

INTERCHANGE AGREEMENT

BETWEEN

SOUTH CAROLINA ELECTRIC & GAS COMPANY

AND

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

This Agreement made and entered into this 1st day of January, 1975, 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 "Company."

WITNESSETH

WHEREAS, 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, and

WHEREAS, the parties desire to provide an updated Agreement for fixing the terms and conditions upon which the interchange of power and energy can be effected, and

WHEREAS, the parties desire for this Agreement 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.

NOW THEREFORE, in consideration of the above premises and of the mutual benefits from the covenants herein set forth, the parties 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 parties.

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

ARTICLE II

DURATION OF AGREEMENT

2.1 Duration - This Agreement shall become effective on the date hereof and shall continue in effect until terminated on April 30 of any year by either 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.

ARTICLE III

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 Company or at any other mutually agreeable new point or points, such point or points to be designated and hereinafter referred to as the "Delivery Point."

Each party 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 party 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 parties.

ARTICLE IV

DELIVERIES UNDER OTHER CONTRACTS

4.1 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.

ARTICLE V

OPERATING REPRESENTATIVES

5.1 In order that the advantages to be derived hereunder may be realized by the parties to the fullest practicable extent, the parties shall name authorized representatives to be known as the Operating Representatives who shall coordinate the operations between the systems. Each of the parties shall designate, in writing delivered to the other party, the person who is to act as its representative (and the person or persons who may serve as alternate whenever such representative is unable to act). Such representatives and alternates shall be persons familiar with the generating, transmission, and substation facilities of the system of the party by which they have been so designated, and each shall be fully authorized to cooperate with the other representative (or alternate) and from time to time as the need arises, subject to the declared intentions of the parties herein set forth and to the terms hereof and the terms of any other agreements then in effect between the parties, to determine and agree upon the following:

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

ARTICLE VI

FACILITIES

6.1 All present interconnection 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

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.

(c) 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.

6.3 Proposed Facilities

(a) 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 Jeffries 230 kV switching station to a point where the Company's right-of-way corridor from its A. M. Williams 230 kV substation intersects with the Seaboard Coast Line Railroad adjacent to State Highway #9. This circuit is approximately 16.5 miles in length and shall consist of three (3) conductors, no smaller than 1272 MCM ACSR. The Authority shall provide suitable communications channels for the communication, telemetering and operation of this interconnection. Authority shall install at its Jefferies 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 construct on a right-of-way provided by it one (1) three phase, 230 kV transmission circuit from its Arthur M. Williams 230 kV substation to a point where the Company's right-of-way corridor intersects with the Seaboard Coast Line Railroad right-of-way adjacent to State Highway #9. The circuit, approximately 3.5 miles in length, shall consist of three (3) conductors not smaller than 1272 MCM ACSR.

Company shall install at its Arthur 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 December, 1975.

(b) 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.

6.4 Operation and Maintenance of Interconnections

Authority, at its expense, shall operate, maintain and replace as required all of its facilities 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 shall maintain in operable condition its facilities required for the effective use of the interconnections for the purpose herein provided.

6.5 Elimination of Interconnection

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

ARTICLE VII

SERVICE TO BE RENDERED

7.1 Service Schedule

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

Service Schedule A - Emergency Assistance

Service Schedule B - Energy Interchange

ARTICLE VIII

SERVICE CONDITIONS

8.1 Operation of Systems in Parallel

The Authority's system and the Company's system shall be and shall remain interconnected at the interconnection points described in Article VI hereof, insofar as this can be done in the opinion

of each party and subject to provision in Section 6.5, without jeopardy to its system or to service to its customers.

8.2 Control of System Disturbances

Insofar as practicable 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 in the other's system or in any system inter-connected therewith.

8.3 Spinning Reserves

Insofar as practicable each system shall provide amounts of spinning reserve capacity so that neither the Company's system nor the Authority's system will impose disproportionate load swings upon the other or make disproportionate demands upon the other for assistance in meeting the normal contingencies of power system operation.

8.4 Kilovar Exchange

It is intended that neither party shall impose an undue burden on the other with respect to the flow of kilovars. The Operating Representatives (provided for under Section 5.1) shall establish from time to time mutually satisfactory voltage schedules and kilovar supply arrangements.

8.5 Determination of Amounts of Power Supplied

The amounts of power being supplied hereunder by one party to the other under each Service Schedule, 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' Operating Representatives or persons designated by them. The 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 deliveries in accordance with established utility practice.

8.6 Transmission Losses

The transmission losses associated with the transmission of capacity and energy under this agreement, either on the system of the supplying party or on the system of a third party which may be supplying the capacity and energy to the supplying party hereunder for resale to the receiving party, will be borne by the receiving party. Compensation for losses, when requested by the supplying party hereunder, will be accomplished by scheduling coincidental delivery of loss compensation.

ARTICLE IX

DELIVERY POINTS AND METERING

9.1 Delivery Points

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

9.2 Metering and Metering Facilities

The power and energy transactions over the system

interconnection points hereunder shall be measured and accounted for at the delivery points herein provided for or hereafter established for the respective system interconnection points. At the metering points for such system interconnections, each 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. Each party shall have the right to install, at its own expense, check-metering equipment in suitable space provided without charge by the party owning the metering equipment. Should either party's meters fail to register for any period, the deliveries during such period shall be determined from the other party's meters or from the best information available.

9.3 Inspecting and Testing of Meters

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

9.4 Billing Adjustment

If any tests or inspections under Section 9.3 of this Agreement show either party's measurements to be inaccurate by more than one percent, an offsetting adjustment shall be made in the party's billings or statements for any known or agreed period of inaccuracy; 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 owning such defective metering equipment.

ARTICLE X

RECORDS AND STATEMENTS

10.1 Records

Each 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 to the other and of the hourly integrated demands in kilowatts delivered by one 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.

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

BILLING AND PAYMENT

11.1 Monthly Bills

Monthly bills for amounts owed by one party to the other shall be rendered by the party to whom a payment is due, and such bills shall be due and payable 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 XII

MISCELLANEOUS PROVISIONS

12.1 Continuity of Service

Each 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 shall be responsible to the other party for any damage or loss of revenue caused by any such interruption.

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

12.3 Force Majeure

Each 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 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 Responsibility and Indemnification

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

12.5 Arbitration

In the event of disagreement between the 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 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 calling for arbitration shall serve notice in writing upon the other party, setting forth in detail the subject or subjects to be arbitrated, and the parties thereupon shall endeavor to agree upon and appoint one person to act as sole arbitrator. If the parties fail so to agree within a period of fifteen days from the receipt of the original notice, the party calling for the arbitration shall, by written notice to the other party, 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 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 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 calling for the arbitration, upon five days' written notice delivered to the other party, 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.

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

12.6 Right to Maintain Suit

Either 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.

12.7 Waivers

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

Any written notice or demand required or authorized by this

Agreement shall be properly given, if mailed, postage prepaid to 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 by similar notice.

12.9 Regulatory Authorities

This Agreement is made subject to the jurisdiction of any governmental authority or authorities (excluding Authority) having jurisdiction.

12.10 Successors and Assigns

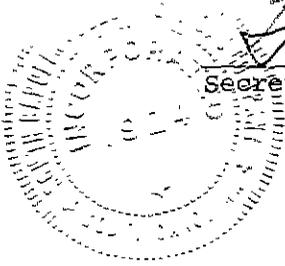
This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto, but it shall not be assignable by either party without the written consent of the other party, such consent not to be unreasonably withheld, except upon foreclosure of a mortgage or deed of trust or to a successor in the operation of its properties.

12.11 Agreements Superseded

This Agreement, upon becoming effective, shall supersede any other Interchange Agreements between the Company and Authority executed prior to the date of this Agreement.

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

ATTEST:



Secretary

H M Bryant

SOUTH CAROLINA ELECTRIC & GAS COMPANY

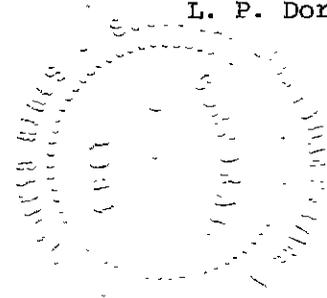
BY

V. C. Summer

V. C. Summer, Senior Vice President

*9/27/74
8:30*

ATTEST:



L. P. Dorman, Secretary

L P Dorman

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BY

J B Thomason

B. Thomason, General Manager

*104
JMC
12/27/74*

APPROVED AS
TO EXECUTION
JMB
31 Dec 74
EXECUTION

FEDERAL POWER COMMISSION
WASHINGTON, D.C. 20426

*In Interconnection
S.C. Public Service Authority*

IN REPLY REFER TO:
PWR-RC
Docket No. ER76-76

**FOR YOUR INFORMATION
ROBERT S. WATERS
REID & PRIEST
WASHINGTON, D. C. OFFICE**

Reid & Priest
Attention: Mr. Robert S. Waters
Attorney for South Carolina
Electric & Gas Company
1701 K Street, N. W.
Washington, D.C. 20006

JUL 21 1977

Re: Your letters dated August 14, 1975, and May 4, 1977, submitting for filing on behalf of South Carolina Electric & Gas Company a superseding Interconnection Agreement with the South Carolina Public Service Authority.

Gentlemen:

The above rate filing submitted by your company has been accepted for filing and has been designated as shown on the Attachment.

Notice of the filing was issued on August 28, 1975, with comments, protests, or petitions to intervene due on or before September 9, 1975. No comments, protests, or interventions have been filed.

With reference to your request for waiver of the notice requirements, the Commission has found that good cause has been shown for such action pursuant to the requirements of Section 205(d) of the Federal Power Act and Section 35.11 of the Commission's Regulations thereunder and has provided that the rate schedule shall become effective January 1, 1975.

This acceptance for filing does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the rate schedule designated on the Attachment; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

This acceptance for filing terminates Docket No. ER76-76.

By direction of the Commission.

Lois A. Caspell

ACTING Secretary

cc: South Carolina Electric & Gas Company

Attachment

South Carolina Electric & Gas Company
Docket No. ER76-76

Dated : (1) January 1, 1975, (2) and (3) Undated
Filed : May 5, 1977
Effective : January 1, 1975
Other Party: South Carolina Public Service Authority

| <u>Designation</u> | <u>Description</u> |
|--|--|
| Rate Schedule FPC No. 33 (Supersedes FPC No. 15 as supplemented) | Interchange Agreement |
| Supplement No. 1 to Rate Schedule FPC No. 33 | Service Schedule A - Emergency Assistance |
| Supplement No. 2 to Rate Schedule FPC No. 33 | Service Schedule B - Energy Interchange |

FEDERAL POWER COMMISSION
WASHINGTON, D.C. 20426

| | |
|-----------|--|
| ROUTE TO: | |
| | |
| | |
| | |
| | |
| FILE # | |

IN REPLY REFER TO:
PWR-RC
Docket No. ER76-76

FOR YOUR INFORMATION
ROBERT S. WATERS
REID & PRIEST
WASHINGTON, D. C. OFFICE

Recvd. 7-28-77
TCWHR

JUL 21 1977

Reid & Priest
Attention: Mr. Robert S. Waters
Attorney for South Carolina
Electric & Gas Company
1701 K Street, N. W.
Washington, D.C. 20006

Re: Your letters dated August 14, 1975, and May 4, 1977, submitting for filing on behalf of South Carolina Electric & Gas Company a superseding Interconnection Agreement with the South Carolina Public Service Authority.

Gentlemen:

The above rate filing submitted by your company has been accepted for filing and has been designated as shown on the Attachment.

Notice of the filing was issued on August 28, 1975, with comments, protests, or petitions to intervene due on or before September 9, 1975. No comments, protests, or interventions have been filed.

With reference to your request for waiver of the notice requirements, the Commission has found that good cause has been shown for such action pursuant to the requirements of Section 205(d) of the Federal Power Act and Section 35.11 of the Commission's Regulations thereunder and has provided that the rate schedule shall become effective January 1, 1975.

This acceptance for filing does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the rate schedule designated on the Attachment; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

This acceptance for filing terminates Docket No. ER76-76.

By direction of the Commission.

Lois A. Caspell
ACTING Secretary

cc: South Carolina Electric & Gas Company

Copy: H. M. Bryant

Attachment

South Carolina Electric & Gas Company
Docket No. ER76-76

Dated : (1) January 1, 1975, (2) and (3) Undated
Filed : May 5, 1977
Effective : January 1, 1975
Other Party: South Carolina Public Service Authority

| <u>Designation</u> | <u>Description</u> |
|--|--|
| Rate Schedule FPC No. 33 (Supersedes FPC No. 15 as supplemented) | Interchange Agreement |
| Supplement No. 1 to Rate Schedule FPC No. 33 | Service Schedule A - Emergency Assistance |
| Supplement No. 2 to Rate Schedule FPC No. 33 | Service Schedule B - Energy Interchange |