

Appendix: Tentative List of Responsibilities for the Two Service Areas

A. Utility policy advice and consulting services

1. Sketches the performance criteria and the corporate characteristics essential to satisfying those criteria and conducts regulatory policy assessments with respect to Santee Cooper's current operations, potential sale of Santee Cooper and a potential third-party management arrangement.
2. Creates alternative resource plans for Santee Cooper, reflecting alternative mixes of generation, demand management, distributed energy resources, and energy efficiency suitable for its customer base.
3. Liaises with bidders on energy and utility policy.
4. Assesses proposals in terms of effects on rate base, rate of return, physical infrastructure.
5. Assesses capabilities of bidders based on past performance.
6. Assesses fuel costs, network upgrades and other transmission requirements and costs.
7. Assesses the various assumptions that bidders make in their proposals, to ensure comparability among proposals. Examples: demand forecast, commodity prices, power prices, discount rates.
8. Determines what data must be made available by Santee Cooper to the bidders.
9. Assesses all bids in terms of their ability to satisfy the statutory criteria.
10. Makes recommendations to the Department in a form to be determined by the Department.
11. Assist in making and presenting recommendations to the S.C. General Assembly and appearing before the General Assembly or any legislative committee or subcommittee as may be required by the Department.
12. Prepares market power studies, as required.

B. Merger & acquisition and corporate advisory services

1. Runs the bid process, based on utility policy advisors' specifications as approved by the Department.
2. Creates actual RFPs based on performance criteria and corporate characteristics created by the utility policy advisors.
3. Creates "data room" containing all necessary information re Santee Cooper.
4. Manages question and answer responses to bidders.
5. Manages timelines for analysis and negotiations.
6. In conjunction with utility policy advisor, evaluates all bids for financial accuracy and soundness.
7. Provides general investment banking merger & acquisition and corporate advisory services, including but not limited to:
 - a. Defining merger & acquisition objectives and performing a valuation analysis (including building a valuation model);
 - b. Assisting in the preparation of a thorough, confidential memorandum which best presents the prospects and opportunities offered by the business to potential acquirers;
 - c. Identifying a targeted but comprehensive list of potential strategic and financial buyers;
 - d. Overseeing management presentations and the due diligence process;
 - e. Working with the Department's attorneys, accountants and other advisors to anticipate and manage potential issues that may arise during the transaction process; and
 - f. Negotiating and structuring the commercial aspects of a transaction or other agreement to achieve the best possible outcome in light of the requirements of the Joint Resolution;
8. Recommends bond counsel to ensure that any public financing is managed properly and to mitigate risk in the retirement of the bonds.
9. Recommends an independent expert to assess nuclear plant decommissioning, retirement, and asset salvage value.

10. Facilitates negotiations for definitive documentation.
11. Sketches preliminary contract terms and informally negotiates them with top bidders to determine possible snags.
12. Brings contracts to final execution.
13. In conjunction with the utility policy advisors, prepare a report of recommendation with justifications for one bid for sale and one management proposal considered to be in the best interests of the State, its taxpayers, and the customers of Santee Cooper, as well as an evaluation and recommendation regarding Santee Cooper's proposal
14. Assist in presenting recommendations to the S.C. General Assembly and appearing before the General Assembly or any legislative committee or subcommittee as may be required by the Department.
15. Determine the value or advisability of obtaining a fairness opinion.
16. Provide whatever other general assistance may be needed by the Department to achieve the outcome required by the Joint Resolution.