

From: Kristen M Beckham <Kristen.M.Beckham@dominionenergy.com>
To: Kristen M BeckhamKristen.M.Beckham@dominionenergy.com
Date: 1/31/2018 5:37:33 PM
Subject: Statement from Dominion Energy on Today's House Vote

Statement from Dominion Energy

We did not see the proposed changes to South Carolina House Bill 4375 prior to introduction today, and are in the process of reviewing them.

While our review is continuing, it is clear that if the legislation became law it would put a standalone SCE&G in a precarious financial position.

The House action, assuming it becomes law and survives legal challenges, could offer temporary relief for SCE&G customers, but unfortunately could threaten the permanent solution offered by Dominion Energy.

Regarding our combining with SCANA, as we have said from the beginning any change in law that has a significant financial impact on our proposed transaction would create a path for Dominion Energy to walk away from our proposal and eliminate the immediate positive benefits for South Carolina. We will continue to evaluate any proposals in the House or Senate utilizing that standard of measure.

Significant financial consequences would not allow us to provide \$12 billion of relief to SCE&'s customers.

When we first approached SCANA, our goal was to propose a solution that provided a path forward for their customers and the State of South Carolina. We continue to believe our proposal offers the best and most-certain long-term relief for customers — \$1.3 billion in cash payments, a permanent rate reduction and rate stability for the future. Our proposal provides benefits for all stakeholders.

To recap the positive benefits of the Dominion Energy proposal for SCE&G electric customers, it would:

1. Provide \$1.3 billion in cash payments to SCE&G customers – payments that would provide \$1,000 to the average residential customer, as well as substantial payments to South Carolina businesses and industries in the SCE&G service area;
2. Cut overall rates to customers – not just rates for the nuclear portion of customer bills – by 5 percent immediately, and would shorten the terms of payment for the nuclear portion of customer bills from 50 years to 20 years, producing over \$8 billion in customer savings from the debt load;
3. Offer job protections to SCE&G employees until 2020, and also preserve the

3. headquarters in Cayce, South Carolina; and
4. Increase annual charitable giving by \$1 million, a 33 percent increase.

We look forward to presenting our perspective to regulators and policy makers in South Carolina.

Kristen M. Beckham
External Affairs

Dominion Energy
121 Moore Hopkins Lane, Columbia, SC 29210
C: 803-873-0972



Dominion Energy is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 25,900 megawatts of electric generation, 14,800 miles of natural gas transmission, gathering and storage pipeline, and 6,600 miles of electric transmission lines. Dominion Energy operates one of the nation's largest natural gas storage systems with 1 trillion cubic feet of storage capacity and serves nearly 6 million utility and retail energy customers. For more information about Dominion Energy, visit the company's website at www.dominionenergy.com.

CONFIDENTIALITY NOTICE: This electronic message contains information which may be legally confidential and or privileged and does not in any case represent a firm ENERGY COMMODITY bid or offer relating thereto which binds the sender without an additional express written confirmation to that effect. The information is intended solely for the individual or entity named above and access by anyone else is unauthorized. If you are not the intended recipient, any disclosure, copying, distribution, or use of the contents of this information is prohibited and may be unlawful. If you have received this electronic transmission in error, please reply immediately to the sender that you have received the message in error, and delete it. Thank you.