

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

TO: All customers of Defendant SCE&G (including companies, corporations, partnerships, and associations) who have been assessed advanced costs associated with the construction of 2 nuclear reactor units at Defendants SCE&G and SCANA’s Jenkinsville, South Carolina site from the first collection of any cost recovery associated with nuclear construction to present.

A STATE COURT HAS AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION FROM A LAWYER.

THIS NOTICE AFFECTS YOUR LEGAL RIGHTS.
PLEASE READ IT CAREFULLY AND COMPLETELY.

This Notice informs you of a proposed settlement of certain class action claims against Defendants South Carolina Electric & Gas Company (“SCE&G”) and SCANA Corporation (“SCANA”) (collectively “Defendants”) concerning the construction of two nuclear units at the V.C. Summer site in Jenkinsville, South Carolina (the “Project”), for which SCE&G customers paid costs pursuant to the Base Load Review Act (“BLRA”), and for which Plaintiffs have sought recovery of the amounts paid among other damages. **This Notice advises you of your rights with respect to the proposed settlement, including your right to receive a payment (or, for current SCE&G customers, a bill credit), your right to exclude yourself from the settlement, and your right to object to the settlement.**

GENERAL INFORMATION

What is the purpose of this Notice?

Do not be alarmed. You have not been sued. This Notice is to inform you of this proposed class action settlement, to alert you to the fact that you have been identified as a member of the Class certified by the court, and to inform you of your rights and options as a member of the Class.

This Notice is being sent to you based upon SCE&G’s records indicating that as of November 23, 2018, you paid advanced financing for the Project as a component of your payment to SCE&G for electricity service.

You may be entitled to receive monetary benefits under a settlement of legal claims relating to the advanced financing you paid for the Project.

Do I have to do anything?

If the court grants final approval of the settlement and it becomes effective, you do not have to do anything to receive a payment under the settlement (unless you want to participate in the proposed settlement on behalf of a deceased Class Member as set forth in Section B below). As set forth below, you also have the option to object to the proposed settlement, or you may exclude yourself from the settlement. If you choose to exclude yourself from the settlement, you will not be entitled

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to receive any of the benefits provided by the settlement, and you will retain the right to file any claim you may have against Defendants on your own and at your own expense.

What is a class action lawsuit?

In a class action, one or more people called “Class Representatives” sue on behalf of people who have similar claims. All these people are a “Class” or “Class Members.” The Class Representatives who sued – and all the Class Members like them – are called the Plaintiffs. The entities the Class Representatives sued are called the Defendants. One court resolves the issues for all Class Members, except for those who may choose to exclude themselves from the Class. This Notice is provided because the Defendants have agreed to a proposed settlement with the Class and the Court has decided that this matter should proceed as a class action lawsuit.

INFORMATION ABOUT THE CLASS ACTION

What is the nature of this class action lawsuit?

This lawsuit was initiated as three separate class actions filed in August 2017 following the announcement by Defendants of their intention to abandon the construction of the Project, which had been ongoing and financed by SCE&G customers since 2009. The Class Representatives, on behalf of all members of a proposed Class, consolidated their claims in a Consolidated Complaint filed in this litigation on May 31, 2018 (the “Complaint”). Plaintiffs asserted various claims against Defendants related to the construction of the Project, for which Plaintiffs paid costs pursuant to the BLRA. Plaintiffs seek recovery of the amounts paid among other damages. Plaintiffs allege, among other things, that Defendants breached various duties in the construction of the Project and improperly charged Plaintiffs advanced financing costs. Plaintiffs’ allegations are detailed in the Complaint, a copy of which may be reviewed at www.SCEGRatePayerSettlement.com.

Defendants deny that they engaged in any wrongful conduct or that they violated the law in any way. Defendants contend that the claims asserted in this litigation have no merit and that they have agreed to the proposed settlement to put to rest this controversy and avoid the risks inherent in complex litigation.

SCE&G has filed a petition (Dkt. No. 2017-370-E) with the South Carolina Public Service Commission (“PSC”) seeking, among other things, a finding that SCE&G’s decision to abandon the Project was prudent, allowing for SCE&G to recover costs related to the Project, and a finding approving the proposed merger of SCANA with Dominion Energy, Inc. This proposed settlement relates to matters pending before the PSC.

How is the class defined?

By Order dated September 20, 2018, the South Carolina Court of Common Pleas for Hampton County (the “Court”) certified (defined) the following Class of persons in this case:

All customers of Defendant SCE&G (including companies, corporations, partnerships, and associations) who have been assessed advanced costs associated with the construction of 2 nuclear reactor units at Defendant SCE&G and SCANA’s Jenkinsville, South Carolina site from the first collection of any cost recovery associated with nuclear construction to present.

According to Defendants’ records, you are a member of the Class.

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Who are the Class Representatives?

As part of its certification order, the Court designated the three Named Plaintiffs in this lawsuit, Richard Lightsey, LeBrian Cleckley, and Phillip Cooper, to act as the Representatives for the Class.

Who are counsel for the Class?

The Court appointed Strom Law Firm, LLC, Richardson Patrick Westbrook & Brickman, LLC, Speights & Solomons, LLC, McGowan Hood & Felder, LLC, and Bell Legal Group, LLC as Counsel for the Class.

The addresses for Class Counsel are as follows:

STROM LAW FIRM, LLC
2110 Beltline Boulevard
Columbia, SC 29204

RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC
P. O. Box 1368
1730 Jackson Street
Barnwell, SC 29812

SPEIGHTS & SOLOMONS, LLC
100 Oak Street
Hampton, SC 29924

BELL LEGAL GROUP, LLC
219 Ridge Street
Georgetown, SC 29440

McGOWAN, HOOD & FELDER, LLC
321 Wingo Way, Suite 103
Mt. Pleasant, SC 29464

Who are the Defendants in this Lawsuit?

South Carolina Electric & Gas Company, SCANA Corporation, and the State of South Carolina (the “State”) are the Defendants in this lawsuit. The State is a defendant because Plaintiffs challenge the constitutionality of the BLRA. Plaintiffs do not seek any monetary relief from the State, and no monetary relief is being provided by the State in this proposed settlement.

YOUR OPTIONS AND RIGHTS WITH RESPECT TO THIS PROPOSED SETTLEMENT

You have a choice. You can remain a member of the Class *or* you have the right to exclude yourself from the Class. If you remain a member of the Class, you will participate in the proposed settlement, if finally approved by the Court. If you remain a member of the Class, you also have the right to object in writing to any part of the settlement if you choose to do so. Each of these choices has consequences that you should understand before making your decision.

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A. If you wish to remain a member of the Class and participate in the proposed settlement, YOU DO NOT NEED TO DO ANYTHING AT THIS TIME.¹

If you wish to remain a member of the Class and participate in the proposed settlement:

1. You will be entitled to receive the benefits provided by this proposed settlement if the Court grants final approval of the settlement.
2. Pursuant to the proposed settlement, Defendants will provide a common benefit consisting of cash, real estate, and prospective rate relief to be administered in the contemporaneous proceeding pending before the PSC (the “Common Benefit”). Defendants will (a) make a cash payment of one hundred fifteen million dollars (\$115,000,000.00) to a Common Benefit Fund; (b) transfer certain real estate (or the net proceeds from the sale(s) of certain real estate) to a Real Estate Trust to be sold in a manner supervised by the Court or a special master appointed by the Court to maximize the benefit to the Class and to fund the Common Benefit Fund; and (c) provide up to two billion dollars (\$2,000,000,000.00) in prospective rate relief to inure to the benefit of the Class Members over a period of time established in the contemporaneous proceeding pending before the PSC.
3. Class Counsel have conducted limited commercially reasonable due diligence on the value of the real estate being transferred into the Common Benefit Fund. Based on Class Counsel’s independent investigation, Class Counsel estimate the net value of the real estate to be between \$60,000,000.00 and \$85,000,000.00. This valuation will be affirmed by appraisal, inspection, and additional due diligence, which will comport with the standard in the industry prior to any final settlement approval. Regardless of the commercial vetting performed by Class Counsel regarding the value of the real estate involved in this settlement, real estate values are subject to risks that include, but are not limited to, negative changes in economic conditions; the supply and demand for properties; changes in interest rates and other fiscal and monetary policies; changes in environmental laws or regulations, planning laws, and other governmental roles; changes in real property tax rates; unexpected repairs; under-insured or uninsured losses; damage to property from weather, vandalism, or terrorist acts; and other factors beyond the reasonable control of Class Counsel. Liquidation of the real estate will also require the expenditure of holding, appraisal, marketing, and closing costs.
4. The Common Benefit Fund will be distributed among the Class Members proportionately based on how much each Class Member paid in costs associated with the Project. There will be one or more distributions of the current cash in the Common Benefit Fund less (1) attorneys’ fees and litigation expenses approved by the Court; (2) certain administrative, tax, and real estate expenses; (3) service awards to the Class Representatives approved by the Court; and (4) for any and all Class Members who submit valid Requests for Exclusion, the pro rata amount those Class Members would have received had they not chosen to submit such a request.²
 - a. In lieu of a cash distribution, a Class Member who is a current SCE&G customer may elect to receive a credit in the amount of the Class Member’s

¹ If the Class Member to whom this Notice was directed is deceased and you wish to participate in the proposed settlement on the deceased Class Member’s behalf, you must follow the procedures in Section B. below.

² By way of example only, if the net cash to be distributed after the deductions discussed above is \$100,000,000.00, and the total advanced financing costs paid by all Class Members who do not request exclusion are \$2,000,000,000.00, a Class Member who paid \$1000 in advanced financing costs will receive \$50 and have future SCE&G bills reduced from what they would have been without the settlement in an amount determined by the PSC.

pro rata share to be applied to the Class Member's monthly SCE&G bill by submitting the Bill Credit Election Form available at www.SCEGRatePayerSettlement.com. The election to receive a bill credit will be applicable to all distributions from the Common Benefit Fund as long as the electing Class Member remains a current SCE&G customer at the time of the distribution.

5. Class Counsel and the Class Representatives will continue to represent your interests in this case. At the outset in August 2017, Class Counsel agreed to handle the case on a "contingent" basis and to advance all costs and expenses on behalf of the Plaintiffs and the Class. Class Counsel intend to file a Motion for Attorneys' Fees and Expenses to be paid from the Common Benefit Fund, in an amount not to exceed 5% of the Common Benefit, inclusive of expenses advanced by Class Counsel. Defendants shall have the right to object if they choose. Class Counsel's Motion for Attorneys' Fees and Expenses must be approved by the Court. Class Counsel will also ask the Court to approve Class Representative service awards of \$2500.00 to recognize the time, energy, and commitment of the Class Representatives during the litigation.
6. In completing the settlement approval process, Plaintiffs will petition the Court for a Final Order dismissing this case as to the Class Members with prejudice, and any person who remains in the Class and does not request exclusion from the settlement will be bound by it.

B. If you want to participate in the proposed settlement on behalf of a deceased Class Member, this is what you must do:

If you want to participate in the proposed settlement on behalf of a deceased Class Member, the Personal Representative or next of kin of the deceased Class Member must submit the Deceased Class Member Claim Form available at www.SCEGRatePayerSettlement.com and provide a death certificate, letters of appointment, and/or proof of next of kin status no later than **April 5, 2019**.

C. If you want to exclude yourself from the proposed settlement, this is what you must do:

If you want to exclude yourself from this proposed settlement, you must mail or deliver a Request for Exclusion to Class Counsel at the address set forth below. Your Request for Exclusion must contain the following information **and must be signed by the Class Member**: (1) the full name of the Class Member; (2) the current address of the Class Member; (3) the SCE&G service address and/or account number for which the Class Member is requesting exclusion; (4) reference *Lightsey, et al. v. South Carolina Electric & Gas Company, et al.*, pending before the Court of Common Pleas for Hampton County, Civil Action No. 2017-CP-25-335; and (5) must state in express and clear terms the Class Member's desire to be excluded from the settlement and from the Class. Failure to comply with these requirements and to timely submit a proper Request for Exclusion shall result in the Class Member being bound by the terms of the Settlement.

A Request for Exclusion Form is available at www.SCEGRatePayerSettlement.com for your convenience. You must mail or deliver your Request for Exclusion to:

SCEG Rate Payer Settlement
P.O. Box 3578
Portland, OR 97208-3578

To be effective, the Request for Exclusion must be completed, signed, and postmarked or delivered no later than March 6, 2019.

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By making this election to be excluded from the proposed settlement:

1. You will not share in any recovery that might be paid to the Plaintiffs and the Class Members as a result of the settlement;
2. You may not file an objection to the settlement;
3. You will not be bound by any determinations or any judgment made in this lawsuit, whether favorable or unfavorable, and you will not be entitled to any relief awarded to the Class under the settlement or otherwise; and
4. You may attempt to pursue any claims you have against Defendants at your own risk and expense by filing your own lawsuit.

D. If you wish to object to any portion of the settlement, this is what you must do:

If you remain a member of the Class, you have the right to object to the fairness of any aspect of the proposed settlement. If you wish to object, you must both file with the Court and mail to Class Counsel and Defendants' Counsel a written objection specifically referring to *Lightsey, et al. v. South Carolina Electric & Gas Company, et al.*, pending before the Court of Common Pleas for Hampton County, Civil Action No. 2017-CP-25-335. All objections must include the following information: (1) the full name of the Class Member; (2) the current address of the Class Member(s); (3) the SCE&G service address and/or account number; (4) all specific objections and the reasons in support thereof; and (5) any and all supporting papers. Any Class Member who files an objection must also appear at the Fairness Hearing in person or through counsel to show why the proposed settlement should not be approved as fair, reasonable, just, and adequate.

If you intend to object through counsel, your attorney must append a list of all prior objections previously filed by such counsel to class action settlements in state and federal courts, and with respect to each, provide (1) the case number; (2) the court where the prior objection was filed; (3) and the outcome of the objection.

Any Class Member who does not properly file and serve a timely written objection to the settlement shall not be permitted to object to the settlement at the Fairness Hearing and shall be foreclosed from seeking review of the settlement by appeal, collateral attack, or otherwise.

To file your objection with the Court, you must mail or deliver the original of the written objection to:

Hampton County Clerk of Court
P.O. Box 7
Hampton, SC 29924

PLEASE DO NOT CALL THE COURT.

You must also mail copies of your written objections to the following Counsel:

STROM LAW FIRM, LLC
Re: *Lightsey, et al. v. SCE&G, et al.*
2110 Beltline Blvd.
Columbia, SC 29204

KING & SPALDING LLP
Re: *Lightsey, et al. v. SCE&G, et al.*
1180 Peachtree St. NE
Atlanta, GA 30309

To be effective, the objection must be postmarked or delivered to the Court and Counsel no later than April 29, 2019.

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THE FINAL FAIRNESS HEARING AND RELEASE OF CLAIMS

The Final Fairness Hearing. The Court will hold a final hearing to consider the fairness and adequacy of this proposed settlement and to consider Class Counsel’s Motion for Attorneys’ Fees and Expenses on **May 14, 2019, at 10:00 a.m., York County Courthouse, Moss Justice Center, 1675 York Highway, York, SC 29745.**

Release. The proposed settlement is intended to resolve and terminate all claims that were raised or could have been raised by or on behalf of the Class Members as alleged in the Complaint in this matter relating to (1) the constitutionality of the BLRA or any order issued or action taken thereunder; (2) any activity associated with the passage of the BLRA; (3) any activity associated with the decision to begin construction of the Project; (4) any activity associated with construction efforts associated with the Project; (5) any activity associated with the decision to abandon construction efforts associated with the Project; and (6) any activity associated with the disclosures made, or not made, to the Office of Regulatory Staff or the South Carolina Public Service Commission regarding the Project. The proposed settlement, if finally approved by the Court, will result in the release by each Class Member of all such claims, as more specifically provided in the Settlement Agreement. The claims against Defendants and the State alleged in the Complaint will be dismissed with prejudice as to all Class Members.

FREQUENTLY ASKED QUESTIONS

What will it cost me to remain a Class Member?

You will be represented by Class Counsel if you do not elect to exclude yourself from the proposed settlement. There is no out-of-pocket cost for this representation to any member of the Class regardless of the outcome. Class Counsel agreed to handle the case on a “contingent” basis and to advance all attorneys’ fees, litigation expenses, and costs on behalf of the Plaintiffs and the Class.

Class Counsel will ask the Court to award them an amount not to exceed 5% of the Common Benefit as reasonable attorneys’ fees for their work and reimbursement of their litigation expenses and costs. Defendants shall have the right to object if they choose. The Court will determine whether attorneys’ fees, expenses, and costs will be awarded and, if so, what the amount of the attorneys’ fees, expenses, and costs will be.

What if the address at which I received the Summary Notice is no longer current?

If your mailing address has changed, or is expected to change in the future, or if you received the Summary Notice at an address other than that listed on the envelope, you should send your new mailing address and the SCE&G service address and/or account number for which you received the Summary Notice to the Claims Administrator to:

SCEG Rate Payer Settlement
P.O. Box 3578
Portland, OR 97208-3578

What if I am no longer a SCE&G customer?

For purposes of this proposed settlement, you are deemed to be a Class Member and entitled to receive benefits under the settlement if you paid costs associated with the Project as a component of your payment to SCE&G for electricity service at any time prior to November 23, 2018.

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Where can I get more information?

The descriptions in this Notice of the claims and settlement documents in this case are only summaries. If you have any questions or would like more information, please contact the Claims Administrator by phone at 877-432-3808; by e-mail at info@scegratepayersettlement.com; or via www.SCEGRatePayerSettlement.com. You may also consult with your own attorney.

The Settlement Agreement and all other documents filed in this lawsuit may be reviewed and copied in the office of the Hampton County Clerk of Court, 1 Courthouse Square Elm Street, Hampton, SC 29924. You may also view the Settlement Agreement and other settlement related documents at www.SCEGRatePayerSettlement.com.

Please do not call the Judge, Clerk, or Court about this Notice or lawsuit.
They will not be able to give you advice or answer your questions.

Dated: December 5, 2018