured and accounted for at the delivery points herein provided for or hereafter established for the respective system ~~interconnection-Interconnection points~~Points. At the metering points for such system interconnections, each ~~party~~-~~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~~Points. Each ~~party~~-~~Party~~ shall have the right to install, at its own expense, check-metering equipment in suitable space provided without charge by the ~~party~~-~~Party~~ owning the metering equipment. Should either ~~party's~~-~~Party's~~ meters fail to

register for any period, the deliveries during such period shall be determined from the other ~~party's~~ Party's meters or from the best information available. Operating Representatives may agree to compensate meters for lines loss compensation when appropriate.

9.38.3 Inspecting and Testing of Meters

Each ~~party~~ 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~~ Party, the other ~~party~~ 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~~ Party requesting such additional tests or inspections. Each ~~party~~ Party shall give the other ~~party~~ Party reasonable notice of all tests so that it may have a representative present if it wishes.

9.48.4 Billing Adjustment

If any tests or inspections under Section ~~98.3~~ 98.3 of this Agreement show either ~~party's~~ Party's measurements to be inaccurate by more than one percent, the Parties agree to correct erroneous deliveries of energy for any known or agreed periods of inaccuracy via "in-kind" payback as mutually agreed to, ~~an offsetting adjustment shall be made in the party's billings or statements for any known or agreed period of inaccuracy; in-~~ 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~~ Party owning such defective metering equipment.

~~Article X~~ARTICLE IX

RECORDS AND STATEMENTS

~~10.1~~10.1 Records

Each ~~party~~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~~Party to the other and of the hourly integrated demands in ~~kilowatts~~kiloWatts delivered by one ~~party~~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~~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~~ARTICLE X

BILLING AND PAYMENT

~~11.1~~10.1 Monthly Bills

~~Monthly~~All bills for amounts owed by one ~~party~~Party to the other shall be rendered by the ~~party~~Party to whom a payment is due, and such bills shall be due and payable twenty (20) days following the calendar month service was rendered, 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 XI~~ ARTICLE XI

MISCELLANEOUS PROVISIONS

~~12.11.1~~ Continuity of Service

Each ~~party-Party~~ shall exercise reasonable care to maintain continuity of service in the delivery and receipt of capacity and energy under this Agreement. If continuity of service becomes interrupted for any reason, the cause of such interruption shall be removed and normal operating conditions restored as soon as practicable. Neither ~~party-Party~~ shall be responsible to the other ~~party-Party~~ for any damage or loss of revenue caused by any such interruption.

~~12.211.2~~ 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-Party~~ shall have access during reasonable hours to the premises and facilities of the other ~~party-Party~~ used in connection with the performance of this Agreement.

~~12.311.3~~ Force Majeure

Each ~~party-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-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.

~~12.4~~11.4 Responsibility and Indemnification

Neither ~~party-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-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~~Party's) own side of the point of delivery hereunder; provided, however, that each ~~party-Party~~ hereto, insofar as the other ~~party~~ 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-Party~~ expressly agrees to indemnify and save harmless the other from all claims of such employees to this extent.

~~12.5~~11.5 Arbitration

In the event of disagreement between the ~~parties-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 ~~P~~party, be submitted to arbitration in the manner 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-Party~~ calling for arbitration shall serve notice in writing upon the other ~~partyParty~~, setting forth in detail the subject or subjects to be arbitrated, and the ~~parties-Parties~~ thereupon shall endeavor to agree upon and appoint one person to act as sole arbitrator. If the ~~parties-Parties~~ fail so to agree within a period of fifteen days from the receipt of the original notice, the ~~party-Party~~ calling for the arbitration shall, by written notice to the other ~~partyParty~~, 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-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-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-Party~~ calling for the arbitration, upon five days' written notice delivered to the other ~~partyParty~~, 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. [This Agreement and the performance of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of South Carolina.](#)

The sole arbitrator, or the board of arbitrators, shall afford adequate opportunity to the ~~parties-Parties~~ to present information with respect to the question or questions submitted for arbitration and may request further information from either ~~or both partiesParty~~. The findings 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~~Parties. Each ~~party~~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~~Parties hereto, unless the award shall specify a different division of the costs.

~~12.6~~11.6 Right to Maintain Suit

Either ~~party~~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.

This Agreement and the performance of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of South Carolina.

~~12.7~~11.7 Waivers

Any waiver at any time by either ~~party~~Party hereto of its rights with respect to the other ~~party~~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~~11.8 Notices

Any written notice or demand required or authorized by this Agreement shall be properly given, if mailed, postage prepaid to:

For SCE&G:
President, SCE&G
220 Operation Way
Cayce, South Carolina 29033

For Authority

President, South Carolina Public Service Authority

P.O. Box 2946101

Moncks Corner, South Carolina, 29461

~~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~~ Party by similar notice.

~~12.9~~ 11.9 Regulatory Authorities

This Agreement is made subject to the jurisdiction of any governmental authority or authorities (excluding Authority) having jurisdiction. Nothing contained in this Agreement shall be construed as affecting in any way the right of either ~~party~~ 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 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.

~~12.10~~ 11.10 Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective ~~parties~~ Parties hereto, but it shall not be assignable by either ~~party~~ Party without the written consent of the other ~~party~~ 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. This Agreement Amendment is for the sole benefit of the Parties and

is not for the benefit of any third party other than the Parties' respective successors and permitted assigns.

11.11 No Partnership

This Amendment shall not be interpreted to create an association, joint venture, partnership or trust between the Parties nor to impose any trust or partnership duty, obligation or liability upon or with regard to either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

11.12 Agreements Superseded~~12.11 Agreements Superseded~~

This Agreement, upon ~~becoming its e~~Effective Date, shall supersede any other Interchange Agreements between ~~the Company~~SCE&G and Authority executed prior to the date of this Agreement.

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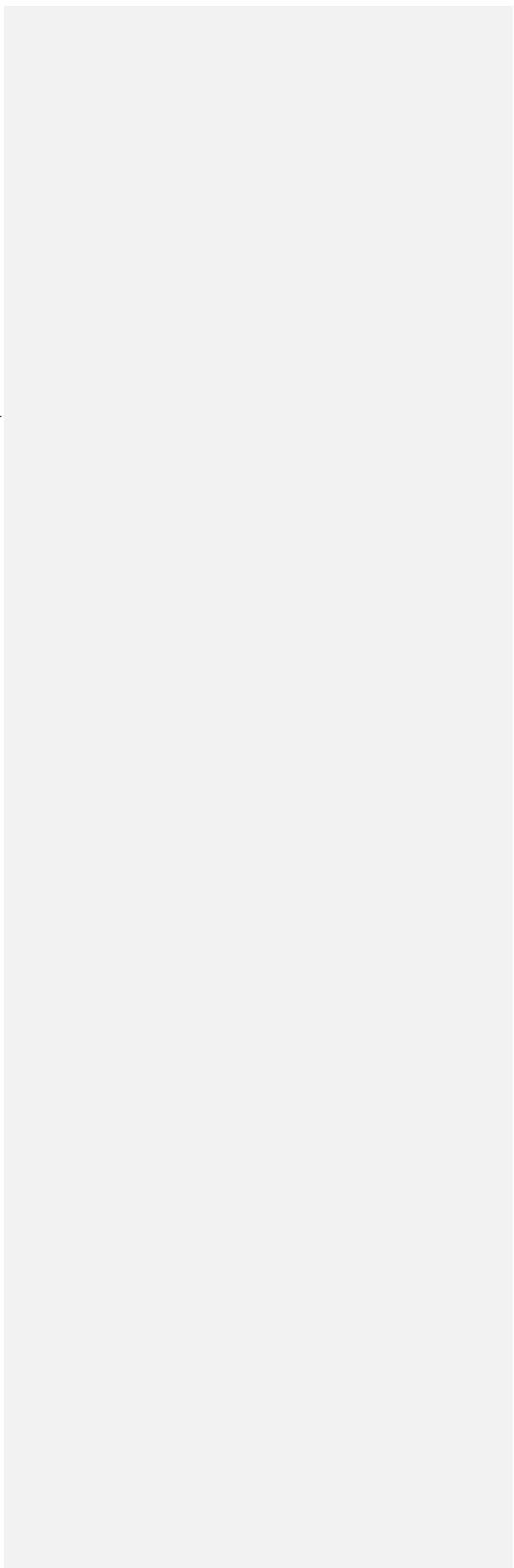
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers.

ATTEST: SOUTH CAROLINA ELECTRIC & GAS COMPANY

_____ By: _____

ATTEST: SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

_____ By: _____



SERVICE SCHEDULE A

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 ~~p~~Party upon at least three years prior written notice to the other ~~p~~Party may terminate this schedule.

SECTION 2 - DEFINITIONS

2.1 ___ Emergency Reserve Capacity is defined as the capacity provided during the first 12 hours (or the remainder of the calendar day, if greater than 12 hours) following the emergency loss of a resource. The period during which Emergency Reserve Capacity is supplied shall be defined as the Emergency Period.

2.2 ___ Daily Reserve Capacity is defined as the capacity provided immediately following an Emergency Period, or capacity provided as a matter of efficiency, or as otherwise mutually agreed.

2.3 ___ Contingency Reserve is defined as capacity that may be made available following the emergency loss of a resource.

SECTION 3 - SERVICES TO BE RENDERED

3.1___ In the event of an emergency loss of a resource, each system will make available to the other, up to the total available Contingency Reserve capacity on its system and, upon request, will attempt to obtain capacity and/or energy from a third pParty system.

3.2___ In the event either pParty desires to purchase capacity to supply a portion of its Contingency Reserve rather than supply it from its own resources, each pParty will make available to the other such capacity to the extent that it is available.

SECTION 4 - COMPENSATION

4.1___ Demand Charge

4.1.1___ 4.1.1___ When Emergency Reserve Capacity is provided there will be no demand charge. If the pParty suffering the outage requires assistance for a longer period than the Emergency Period, then that pParty will purchase Daily Reserve Capacity, unless otherwise mutually agreed. When Daily Reserve Capacity is provided, the receiving pParty will pay the delivering pParty a reserve demand charge of ~~\$.08-.06~~ per ~~kW-kW~~ per day. Transmission charges will be calculated consistent with the delivering Pparty's OATT.

~~which includes a transmission use charge.~~

4.1.2___ 4.1.2___ In the event the delivering pParty provides capacity to the receiving Pparty from a third-party system, the receiving Pparty will pay the delivering Pparty a Demand Rate equal to (1) the Demand Rate (capacity and transmission) charged by the third party, plus (2) a transmission ~~use~~-charge calculated consistent with the delivering Pparty's OATT of ~~\$.02 per kW per day~~. In transactions where no demand charge is made by the third party, the receiving Pparty will pay the delivering Pparty a transmission charge calculated consistent with the delivering pParty's OATT.

~~use rate of \$.02 per kW per day or 2 mills per kWh, whichever is less.~~

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4.2 Energy

4.2.1 -When the energy delivered is generated on the system of the delivering pParty, the receiving Pparty will pay the delivering Pparty a rate per KWH-kWh equal to (1) the out-of-pocket cost, plus (2) the cost of supplying the associated transmission losses to make the delivery, plus (3) 10 percent of the sum of (1) and (2) under this Section, or 5 mills per KWHkWh, whichever is less; or at option of the delivering Pparty, the energy plus losses may be returned in kind.

4.2.2 -For energy delivered by the delivering Pparty from a third party the receiving Pparty will pay the delivering pParty a rate per kKWHh equal to (1) the rate per kKWHh paid to the third party, plus (2) if the third party does not deliver energy for the associated transmission losses on the delivering Pparty's system, the cost of supplying the associated transmission losses on the system of the delivering pParty, plus (3) 10 percent of the sum of (1) and (2) under this section or 2 mills per KkWhH, whichever is less; or by mutual agreement the energy plus losses may be returned in kind. In return, in-kind transactions the receiving Pparty will pay the delivering pParty (1) the cost of supplying the associated transmission losses on the system of the delivering pParty; plus (2) one mill per KkWhH to provide compensation for miscellaneous and unquantifiable incremental costs incurred for transmission services. 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 Taxes

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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.

SERVICE SCHEDULE B

SHORT TERM POWER

SECTION 1 - DURATION

~~—— 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.~~

~~—— Either party upon at least one year prior written notice to the other party may terminate this schedule.~~

SERVICE TO BE RENDERED

~~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.~~

COMPENSATION

~~— 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.~~

~~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~~

~~1.3 — 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.~~

~~1.31 — 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.~~

~~1.32 — 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~~

~~1.4 — 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~~

~~1.5 — The Receiving Party will compensate the Delivering Party as follows:~~

~~1.51 — For any month the charge for Limited Term Capacity produced by the Delivering Company is \$3.25 per KW.~~

~~1.52 — 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.~~

~~1.53 — 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.~~

~~1.54 — 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~~

~~— Where applicable, taxes will be added to the billings under 4.1.1, 4.1.2, 4.1.3 and 4.1.4 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.~~

~~SERVICE SCHEDULE D
ECONOMY INTERCHANGE~~

~~SECTION 1 — DURATION~~

~~1.6 — 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.~~

~~1.7 — 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 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 agreed upon between the parties prior to the transaction and included in the energy charge.~~

SERVICE SCHEDULE E

OTHER ENERGY

SECTION 1 — DURATION

~~1.8 — 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.~~

~~1.9 — Either party upon at least one year prior written notice to the other party may terminate this schedule.~~

SECTION 2 — SERVICES TO BE RENDERED

~~1.10 — 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.~~

~~1.101 — 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.~~

SECTION 3 — COMPENSATION

~~1.11 — (a) — When energy 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) the 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, plus (4) a transmission use~~

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~~charge of 2 mills per KWH; or at the option of the delivering party the energy may be returned in kind.~~

~~(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) 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, plus (4) a transmission use charge of 2 mills per KWH; or by mutual agreement the energy may be returned in kind. In return in kind transactions the receiving party will pay the delivering party (1) 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, plus (2) a transmission use charge of 2 mills per KWH.~~

~~1.1 Where applicable, taxes will be added to the billings under 3.1 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.~~