



December 16, 2015

The Honorable Nikki Haley
Governor
The State of South Carolina
1205 Pendleton Street
Columbia, SC 29201

Dear Governor Haley,

Thank you for your continued, outstanding leadership regarding the challenges South Carolina has faced in 2015. From unspeakable human tragedy to the onslaught of unrelenting flooding, we have certainly needed capable leadership to survive, endure, and prosper. You have not wavered in your resolve to carry our great state forward and keep us focused and together.

Specifically, on behalf of SCANA Corporation and South Carolina Electric and Gas Company, we certainly faced a new challenge regarding the torrential rains that impacted our service territory during the month of October. We have experiences with hurricanes, tornados, thunderstorms, and ice, but we had certainly not endured such agony as waters continually rising with no place to flow. As a result, we experienced less than 15,000 electric outages which compare to a solid spring thunderstorm. On the gas side of our business, erosion and flooding created more than normal emergencies, but fortunately nothing that had a long term impact.

As with any of these emergency events, I watched with great pride as SCE&G crews worked side-by-side with your office, S.C. Emergency Management, DHEC, DOT, The S.C. National Guard, SLED, and various county and municipal agencies. Also, Dukes Scott, Executive Director of the Office of Regulatory Staff, is a key component of our recovery efforts serving as a conduit of information and coordination. Your Team South Carolina was at its best, and we are proud to be a part of this responsive group.

Finally, as you are well aware, our company was called upon to perform beyond just restoring power and securing our pipelines. We offered our equipment and operators, as well as our supply chains, to secure needed material and services. For such expenses, SCE&G has regulatory relief for incremental expenses, but this storm reserve only covers electric system restoration. Please know that additional expenses related to various flood response activities will not be passed on to the citizens of South Carolina but will instead be borne by our company and our shareholders. In this regard, I, on behalf of the employees of SCE&G, honor your most effective leadership and assist our state in its continued recovery efforts.

I wish you a safe and prosperous 2016, and I look forward to continuing to work with you and your staff.

Respectfully,

A handwritten signature in black ink, appearing to read "Kevin", written over a horizontal line.

Kevin B. Marsh