March 27, 2018

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Friends of the Earth and Sierra Club, Complainant/Petitioner v. South Carolina Electric & Gas Company, Defendant/Respondent
Docket No. 2017-207-E

Request of the Office of Regulatory Staff for Rate Relief to South Carolina Electric & Gas Company’s Rates Pursuant to S.C. Code Ann. § 58-27-920
Docket No. 2017-305-E

Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Inc. for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Inc., as May Be Required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Cost Recovery Plan
Docket No. 2017-370-E

Dear Ms. Boyd:

By letter dated February 6, 2018, the Clerk’s Office of the Public Service Commission of South Carolina transmitted to South Carolina Electric & Gas Company ("SCE&G") a Revised Notice of Filing ("Notice") in the above-referenced docket. The Clerk’s Office instructed SCE&G to furnish the Notice, either by U.S. Mail via bill inserts or electronically to customers who have agreed to receive the Notice electronically, by March 22, 2018. In compliance with the Clerk’s Office’s instructions, please find enclosed an Affidavit and Exhibit A evidencing that the Notice was timely provided.
By copy of this letter, we are serving the parties of record with a copy of the enclosed documents. This information is being provided via electronic service pursuant to the Agreement for Electronic Service filed in the above-referenced dockets.

If you have any questions, please advise.

Very truly yours,

Matthew W. Gissendanner

MWG/kms
Enclosures

cc: Shannon Bowyer Hudson, Esquire
    Jeffrey M. Nelson, Esquire
    Robert Guild, Esquire
    Frank R. Ellerbe, III, Esquire
    John H. Tiencke, Jr., Esquire
    W. Andrew Gowder, Jr., Esquire
    Michael N. Couick, Esquire
    Christopher R. Koon, Esquire
    Robert E. Tyson, Jr., Esquire
    Scott Elliott, Esquire
    J. Blanding Holman, IV, Esquire
    Frank Knapp, Jr.
    Lynn Teague
    Robert D. Cook, Esquire
    Michael T. Rose, Esquire
    Lara B. Brandfass, Esquire
    J. David Black, Esquire
    Joseph K. Reid, III, Esquire
    Elaine S. Ryan, Esquire
    Peter J. Hopkins, Esquire
    Jessica R. Bell, Esquire
    James F. Walsh, Jr., Esquire

    Timothy F. Rogers, Esquire
    Susan B. Berkowitz, Esquire
    Stephanie U. Eaton, Esquire
    Jenny R. Pittman, Esquire
    Alexander G. Shissias, Esquire
    William T. Dowdey
    Christopher S. McDonald, Esquire
    Damon E. Xenopoulos, Esquire
    Derrick P. Williamson Esquire
    Dino Teppara, Esquire
    Elizabeth Jones, Esquire
    J. Emory Smith, Jr.,Esquire
    Richard L. Whitt, Esquire
    James R. Davis, Esquire
    John B. Coffman, Esquire
    Emily W. Medlyn, Esquire
    Lisa S. Booth, Esquire
    Ellen T. Ruff, Esquire
    James N. Horwood, Esquire
    Stephen C. Pearson, Esquire
    William C. Cleveland, Esquire

(all via electronic service only w/enclosures)
BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2017-370-E

IN RE:
Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Incorporated for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Incorporated, as May Be Required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Cost Recovery Plans

AFFIDAVIT

PERSONALLY APPEARED before me, Allen W. Rooks, who being first duly sworn, deposes and says that he is Manager of the Electric Pricing and Rate Administration Department for SCANA Services, Inc.; that at his direction and under his supervision the Notice of Filing attached hereto as Exhibit A and incorporated herein ("Notice") has been furnished, either by U.S. Mail via bill inserts or electronically to customers who have agreed to receive the Notice electronically, to all applicable customers of South Carolina Electric & Gas Company prior to March 22, 2018.

FURTHER AFFIANT SAYETH NOT.

Allen W. Rooks

Sworn to and subscribed before me this 26th day of March, 2018

Notary Public for South Carolina
My Commission Expires: 12/26/2026
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
CLERK'S OFFICE

REVISED NOTICE OF FILING

DOCKET NO. 2017-370-E

Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Inc. for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Inc., as required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Cost Recovery Plans

On January 12, 2018, South Carolina Electric & Gas Company (“SCE&G” or the “Company”) and Dominion Energy, Inc. (“Dominion Energy”) (together, the “Petitioners”) filed a Joint Application and Petition (“Joint Petition”) with the Public Service Commission of South Carolina (the “Commission”), pursuant to S.C. Code Ann. §§ 58-27-100, 58-27-370(F), 58-27-230(E) and 58-33-230(K)(4), seeking approval of a proposed transaction whereby SCE&G’s parent, SCANA Corporation ("SCANA"), will become a wholly-owned subsidiary of Dominion Energy (the “Merger”). The Petitioners further request through this Joint Petition Commission approval of a Customer Benefits Plan (“Customer Benefits Plan”) and a cost recovery plan for new development costs associated with the V.C. Summer Units 2 & 3 Project (the “NND Project”) to accompany the Merger.

Dominion Energy is a utility headquartered in Richmond, Virginia. Dominion Energy serves over 6 million utility customers with operations in 18 states.

Under the Customer Benefits Plan presented in the Joint Petition:

- SCE&G electric customers will receive $1.3 billion in immediate, one-time rate credits after Merger closing. An average residential customer could receive a check for approximately $1,000.
- SCE&G customers would receive an immediate reduction in electric bills of approximately 5%, including refunds of previously collected rates (3.5%) and a tax savings rider (initially 1.5%). Dominion Energy will fund a $575 million pool which is anticipated to allow the 3.5% rate refund reduction to remain in place for eight years. Nuclear project costs would be separated from other utility costs in rates and collected through a separate cost recovery rider.
- The Merger will allow SCE&G to shorten the recovery period for nuclear costs from 20 to 20 years.
- Upon Merger closing, SCE&G will write off $1.7 billion in construction costs and other assets to ensure that they will never be collected from customers.
- SCE&G will provide customers with 340 MW of combined cycle natural gas generation, replacing a decommissioned nuclear capacity. SCE&G will write off the $180 million purchase price.
- If the Merger closes, then SCE&G will freeze electric base rates (after the immediate rate reductions) until at least January 1, 2021.
- Dominion intends to maintain SCE&G’s corporate headquarters in Cayce, South Carolina.

These benefits are dependent on the closing of the Merger and the adoption of the Customer Benefits Plan contained in the Joint Petition.

Under the Customer Benefits Plan, the Petitioners request that the Commission enter an order:

- Recognizing that the new nuclear project costs remaining after write downs (approximately $3.3 billion) are recoverable in rates;
- Establishing amortization and capital costs associated with recovery;
- Ruling that the decision to abandon the new nuclear development project was reasonable and prudent; and
- Ruling that the decision to sell SCANA’s rights in the settlement of claims against Vogtle Unit B Corporation to Unit B N.A. for $1.06 billion was reasonable to reduce collection risks and accelerate the collection of the proceeds.

The request also seeks accounting directives and a rate provision to implement this proposal.

The Petitioners seek approval of the Customer Benefits Plan under the provisions of S.C. Code Ann. §§ 58-27-470(F), which allows the Commission to approve a rate schedule filed by a utility setting forth a decrease in rates without consideration of the overall rate structure, and under S.C. Code Ann. § 58-33-230(K), which authorizes recovery of the capital costs of projects approved under the terms of the Base Load Review Act.