

Santee Cooper's 2016 Formula Rate Transmission Tariff

presented via WebEx
May 26, 2016

- Santee Cooper's Board of Directors approved formula rate transmission tariff on June 25, 2012.
- **First year rates** were effective July 1, 2012 through midnight EPT June 1, 2013.
- **New Rates** will be effective from EPT June 1, 2016 through EPT May 31, 2017.
- According to protocols, Santee Cooper was required to post new rates on OASIS by May 15, 2016 as well as host a customer meeting on or before June 1, 2016.

Net Revenue Requirement and 12 month average Coincidental Peak

Year	Net Revenue Requirement	12 Month Avg Transmission Coincidental Peak
2012	\$ 89,170,035	3,803 MW
2013	\$ 89,085,044	3,890 MW
2014	\$ 88,917,953	3,864 MW
2015	\$ 90,524,816	3,864 MW
2016	\$ 89,981,117	3,957 MW

Transmission Rate

Rate Type				2012	2013	2014	2015	2016
Annual				\$23,447.29	\$22,901.04	\$23,011.89	\$23,427.75	\$22,739.73
Monthly				\$1,953.94	\$1,908.42	\$1,917.66	\$1952.31	\$1,894.98
Weekly				\$450.91	\$440.40	\$442.54	\$450.53	\$437.30
Daily On Peak				\$90.18	\$88.08	\$88.51	\$90.11	\$87.46
Daily Off Peak				\$64.24	\$62.74	\$63.05	\$64.19	\$62.30
Hourly On Peak				\$5.64	\$5.51	\$5.53	\$5.63	\$5.47
Hourly Off Peak				\$2.68	\$2.61	\$2.63	\$2.67	\$2.60
On Peak Days		Monday-Saturday		On Peak Hours		7 AM-11 PM (EPT)		
Off Peak Days		Sunday & NERC Defined Holidays		Off Peak Hours		0-7 AM and 11-12 PM (EPT)		

Rates are in \$/MW reserved for the stated time interval (e.g. Annual is the cost associated with reserving 1 MW for 1 year)

Schedule 1 requirement

- Prior to July 2012, Schedule 1 costs were included in the transmission rate. With the formula rate template, Schedule 1 costs are now unbundled from the transmission rate. Going forward, Schedule 1 rates will be added to all transmission reservations on the Santee Cooper system.
- **Beginning midnight EPT on May 1, 2013** the prices on all TSRs *will now include* the schedule 7 and 8 transmission rate, Schedule 1 Scheduling, System Control and Dispatch Service rates, as well as the Schedule 2 Reactive Supply and Voltage Control rate

Schedule 2 reminder

- Santee Cooper will continue to charge Schedule 2 rates on delivery, not reservation

Schedule 1 System Control and Dispatch Service rates

Scheduling, System Control and Dispatch Service	2013 Schedule 1 Rate	2014 Schedule 1 Rate	2015 Schedule 1 Rate	2016 Schedule 1 Rate
Annual	\$945.24	\$1,056.60	\$1,056.56	\$1,032.53
Monthly	\$78.77	\$88.05	\$88.05	\$86.04
Weekly	\$18.18	\$23.32	\$20.32	\$19.86
Daily	\$3.64	\$4.06	\$4.06	\$3.97
Hourly	\$0.23	\$0.25	\$0.25	\$0.25

Rates are in \$/MW reserved for the stated time interval (e.g. Annual is the cost associated with reserving 1 MW for 1 year)

2016 Schedule 2 costs

Reactive Supply and Voltage Control		Schedule 2
Annual		\$2,645.11
Monthly		\$220.43
Weekly		\$50.87
Daily On-Peak		\$10.17
Daily Off-Peak		\$10.17
Hourly On-Peak		\$0.64
Hourly Off-Peak		\$0.64

Rates are in \$/MW reserved for the stated time interval (e.g. Annual is the cost associated with reserving 1 MW for 1 year)

TSR example

- PSE reserves **10 MW** non-firm hourly on peak:
 - 3 price components, schedule 8 rate, schedule 1 rate, and schedule 2 rate
 - 10 MW X (\$5.47 + .25 + .64) = \$63.60
- PSE reserves **100 MW** firm monthly:
 - 3 price components, schedule 7 rate, schedule 1 rate, and schedule 2 rate
 - 100 MW X (\$1,894.98 + \$86.04 + \$220.43) = \$220,145

Monthly Network Billing Example

- 2016 Net Revenue Requirement
 - \$89,981,117 Annually
 - Monthly $\$89,981,117/12 = \$7,498,426.42$
- Transmission Peak for month A
 - 3,650 MWs
- Customer Load @ TP
 - 10 MWs
- Customer Billing for month A
 - $(10/3650) \times \$7,498,426.42 = \$20,543.63$ Ntwk transmission costs
 - $10 \times \$86.04$ (Schedule 1) = \$860.40
 - $10 \times \$220.23$ (Schedule 2) = \$2,202.30
 - Total Network Cost for Month A = \$23,606.33

Transmission facilities added in 2015

Project Title	In Service Date	Project Costs
Richburg 230-69 kV Substation (addition of 230 kV service)	May 27, 2015	\$8.36 M
Winnsboro to Richburg 230 kV line	May 27, 2015	\$18.96 M
Bucksville to Garden City 115 kV Line	November 24, 2015	\$26.10 M
Purrysburg 230/115 KV Substation work and the Purrysburg to McIntosh #2 230 kV line	Substation work July 21/2015 Line work April 23, 2015	

Contacts for Questions

- Transmission Customers can submit questions via e-mail to Rene' Free rlfree@santeecooper.com or Tommy McPherson ntmcpher@santeecooper.com.
- Written comments or questions must be submitted no later than September 30, 2016.
- Santee Cooper will use its best efforts to respond within 10 business days.
- All questions and answers will be posted to OASIS.
- A copy of this presentation will be posted on the Santee Cooper OASIS site after this meeting.