

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number
001-3375

Exact name of registrant as specified in its charter
DOMINION ENERGY SOUTH CAROLINA, INC.

I.R.S. Employer Identification Number
57-0248695

SOUTH CAROLINA

(State or other jurisdiction of incorporation or organization)

220 OPERATION WAY
CAYCE, SOUTH CAROLINA

(Address of principal executive offices)

(804) 819-2284
(Registrants' telephone number)

29033
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Series A Nonvoting Preferred Shares

Indicate by check mark whether the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act).

Yes No

At February 20, 2025, Dominion Energy South Carolina, Inc. had 40,296,147 shares of common stock outstanding, all of which were held by SCANA Corporation, a wholly-owned subsidiary of Dominion Energy, Inc.

DOMINION ENERGY SOUTH CAROLINA, INC. MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION I(1)(a) AND (b) OF FORM 10-K AND IS FILING THIS FORM 10-K UNDER THE REDUCED DISCLOSURE FORMAT.

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Glossary of Terms

The following abbreviations or acronyms used in this Form 10-K are defined below:

Abbreviation or Acronym	Definition
2017 Tax Reform Act	An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (previously known as The Tax Cuts and Jobs Act) enacted on December 22, 2017
ACE Rule	Affordable Clean Energy Rule
AFUDC	Allowance for funds used during construction
AOCI	Accumulated other comprehensive income (loss)
ARO	Asset retirement obligation
BAT	Best available technology economically achievable
bcf	Billion cubic feet
CAA	Clean Air Act
CCR	Coal combustion residual
CEO	Chief Executive Officer
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980, also known as Superfund
CFO	Chief Financial Officer
CO ₂	Carbon dioxide
CODM	Chief Operating Decision Maker
COO	Chief Operating Officer
Cooling degree days	Units measuring the extent to which the average daily temperature is greater than 75 degrees Fahrenheit, calculated as the difference between 75 degrees and the average temperature for that day
CPCN	Certificate of Public Convenience and Necessity
CUA	Capacity Use Area
CWA	Clean Water Act
DES	Dominion Energy Services, Inc.
DESC	The legal entity, Dominion Energy South Carolina, Inc., one or more of its consolidated entities or operating segment, or the entirety of Dominion Energy South Carolina, Inc. and its consolidated entities
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
DOE	U.S. Department of Energy
Dominion Energy	The legal entity, Dominion Energy, Inc., one or more of its consolidated subsidiaries (other than DESC) or operating segments, or the entirety of Dominion Energy, Inc. and its consolidated subsidiaries
Dominion Energy South Carolina	Dominion Energy South Carolina operating segment
DSM	Demand-side management
Dth	Dekatherm
ELG Rule	Effluent limitations guidelines for the steam electric power generating category
EMANI	European Mutual Association for Nuclear Insurance
Enbridge	The legal entity, Enbridge Inc., one or more of its consolidated subsidiaries (including Enbridge Elephant Holdings, LLC, Enbridge Parrot Holdings, LLC and Enbridge Quail Holdings, LLC), or the entirety of Enbridge Inc. and its consolidated subsidiaries
EPA	U.S. Environmental Protection Agency
EPACT	Energy Policy Act of 2005
ERISA	Employment Retirement Income Security Act of 1974
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
Fuel Company	South Carolina Fuel Company, Inc.
GAAP	U.S. generally accepted accounting principles
GENCO	South Carolina Generating Company, Inc.
GHG	Greenhouse gas
Heating degree days	Units measuring the extent to which the average daily temperature is less than 60 degrees Fahrenheit, calculated as the difference between 60 degrees and the average temperature for that day

Abbreviation or Acronym	Definition
IRA	An Act to Provide for Reconciliation Pursuant to Title II of Senate Concurrent Resolution 14 of the 117th Congress (also known as the Inflation Reduction Act of 2022) enacted on August 16, 2022
IRS	Internal Revenue Service
kV	Kilovolt
LNG	Liquefied natural gas
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MGD	Million gallons per day
MW	Megawatt
MWh	Megawatt hour
Natural Gas Rate Stabilization Act	Legislation effective February 2005 designed to improved and maintain natural gas service infrastructure to meet the needs of customers in South Carolina
NAV	Net asset value
NEIL	Nuclear Electric Insurance Limited
NERC	North American Electric Reliability Corporation
NND Project	V.C. Summer Units 2 and 3 nuclear development project under which DESC and Santee Cooper undertook to construct two Westinghouse AP1000 Advanced Passive Safety nuclear units in Jenkinsville, South Carolina
NO _x	Nitrogen oxide
NRC	U.S. Nuclear Regulatory Commission
Order 1000	Order issued by FERC adopting requirements for electric transmission planning, cost allocation and development
ORS	South Carolina Office of Regulatory Staff
PGA	Purchased gas adjustment
PHMSA	U.S. Pipeline Hazardous Materials Safety Administration
Price-Anderson	Price-Anderson Amendments Act of 1988
PSD	Prevention of significant deterioration
PSNC	Public Service Company of North Carolina, Incorporated (a subsidiary of Enbridge effective September 2024)
PSNC Transaction	The sale by Dominion Energy to Enbridge of all of its membership interests in Fall North Carolina Holdco LLC and its consolidated subsidiaries, which following a reorganization included PSNC, pursuant to a purchase and sale agreement entered into on September 5, 2023, which was completed on September 30, 2024
Questar Gas	Questar Gas Company (a subsidiary of Enbridge effective May 2024)
ROE	Return on equity
Santee Cooper	South Carolina Public Service Authority
SCANA	The legal entity, SCANA Corporation, one or more of its consolidated subsidiaries (other than DESC) or the entirety of SCANA Corporation and its consolidated subsidiaries
SCANA Combination	Dominion Energy's acquisition of SCANA completed on January 1, 2019 pursuant to the terms of the SCANA Merger Agreement
SCANA Merger Agreement	Agreement and plan of merger entered on January 2, 2018 between Dominion Energy and SCANA
SCANA Merger Approval Order	Final order issued by the South Carolina Commission on December 21, 2018 setting forth its approval of the SCANA Combination
SCDES	South Carolina Department of Environmental Services
SCDOR	South Carolina Department of Revenue
Scope 1 emissions	Emissions that are produced directly by an entity's own operations
Scope 2 emissions	Emissions from electricity a company consumes but does not generate from its own facilities
Scope 3 emissions	Emissions generated downstream of company operations by customers and upstream by suppliers
SEC	U.S. Securities and Exchange Commission
SEEM	Southeast Energy Exchange Market
SO ₂	Sulfur dioxide
South Carolina Commission	Public Service Commission of South Carolina
Summer	V.C. Summer nuclear power station
Toshiba	Toshiba Corporation, parent company of Westinghouse
Toshiba Settlement	Settlement Agreement dated as of July 27, 2017, by and among Toshiba, DESC and Santee Cooper
VIE	Variable interest entity
Virginia Power	The legal entity, Virginia Electric and Power Company, a wholly-owned subsidiary of Dominion Energy, one or more of its consolidated subsidiaries or operating segment, or the entirety of Virginia Electric and Power Company and its consolidated subsidiaries

Abbreviation or Acronym**Definition**

Westinghouse

Westinghouse Electric Company LLC

WNA

Weather normalization adjustment

Part I

Item 1. Business

GENERAL

DESC, a public utility headquartered in Cayce, South Carolina, is a South Carolina corporation organized in 1924. DESC is a wholly-owned subsidiary of SCANA, which is a wholly-owned subsidiary of Dominion Energy. DESC conducts business under the name “Dominion Energy South Carolina.” At December 31, 2024, DESC had approximately 2,400 employees, of which approximately 720 were subject to collective bargaining agreements.

DESC is engaged in the generation, transmission and distribution of electricity to approximately 0.8 million customers in the central, southern and southwestern portions of South Carolina. Additionally, DESC distributes natural gas to approximately 0.5 million residential, commercial and industrial customers in South Carolina. DESC’s business experiences seasonal fluctuations, with generally higher sales of electricity during the summer and winter months because of air conditioning and heating requirements, and generally higher sales of natural gas during the winter months due to heating requirements.

GENCO owns a coal-fired electric generating station with a 605 MW net generating capacity (summer rating). GENCO’s electricity is sold exclusively to DESC, pursuant to a FERC-approved power purchase agreement and related operating agreement. The effects of these transactions are eliminated in consolidation. Fuel Company acquires, owns and provides financing for DESC’s nuclear fuel, certain fossil fuels and emission and other environmental allowances.

COMPETITION

There is no competition for electric distribution or generation service within DESC’s retail electric service territory in South Carolina and no such competition is currently permitted. However, competition from third-party owners for development, construction and ownership of certain transmission facilities in DESC’s service territory is permitted pursuant to Order 1000, subject to state and local siting and permitting approvals. This could result in additional competition to build and own transmission infrastructure in DESC’s service area in the future.

Competition in DESC’s natural gas distribution operations is generally based on price and convenience. Large commercial and industrial customers often have the ability to switch from natural gas to an alternate fuel, such as propane or fuel oil. Natural gas competes with these alternate fuels based on price. As a result, any significant disparity between supply and demand, either of natural gas or of alternate fuels, and due either to production or delivery disruptions or other factors, will affect price and the ability to retain large commercial and industrial customers.

REGULATION

DESC’s electric distribution service, including the rates it may charge to jurisdictional customers, is subject to regulation by the South Carolina Commission. DESC’s electric generation operations are subject to regulation by the South Carolina Commission, FERC, NRC, EPA, DOE, U.S. Army Corps of Engineers and other federal, state and local authorities. DESC’s electric transmission service is primarily regulated by FERC and DOE. DESC’s gas distribution operations are subject to regulation by the South Carolina Commission, as well as PHMSA, U.S. Department of Transportation and ORS for enforcement of federal and state pipeline safety requirements in its service territories.

Electric Regulation in South Carolina

DESC’s retail electric base rates in South Carolina are regulated on a cost-of-service/rate-of-return basis subject to South Carolina statutes and the rules and procedures of the South Carolina Commission. South Carolina base rates are set by a process that allows DESC to recover its operating costs and a return on invested capital. If retail electric earnings exceed the authorized ROE established by the South Carolina Commission, retail electric rates may be subject to review and possible reduction, which may decrease DESC’s future earnings. Additionally, if the South Carolina Commission does not allow recovery of costs incurred in providing service on a timely basis, DESC’s future earnings could be negatively impacted. Fuel costs are reviewed annually by the South Carolina Commission, as required by statute, and fuel rates are subject to revision in these annual fuel proceedings. DESC also submits annual filings to the South Carolina Commission for rider recovery related to its DSM programs and pension costs. The DSM rider includes recovery of any net lost revenues and a shared savings incentive.

Pursuant to the SCANA Merger Approval Order, DESC is recovering capital costs and a return on capital cost rate base related to the NND Project over a 20-year period through a capital cost rider. The capital cost rider also provides for the return to retail electric customers of certain amounts associated with the NND Project. Revenue from the capital cost rider component of retail electric rates will continue to decline over the 20-year period as capital cost rate base is reduced.

See Note 3 to the Consolidated Financial Statements for additional information.

Gas Regulation in South Carolina

DESC is subject to regulation of rates and other aspects of its natural gas distribution service by the South Carolina Commission. DESC provides retail natural gas service to customers in areas in which it has received authorization from the South Carolina Commission and in municipalities in which it holds a franchise. DESC's base rates can be adjusted annually, pursuant to the Natural Gas Rate Stabilization Act, for recovery of costs related to natural gas infrastructure. Base rates are set based on the cost-of-service by rate class approved by the South Carolina Commission in the latest general rate case. Base rates for DESC are based primarily on a rate design methodology in which the majority of operating costs are recovered through volumetric charges. DESC also utilizes a weather normalization adjustment to adjust its base rates during the winter billing months for residential and commercial customers to mitigate the effects of unusually cold or warm weather.

DESC's natural gas tariffs include a purchased gas adjustment that provides for the recovery of prudently incurred gas costs, including transportation costs. DESC is authorized to adjust its purchased gas rates monthly and makes routine filings with the South Carolina Commission to provide notification of changes in these rates. Costs that are under or over recovered are deferred as regulatory assets or liabilities, respectively, and considered in subsequent purchased gas adjustments. The purchased gas adjustment filings generally cover a prospective twelve-month period. Increases or decreases in purchased gas costs can result in corresponding changes in purchased gas adjustment rates and the revenue generated by those rates. The South Carolina Commission reviews DESC's gas purchasing policies and practices, including its administration of the purchased gas adjustment, annually. DESC has also received approval from the South Carolina Commission to recover gas DSM program costs and a shared savings incentive from residential and commercial natural gas customers under a rider to retail gas rates. The South Carolina Commission approved DESC to recover net lost revenues resulting from the gas DSM programs through its annual Natural Gas Rate Stabilization Act proceeding.

See Note 3 to the Consolidated Financial Statements for additional information.

Federal Energy Regulatory Commission

Under the Federal Power Act, FERC regulates wholesale sales and transmission of electricity in interstate commerce by public utilities. DESC may make wholesale sales at market-based rates outside its balancing authority pursuant to its market-based sales tariff authorized by FERC. In addition, DESC has FERC approved tariffs to sell wholesale power at capped rates based on its embedded cost of generation. These cost-based sales tariffs could be used to sell to loads within or outside DESC's service territory. Any such sales are voluntary. FERC also regulates the issuance of certain securities by DESC.

DESC is subject to FERC's Standards of Conduct that govern conduct between transmission function employees of interstate gas and electric transmission providers and the marketing function employees of its affiliates. The rule defines the scope of transmission and marketing-related functions that are covered by the standards and is designed to prevent transmission providers from giving affiliates undue preferences.

DESC is also subject to FERC's affiliate restrictions that (1) prohibit power sales between nonregulated plants and utility plants without first receiving FERC authorization, (2) require the nonregulated and utility plants to conduct their wholesale power sales operations separately and (3) prohibit utilities from sharing market information with nonregulated plant operating personnel. The rules are designed to prohibit utilities from giving the nonregulated plants a competitive advantage.

EPACT included provisions to create an Electric Reliability Organization, which is required to promulgate mandatory reliability standards governing the operation of the bulk power system in the U.S. FERC has certified NERC as the Electric Reliability Organization and also issued an initial order approving many reliability standards that went into effect in 2007. Entities that violate standards will be subject to fines of up to \$1.5 million per day, per violation and can also be assessed non-monetary penalties, depending upon the nature and severity of the violation.

In October 2011, FERC issued an order approving the settlement of DESC's formula rate that updates transmission rates on an annual basis, including its ROE. The formula rate is designed to recover the expected revenue requirement for the calendar year and is updated annually based on actual costs. This FERC accepted formula rate enables DESC to earn a return on its investment in electric transmission infrastructure.

In February 2021, DESC and the other members of the SEEM submitted the Southeast Energy Exchange Market Agreement to FERC for authorization. This agreement sets forth the framework and rules for establishing and maintaining a new voluntary electronic trading platform designed to enhance the existing bilateral market in the Southeast utilizing zero-charge transmission service. That transmission service, in turn, will be voluntarily provided by participating transmission service providers, including DESC. In October 2021, the Southeast Energy Exchange Market Agreement became effective by operation of law as a result of a split FERC vote. The SEEM platform became operational in November 2022. Certain parties appealed FERC's authorization of SEEM to the U.S. Court of Appeals for the District of Columbia. In July 2023, the U.S. Court of Appeals for the District of Columbia remanded the authorization of SEEM to FERC for further proceedings. This matter is pending.

WHERE YOU CAN FIND MORE INFORMATION

DESC files its annual, quarterly and current reports and other information with the SEC. Its SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>.

DESC makes its SEC filings, including the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, available, free of charge through Dominion Energy's website, <http://www.dominionenergy.com>, as soon as reasonably practicable after filing or furnishing the material to the SEC. Information contained on Dominion Energy's website is not incorporated by reference in this report.

Item 1A. Risk Factors

DESC's business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond its control. A number of these factors have been identified below. For other factors that may cause actual results to differ materially from those indicated in any forward-looking statement or projection contained in this report, see *Forward-Looking Statements* in Item 7. MD&A.

Regulatory, Legislative and Legal Risks

The rates that DESC can charge are subject to regulatory review. Revenue provided by DESC's operations is based primarily on rates approved by state regulatory agencies. The profitability of DESC's business is dependent on its ability, through the rates that it is permitted to charge, to recover costs and earn a reasonable rate of return on its capital investment.

DESC's retail electric base rates for services to customers in South Carolina are regulated on a cost-of-service/rate-of-return basis subject to South Carolina statutes and the rules and procedures of the South Carolina Commission. South Carolina base rates are set by a process that allows DESC to recover its operating costs and return on invested capital. If retail electric earnings exceed the returns established by the South Carolina Commission, retail electric rates may be subject to review and possible reduction by the South Carolina Commission, which may decrease DESC's future earnings. If the South Carolina Commission does not allow recovery through base rates, on a timely basis, of costs incurred in providing service, DESC's future earnings could be negatively impacted.

Under certain circumstances, the South Carolina Commission may impose a moratorium on increases to retail base rates for a specified period of time, which could delay recovery of costs incurred in providing service. Additionally, governmental officials, stakeholders and advocacy groups may challenge the regulatory reviews or proceedings referred to above. Such challenges may lengthen the time, complexity and costs associated with such regulatory reviews or proceedings.

DESC is subject to complex governmental regulation, including tax regulation, that could adversely affect its results of operations and subject DESC to monetary penalties. DESC's operations are subject to extensive federal, state and local laws and regulations and require numerous permits, approvals and certificates from various governmental agencies. Such laws and regulations govern the terms and conditions of the services it offers, its relationships with affiliates, protection of its critical electric infrastructure assets and pipeline safety, among other matters. These operations are also subject to legislation and associated regulation governing taxation at the federal, state and local level. DESC must also comply with environmental legislation and associated regulations. Management believes that the necessary approvals have been obtained for existing operations and that the businesses are conducted in accordance with applicable laws. DESC's business is subject to regulatory regimes which could result in substantial monetary penalties if DESC is found not to be in compliance, including mandatory reliability standards and interaction in the wholesale markets. New laws or regulations, the revision or reinterpretation of existing laws or regulations, the imposition of new tariffs, changes in enforcement practices of regulators, or penalties imposed for non-compliance with existing laws or regulations may result in substantial additional expense. Adverse developments in tax laws, credits or other incentives including changes in legislation, administrative interpretations or judicial determinations could result in material modifications to business models or otherwise negatively affect DESC's results of operations, financial condition and/or cash flows. Recent legislative and regulatory changes that are impacting DESC include the IRA and 2017 Tax Reform Act.

DESC has been and may continue to be or become subject to legal proceedings and governmental investigations and examinations. DESC may from time to time be subject to various legal proceedings and governmental investigations and examinations. For example, DESC was subject to numerous federal and state legal proceedings and governmental investigations relating to the decision of SCANA and DESC to abandon construction at the NND Project. DESC spent substantial amounts of time and money defending these lawsuits and proceedings and on related investigations. In addition, juries have demonstrated a willingness to grant large awards in certain cases, including personal injury claims. Accordingly, actual costs incurred may differ materially from insured or reserved amounts and may not be recoverable, in whole or in part, by insurance or in rates from customers. The outcome of these legal proceedings, investigations and examinations, including settlements, may adversely affect DESC's financial condition or results of operation.

Environmental Risks

DESC's operations and construction activities are subject to a number of environmental laws and regulations which impose significant compliance costs on DESC. DESC's operations and construction activities are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, natural resources, and health and safety. Compliance with these legal requirements requires DESC to commit significant capital toward permitting, emission fees, environmental monitoring, installation and operation of environmental control equipment and purchase of allowances and/or offsets. Additionally, DESC could be responsible for expenses relating to remediation and containment obligations, including at sites where it

has been identified by a regulatory agency as a potentially responsible party. Expenditures relating to environmental compliance have been significant in the past, and DESC expects that they will remain significant in the future. As a result of these requirements, certain facilities may become uneconomical to operate and may need to be shut down, converted to new fuel types or sold.

DESC expects that existing environmental laws and regulations may be revised and/or new laws may be adopted including regulation of GHG emissions which could have an impact on its business (risks relating to regulation of GHG emissions from existing fossil fuel-fired electric generating units are discussed in more detail below). In addition, further regulation of air quality and GHG emissions under the CAA have been imposed on the natural gas sector. DESC is also subject to federal water and waste regulations, including regulations concerning cooling water intake structures, coal combustion by-product handling and disposal practices, wastewater discharges from steam electric generating stations, management and disposal of hydraulic fracturing fluids and the potential further regulation of polychlorinated biphenyls.

Compliance costs cannot be estimated with certainty due to the inability to predict the requirements and timing of implementation of any new environmental rules or regulations. Other factors which affect the ability to predict future environmental expenditures with certainty include the difficulty in estimating clean-up costs and quantifying liabilities under environmental laws that impose joint and several liabilities on all responsible parties. However, such expenditures, if material, could make DESC's facilities uneconomical to operate, result in the impairment of assets, or otherwise adversely affect DESC's results of operations, financial performance or liquidity.

Compliance with federal and/or state requirements imposing limitations on GHG emissions or efficiency improvements, as well as Dominion Energy's commitment to achieve net zero carbon and methane emissions by 2050, may result in significant compliance costs, could result in certain of DESC's electric generation units or natural gas facilities being uneconomical to maintain or operate and may depend upon technological advancements which may be beyond DESC's control. In February 2020, Dominion Energy announced its commitment to achieve net zero carbon and methane Scope 1 emissions by 2050. In February 2022, Dominion Energy expanded this commitment to cover Scope 2 emissions and material categories of Scope 3 emissions. To help Dominion Energy meet this commitment, DESC may need to construct new electric generation facilities, including renewable facilities such as solar, and seek the extension of the operating license for Summer. DESC will also need to depend on technological improvements not currently in commercial development. Additionally, actions taken in furtherance of Dominion Energy's net zero commitment may impact existing generation facilities, including as a result of fuel switching and/or the retirement of high-emitting generation facilities and their potential replacement with lower-emitting generation facilities. Further, the ability to realize this commitment may require DESC to be able to obtain significant financing. The federal government or South Carolina may also enact legislation or regulations relating to climate change matters such as the reduction of GHG emissions and renewable energy portfolio standards, similar to the Virginia Clean Economy Act of 2020.

There are also potential impacts on DESC's natural gas businesses from Dominion Energy's net zero emissions commitment as well as federal or state GHG regulations which may require GHG emission reductions from the natural gas sector which, in addition to resulting in increased costs, could affect demand for natural gas. Additionally, GHG requirements could result in increased demand for energy conservation and renewable products, which could impact the natural gas businesses.

These efforts will require regulatory approvals for the siting and construction of such new facilities and a determination by the South Carolina Commission that costs related to the construction are prudent. Given these and other uncertainties associated with the implementation of Dominion Energy's net zero commitment, DESC cannot estimate the aggregate effect of future actions taken in furtherance of this commitment on its results of operations or financial condition or on its customers. However, such actions could render additional existing generation facilities uneconomical to operate, result in the impairment of assets, or otherwise adversely affect DESC's results of operations, financial performance or liquidity.

DESC is subject to risks associated with the disposal and storage of coal ash. DESC historically produced coal ash, or CCRs, as a by-product of its coal-fired generation operations. The ash is stored and managed in impoundments (ash ponds) and landfills located at three different facilities.

The EPA has issued regulations concerning the management and storage of CCRs. These CCR regulations require DESC to make additional capital expenditures and increase operating and maintenance expenses. In addition, the DESC will incur expenses and other costs associated with closing, corrective action and ongoing monitoring of certain ash ponds and landfills. In addition, the EPA's May 2024 final rule regulates inactive surface impoundments located at retired generating stations that contained CCR and liquids after October 2015, and certain other inactive or previously closed surface impoundments, landfills or other areas that contain accumulations of CCR. DESC believes that it may have inactive or closed units or areas that could be subject to the final rule at up to 7 different stations. DESC also may face litigation concerning their coal ash facilities.

Further, while DESC operates their ash ponds and landfills in compliance with applicable state safety regulations, a release of coal ash with a significant environmental impact could result in remediation costs, civil and/or criminal penalties, claims, litigation, increased regulation and compliance costs, and reputational damage, and could impact the financial condition of DESC.

Construction Risks

DESC's infrastructure build and expansion plans often require regulatory approval, including environmental permits, before commencing construction and completing projects. DESC may not complete facility construction, electric transmission line, conversion or other infrastructure projects that it commences, or it may complete projects on materially different terms, costs or timing than initially estimated or anticipated, and it may not be able to achieve the intended benefits of any such project, if completed. DESC may consider additional projects necessary to meet projected demand growth in its service territory, including from data centers. Commencing construction on announced and future projects may require approvals from applicable state and federal agencies, and such approvals could include mitigation costs which may be material to DESC. Projects may not be able to be completed on time or in accordance with estimated costs as a result of weather conditions, need for new land and right of ways, delays in obtaining or failure to obtain regulatory approvals, changes in our laws or regulations, delays in obtaining key materials, labor difficulties, difficulties with partners or potential partners, concerns raised during stakeholder engagement, a decline in the credit strength of counterparties or vendors, inflation, the impact of applicable tariffs or other factors beyond DESC's control. Even if facility construction, electric transmission line, conversion and other infrastructure projects are completed, the total costs of the projects may be higher than anticipated and the performance of the business of DESC following completion of the projects may not meet expectations. Start-up and operational issues can arise in connection with the commencement of commercial operations at DESC's facilities. Such issues may include failure to meet specific operating parameters, which may require adjustments to meet or amend these operating parameters. Additionally, DESC may not be able to timely and effectively integrate the projects into its operations and such integration may result in unforeseen operating difficulties or unanticipated costs. Further, regulators may disallow recovery of some of the costs of a project if they are deemed not to be prudently incurred. Any of these or other factors could adversely affect DESC's ability to realize the anticipated benefits from the facility construction, electric transmission line, conversion and other infrastructure projects.

Operational Risks

DESC's financial performance and condition can be affected by changes in the weather, including the effects of global climate change. Fluctuations in weather can affect demand for DESC's services. For example, milder than normal weather can reduce demand for electricity and gas distribution services. In addition, severe weather or acts of nature, including hurricanes, winter storms, wildfires, earthquakes, floods and other natural disasters can stress systems, disrupt operation of DESC's facilities and cause service outages, production delays and property damage that require incurring additional expenses. Changes in weather conditions can result in reduced water levels or changes in water temperatures that could adversely affect operations at some of DESC's power stations. Furthermore, DESC's operations could be adversely affected and its physical plant placed at greater risk of damage should changes in global climate produce, among other possible conditions, unusual variations in temperature and weather patterns, resulting in more intense, frequent and extreme weather events, abnormal levels of precipitation and, for operations located on or near coastlines, a change in sea level or sea temperatures. Due to the location of DESC's electric utility service territories which are frequently in the path of hurricanes, it experiences the consequences of these weather events to a greater degree than many of its industry peers.

Hostile cyber intrusions could severely impair DESC's operations, lead to the disclosure of confidential information, damage the reputation of DESC and otherwise have an adverse effect on DESC's business. DESC owns assets deemed as critical infrastructure, the operation of which is dependent on information technology systems. Further, the computer systems that run DESC's facilities are not completely isolated from external networks. There appears to be an increasing level of activity, sophistication and maturity of threat actors, in particular nation state actors, that wish to disrupt the U.S. bulk power system and the U.S. gas transmission or distribution system. Such parties could view DESC's computer systems, software or networks as attractive targets for cyber attack. For example, malware has been designed to target software that runs the nation's critical infrastructure such as power transmission grids and gas pipelines. In addition, the techniques used in cyberattacks evolve rapidly, including from emerging technologies, such as advanced forms of automation and artificial intelligence. DESC's business also requires that it and its vendors collect and maintain sensitive customer data, as well as confidential employee information, which is subject to electronic theft or loss.

A successful cyber attack through third-party or insider action on the systems that control DESC's electric generation and electric or gas transmission or distribution assets could severely disrupt business operations, preventing DESC from serving customers or collecting revenues. The breach of certain business systems could affect DESC's ability to correctly record, process and report financial information. A major cyber incident could result in significant expenses to investigate and repair security breaches or system damage and could lead to litigation, fines, other remedial action, heightened regulatory scrutiny and damage to DESC's reputation. In addition, the misappropriation, corruption or loss of personally identifiable information and other confidential data at DESC or one of its vendors could lead to significant breach notification expenses and mitigation expenses such as credit monitoring. If a significant breach were to occur, the reputation of DESC also could be adversely affected. While DESC maintains property and casualty

insurance, along with other contractual provisions, that may cover certain damage caused by potential cyber incidents, all damage and claims arising from such incidents may not be covered or may exceed the amount of any insurance available. For these reasons, a significant cyber incident could materially and adversely affect DESC's business, financial condition and results of operations.

DESC's financial results can be adversely affected by various factors driving supply and demand for electricity and gas and related services. Demand for DESC's services can be driven by changing populations within its service territory, significant new commercial or industrial customers or other changes in consumer habits. For example, data centers in Virginia have been a source of significant increase in demand which is expected to continue over the next decade. DESC could experience similar increases in demand if similar events were to occur in its service territory. Technological advances may enhance energy efficiency in end-use devices, including lighting, furnaces and electric heat pumps and could lead to declines in per capita energy consumption. Additionally, regulatory and/or legislative bodies could introduce requirements and/or incentives to reduce energy consumption. Likewise, certain regulatory and legislative bodies have introduced or are considering actions which could limit the use or installation of new natural gas appliances. Consumer demand for our services may also be impacted by any price increases, including those driven from factors beyond our control such as inflation or increased prices in natural gas. Further, DESC's business model is premised upon the cost efficiency of the production, transmission and distribution of large-scale centralized utility generation. However, advances in distributed generation technologies, such as solar cells, gas microturbines, battery storage and fuel cells, may make these alternative generation methods competitive with large-scale utility generation, and change how customers acquire or use our services. The widescale implementation of alternative generation methods could negatively impact the reliability of DESC's electric grid and/or result in significant costs to enhance the grid. DESC has an exclusive franchise to serve retail electric customers in its South Carolina service territory. If regulatory conditions change, DESC's exclusive franchise may erode.

Increased energy demand or significant accelerated growth in demand due to new data centers, expanded use of artificial intelligence, widespread adoption of electric vehicles or other customer changes could require enhancements to DESC's infrastructure. As discussed above, the ability of DESC to construct new facilities is dependent upon factors outside of its control, including obtaining regulatory approvals, environmental and other permits. Any delays in, or inability to complete, construction of new facilities or expand and/or renew existing facilities could have an adverse effect on DESC's financial results. In addition, purchased power may be from generation sources which emit more emissions than DESC's facilities, which could negatively impact Dominion Energy's ability to meet its commitment to net zero emissions. Alternatively, reduced energy demand or significantly slowed growth in demand due to customer adoption of energy efficient technology, conservation, distributed generation, regional economic conditions, or the impact of additional compliance obligations, unless substantially offset through regulatory cost allocations, could adversely impact the value of DESC's business activities.

DESC's operations are subject to operational hazards, equipment failures, supply chain disruptions and personnel issues which could negatively affect DESC. Operation of DESC's facilities involves risk, including the risk of potential breakdown or failure of equipment or processes due to aging infrastructure, fuel supply, pipeline integrity or transportation disruptions, accidents, labor disputes or work stoppages by employees, acts of terrorism or sabotage, construction delays or cost overruns, shortages of or delays in obtaining equipment, material and labor, operational restrictions resulting from environmental limitations and governmental interventions, changes to the environment and performance below expected levels. DESC's business is dependent upon sophisticated information technology systems and network infrastructure, the failure of which could prevent them from accomplishing critical business functions. Because DESC's transmission facilities, pipelines and other facilities are interconnected with those of third parties, the operation of its facilities and pipelines could be adversely affected by unexpected or uncontrollable events occurring on the systems of such third parties.

Operation of DESC's facilities below expected capacity levels could result in lost revenues and increased expenses, including higher maintenance costs. Unplanned outages of DESC's facilities and extensions of scheduled outages due to mechanical failures or other problems occur from time to time and are an inherent risk of DESC's business. Unplanned outages typically increase DESC's operation and maintenance expenses and may reduce its revenue as a result of selling less output or may require DESC to incur significant costs as a result of operating higher cost units or obtaining replacement output from third parties in the open market to satisfy forward energy and capacity or other contractual obligations. Moreover, if DESC is unable to perform its contractual obligations, penalties or liability for damages could result.

In addition, there are many risks associated with DESC's operations and the transportation, storage and distribution of natural gas, including nuclear accidents, fires, explosions, uncontrolled release of natural gas and other environmental hazards, pole strikes, electric contact cases, the collision of third party equipment with pipelines and avian and other wildlife impacts. Such incidents could result in loss of human life or injuries among employees, customers or the public in general, environmental pollution, damage or destruction of facilities or business interruptions and associated public or employee safety impacts, loss of revenues, increased liabilities, heightened regulatory scrutiny and reputational risk. Further, the location of pipelines and storage facilities, or generation, transmission, substations and distribution facilities near populated areas, including residential areas, commercial business centers and industrial sites, could increase the level of damages resulting from these risks.

DESC may be materially adversely affected by negative publicity or the inability of Dominion Energy to meet its stated commitments. From time to time, political and public sentiment may result in a significant amount of adverse press coverage and other adverse public statements affecting DESC. Additionally, any failure by Dominion Energy to realize its commitments to achieve net zero carbon and methane emissions by 2050, enhance the customer experience or other long-term goals could lead to adverse press coverage and other adverse public statements affecting DESC. The ability to comply with some or all of Dominion Energy's voluntary commitments may be outside of DESC's control. For example, the ability to reduce emissions while meeting Dominion Energy's increasing demand growth is expected to be dependent on the technological and economic feasibility of large-scale battery storage, carbon capture and storage, small modular reactors, hydrogen and/or other clean energy technologies. Dominion Energy is also dependent on the actions of third parties to meet the expanded commitment regarding Scope 2 emissions and Scope 3 emissions. If downstream customers or upstream suppliers do not sufficiently reduce their GHG emissions, Dominion Energy may not achieve its net zero emissions goal. Adverse press coverage and other adverse statements, whether or not driven by political or public sentiment, may also result in investigations by regulators, legislators and law enforcement officials or in legal claims as well as adverse outcomes.

Addressing any adverse publicity, governmental scrutiny or enforcement or other legal proceedings is time consuming and expensive and, regardless of the factual basis for the assertions being made, can have a negative impact on the reputation of DESC, on the morale and performance of its employees and on its relationships with its regulators, customers and commercial counterparties. It may also have a negative impact on DESC's ability to take timely advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on DESC's business, financial condition and results of operations.

War, acts and threats of terrorism, intentional acts and other significant events could adversely affect DESC's operations. DESC cannot predict the impact that any future terrorist attacks or retaliatory military or other action may have on the energy industry in general or on DESC's business in particular. Any such future attacks or retaliatory action may adversely affect DESC's operations in a variety of ways, including by disrupting the power, fuel and other markets in which DESC operates or requiring the implementation of additional, more costly security guidelines and measures. DESC's infrastructure facilities, including nuclear facilities and projects under construction, could be direct targets or indirect casualties of an act of terror or other physical attack. Any physical compromise of DESC's facilities could adversely affect DESC's ability to generate, purchase, transmit or distribute electricity, store, transmit or distribute natural gas, store liquefied natural gas or otherwise operate its facilities in the most efficient manner or at all. For example, in December 2022 electric utilities in North Carolina and Washington experienced physical attacks on substations with the damage causing power outages. In addition, the amount and scope of insurance coverage maintained against losses resulting from any such attack may not be sufficient to cover such losses or otherwise adequately compensate for any business disruptions that could result.

Instability in financial markets as a result of terrorism, war, intentional acts, pandemic, credit crises, recession or other factors could result in a significant decline in the U.S. economy and/or increase the cost or limit the availability of insurance or adversely impact DESC's ability to access capital on acceptable terms.

Failure to attract and retain key executive officers and an appropriately qualified workforce could have an adverse effect on DESC's operations. DESC's business strategy is dependent on its ability to recruit, retain and motivate employees. DESC's key executive officers are the CEO, CFO and president and those responsible for financial, operational, legal, regulatory, accounting, tax, information technology and cybersecurity functions. Competition for skilled management employees in these areas of DESC's business operations is high. Certain events, such as an aging workforce, mismatch of skill set, or unavailability of contract resources may lead to operating challenges and increased costs. The challenges include lack of resources, loss of knowledge base and the length of time required for skill development. In this case, costs, including costs for contractors to replace employees, productivity costs and safety costs, may rise. Failure to hire and adequately train replacement employees, including the transfer of significant internal historical knowledge and expertise to new employees, or future availability and cost of contract labor may adversely affect the ability to manage and operate DESC's business. In addition, certain specialized knowledge is required of DESC's technical employees for construction and operation of transmission, generation and distribution assets. DESC's inability to attract and retain these employees could adversely affect its business and future operating results.

Nuclear Generation Risks

DESC has a substantial ownership interest in and operates a nuclear generating unit; as a result, DESC may incur substantial costs and liabilities. DESC's nuclear facility is subject to operational, environmental, health and financial risks such as the on-site storage of spent nuclear fuel, the ability to dispose of such spent nuclear fuel, the ability to maintain adequate reserves for decommissioning, limitations on the amounts and types of insurance available, potential operational liabilities and extended outages, the costs of replacement power, the costs of maintenance and the costs of securing the facilities against possible terrorist attacks. DESC maintains a decommissioning trust and external insurance coverage to minimize the financial exposure to these risks; however, it is possible that future decommissioning costs could exceed amounts in the decommissioning trust and/or damages could exceed the

amount of insurance coverage. If DESC's decommissioning trust funds are insufficient, and it is not allowed to recover the additional costs incurred through insurance or regulatory mechanisms, its results of operations could be negatively impacted.

DESC's nuclear facility is also subject to complex government regulation which could negatively impact its results of operations. The NRC has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generating facilities. In the event of noncompliance, the NRC has the authority to impose fines, set license conditions, shut down a nuclear unit, or take some combination of these actions, depending on its assessment of the severity of the situation, until compliance is achieved. Revised safety requirements promulgated by the NRC could require DESC to make substantial expenditures at its nuclear plant. In addition, although DESC has no reason to anticipate a serious nuclear incident at its plant, if an incident did occur, it could materially and adversely affect its results of operations and/or financial condition. A major incident at a nuclear facility anywhere in the world, such as the nuclear events in Japan in 2011, could cause the NRC to adopt increased safety regulations or otherwise limit or restrict the operation or licensing of domestic nuclear units.

Financial, Economic and Market Risks

Changing rating agency requirements could negatively affect DESC's growth and business strategy. In order to maintain appropriate credit ratings to obtain needed credit at a reasonable cost in light of existing or future rating agency requirements, DESC may find it necessary to take steps or change its business plans in ways that may adversely affect its growth and earnings. A reduction in DESC's credit ratings could result in an increase in borrowing costs, loss of access to certain markets, or both, thus adversely affecting operating results and could require DESC to post additional collateral in connection with some of its price risk management activities.

An inability to obtain needed capital or financing on satisfactory terms, or at all, could have an adverse effect on DESC's operations and ability to generate cash flow. DESC is dependent in part on certain financing arrangements with Dominion Energy for borrowings necessary to meet its working capital and other financial needs. If Dominion Energy's funding resources were to become unavailable to Dominion Energy, DESC's access to funding could also be in jeopardy. In the future, an inability to obtain additional financing from other sources on acceptable terms could negatively affect its financial condition, cash flows, anticipated financial results or impair its ability to generate additional cash flows. The ability to obtain bank financing or to access the capital markets for future debt offerings may be limited by the financial condition of DESC at the time of any such financing or offering or other debt agreements in place at the time, adverse market conditions or other contingencies and uncertainties that are beyond our control.

DESC also relies on a credit facility with banks to meet short-term funding needs. Banks may be unable or unwilling to extend credit in the future. From time to time, DESC may use interest-rate derivatives to fix the rate on a portion of its variable-rate debt. A downgrade of credit ratings could increase the interest cost of debt and decrease future availability of capital from banks and other sources. While management believes it is important to maintain investment-grade credit ratings to conduct DESC's businesses, DESC may not be able to keep investment-grade ratings.

Market performance, interest rates and other changes may decrease the value of DESC's decommissioning trust fund and benefit plan assets or increase DESC's liabilities, which could then require significant additional funding. The performance of the capital markets affects the value of the assets that are held in trust to satisfy future obligations to decommission DESC's nuclear plant and under DESC's pension plan. DESC has significant obligations in these areas and holds significant assets in these trusts. These assets are subject to market fluctuation and will yield uncertain returns, which may fall below expected return rates.

With respect to the decommissioning trust fund, a decline in the market value of these assets may increase the funding requirements of the obligations to decommission DESC's nuclear plant or require additional NRC-approved funding assurance.

A decline in the market value of the assets held in trusts to satisfy future obligations under DESC's pension plan may increase the funding requirements under such plans. Additionally, changes in interest rates will affect the liabilities under DESC's pension plan; as interest rates decrease, the liabilities increase, potentially requiring additional funding. Further, changes in demographics, including increased numbers of retirements or changes in mortality assumptions, may also increase the funding requirements of the obligations related to the pension plan.

If the decommissioning trust fund and benefit plan assets are negatively impacted by market fluctuations or other factors, DESC's results of operations, financial condition and/or cash flows could be negatively affected.

The use of derivative instruments could result in financial losses and liquidity constraints. DESC may use derivative instruments, including futures, swaps, forwards and options, to manage financial market risks. DESC could be required to provide cash collateral or recognize financial losses on these contracts as a result of volatility in the market values of the underlying commodities and financial contracts or if a counterparty fails to perform under a contract.

The Dodd-Frank Act was enacted into law in July 2010 in an effort to improve regulation of financial markets. The Commodity Exchange Act, as amended by Title VII of the Dodd-Frank Act, requires certain over-the-counter derivatives, or swaps, to be cleared through a derivatives clearing organization and, if the swap is subject to a clearing requirement, to be executed on a designated contract market or swap execution facility. Non-financial entities that use swaps to hedge or mitigate commercial risk, often referred to as end users, may elect the end-user exception to the Commodity Exchange Act's clearing requirements. DESC has elected to exempt its swaps from the Commodity Exchange Act's clearing requirements. If, as a result of changes to the rulemaking process, DESC's derivative activities are not exempted from the clearing, exchange trading or margin requirements, DESC could be subject to higher costs due to decreased market liquidity or increased margin payments. In addition, DESC's swap dealer counterparties may attempt to pass-through additional trading costs in connection with changes to or the elimination of rulemaking that implements Title VII of the Dodd-Frank Act.

Exposure to counterparty performance may adversely affect DESC's financial results of operations. DESC is exposed to credit risks of its counterparties and the risk that one or more counterparties may fail or delay the performance of their contractual obligations, including but not limited to payment for services. Counterparties could fail or delay the performance of their contractual obligations for a number of reasons, including the effect of regulations on their operations. Defaults or failure to perform by customers, suppliers, contractors, joint venture partners, financial institutions or other third parties may adversely affect DESC's financial results.

Public health crises and epidemics or pandemics could adversely affect DESC's business, results of operations, financial condition, liquidity and/or cash flows. The effects of an outbreak of a pandemic, such as COVID-19, and related government responses could include extended disruptions to supply chains and capital markets, reduced labor availability and productivity and a prolonged reduction in economic activity. The effects could also have a variety of adverse impacts on DESC, including reduced demand for energy, particularly from commercial and industrial customers, impairment of long-lived assets and diminished ability of Dominion Energy or DESC to access funds from financial institutions and capital markets. Certain measures or restrictions taken to control a pandemic or similar event, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns, may cause operational interruptions and delays in construction projects. In addition, legislative or government action, such as legislation similar to that enacted in Virginia in November 2020, may limit DESC's ability to collect overdue accounts or disconnect services for non-payment, which may cause a decrease in DESC's results of operations and cash flows.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

In an effort to reduce the likelihood and severity of cyber intrusions, Dominion Energy has a comprehensive cybersecurity program covering its operations, including DESC, designed to protect and preserve the confidentiality, integrity and availability of data and systems. Consideration of cybersecurity risks is a key component of Dominion Energy's overall risk management and integrated into processes such as evaluation of potential new vendors or suppliers. Dominion Energy is subject to mandatory cybersecurity regulatory requirements, interface regularly with a wide range of external organizations and participate in classified briefings to maintain an awareness of current cybersecurity threats and vulnerabilities.

Dominion Energy's corporate intelligence and security program includes both cybersecurity and threat intelligence components as part of its evaluation and mitigation of risks. The evaluation of risks includes consideration of cybersecurity and privacy risk, including potential impact on Dominion Energy's employees, customers, supply chain and other stakeholders, intelligence briefings on notable cyber events impacting the industry and evaluation of insider threats. Dominion Energy utilizes a robust set of internal and third-party assessment tools to test its cyber risk management policies, practices and procedures as well as challenge assumptions upon which its defenses are built. These assessments provide opportunities for self-critical analysis and constructive feedback needed to build cyber resilience. Trainings are routinely provided to employees to help identify, avoid and mitigate cybersecurity threats and to ensure an understanding of Dominion Energy's cyber risk management policies. In addition, risk assessments are conducted as a component of the evaluation of vendors and suppliers.

Dominion Energy's current security posture and regulatory compliance efforts are intended to address the evolving and changing cyber threats. During the past three years, DESC has not experienced any cybersecurity incidents resulting in a material impact to their business strategy, results of operations or financial condition. DESC has identified the risk that a hostile cyber intrusion could severely impair DESC's operations, lead to disclosure of confidential information, damage Dominion Energy's reputation or otherwise have an adverse effect on DESC's business as disclosed under the *Operational Risks* header within Item 1A. Risk Factors.

Governance

Dominion Energy's Board of Directors, including its operations committee (effective in July 2024, previously its finance and risk oversight committee), provides oversight of risks from cybersecurity threats to all Dominion Energy operations, including DESC. Dominion Energy's Board of Directors as well as its operations committee (effective in July 2024, previously its finance and risk oversight committee) receive presentations and reports throughout the year on cybersecurity and information security risk from management, including Dominion Energy's chief security officer, director of cybersecurity (CISO) and chief information officer. These presentations and reports address a broad range of topics, including Dominion Energy's cyber risk management program, updates on recent cybersecurity threats and incidents across the industry, policies and practices, industry trends, threat environment and vulnerability assessments and specific and ongoing efforts to prevent, detect and respond to internal and external critical threats, including management's hosting in 2024 of its third practical exercise with external federal, state and local incident response partners. In addition, Dominion Energy's Board of Directors receives briefings from time to time from outside experts for an independent view on cybersecurity risks, including assessments by independent consulting firms and legal counsel of the Company's readiness and resilience.

Dominion Energy utilizes an organization structure known as a converged security model that brings together cybersecurity, physical security and threat intelligence within one department led by the chief security officer. The chief security officer joined Dominion Energy in this role in 2018 and has an extensive background in security having retired from the Federal Bureau of Investigation after a more than 20-year career focused on criminal, counter-terrorism, counter-intelligence and cyber investigations. The chief security officer belongs to the Federal Bureau of Investigation's Domestic Security Alliance Council, the Department of Homeland Security's Classified Intelligence Forum and is a member of the national Government/Business Executive Forum. In addition to serving on multiple university advisory boards, the chief security officer also serves on the Commonwealth of Virginia's Informational Technology Advisory Council.

The director of cybersecurity (CISO) has over 30 years of experience at Dominion Energy primarily in various roles within the information technology department, including information technology risk management, as well as cybersecurity. The director of cybersecurity (CISO) has been involved in designing and evolving Dominion Energy's cyber risk management policies, practices and procedures. This individual has deep relationships with key external partners and is recognized within the industry and the U.S. as a leading cybersecurity expert.

In addition, management of cybersecurity threats is shared with the chief information officer who is responsible for Dominion Energy's technology assets including hardware, software, networks, servers and telecommunications. The chief information officer has over 25 years of experience at Dominion Energy primarily in various roles within the information technology department, including information technology risk management. In addition, the chief information officer previously served on the board of the Virginia Cybersecurity Partnership, a collaboration between private industry and the Federal Bureau of Investigation.

The chief security officer and chief information officer are supported by the senior vice president of administrative services as well as Dominion Energy's operations, compliance, legal, audit, corporate risk, supply chain, human resources and accounting departments in executing its cybersecurity program. In addition, the chief security officer and chief information officer provide periodic updates concerning recent developments affecting cybersecurity and privacy risk to Dominion Energy's executive cyber risk council, which includes executive officers responsible for administrative services, corporate affairs, supply chain, corporate secretary and corporate risk along with legal counsel.

Dominion Energy maintains a robust, tested and regularly revised Cyber Security Incident Response Plan and a Vendor Compromise Response Plan. These plans detail roles, responsibilities, and actions to be taken in response to a detected event whether internal or associated with a third-party service provider. The plans provide clear direction for escalation of information to leadership, including Dominion Energy's Board of Directors as appropriate, and drive collaboration amongst relevant members of management representing cybersecurity, information technology, operations, supply chain, legal and accounting departments. As necessary, the COO, CFO and chief legal officer will advise the CEO on any incidents which could potentially have a material effect on Dominion Energy's business operations, results of operations or financial condition.

Item 2. Properties

DESC has approximately 3,800 miles and 19,100 miles of electric transmission and distribution lines, respectively, exclusive of service level lines, in South Carolina. The grants for most of DESC's electric lines contain rights-of-way that have been obtained from the apparent owners of real estate, but underlying property titles have not been examined. Where rights-of-way have not been obtained, they could be acquired from private owners by condemnation, if necessary. Many electric lines are on publicly-owned property, where permission to operate can be revoked. In addition, DESC owns 455 substations.

DESC's natural gas system includes approximately 19,500 miles of distribution mains and related service facilities, which are supported by approximately 400 miles of transmission pipeline.

DESC owns two LNG facilities, one located near Charleston, South Carolina, and the other in Salley, South Carolina. The Charleston facility can store the liquefied equivalent of approximately 1.0 bcf of natural gas, can regasify approximately 6% of its storage capacity per day and can liquefy less than 1% of its storage capacity per day. The Salley facility can store the liquefied equivalent of approximately 0.9 bcf of natural gas and can regasify approximately 10% of its storage capacity per day. The Salley facility has no liquefying capabilities.

DESC's bond indenture, which secures its first mortgage bonds, constitutes a direct mortgage lien on substantially all of its electric utility property.

The following table lists DESC's generating units and capability as of December 31, 2024.

Plant	Location	Net Summer Capability (MW)	Percentage Net Summer Capability
Gas			
Jasper (CC) ⁽¹⁾	Hardeeville, SC	902	
Columbia Energy Center (CC) ⁽¹⁾	Gaston, SC	522	
Urquhart (CC) ⁽¹⁾	Beech Island, SC	458	
McMeekin	Irmo, SC	250	
Hagood (CT) ⁽¹⁾	Charleston, SC	118	
Urquhart Unit 3	Beech Island, SC	95	
Urquhart (CT) ⁽¹⁾	Beech Island, SC	87	
Bushy Park (CT) ⁽¹⁾	Goose Creek, SC	42	
Coit (CT) ⁽¹⁾⁽²⁾	Columbia, SC	26	
Total Gas		2,500	37%
Coal			
Wateree	Eastover, SC	684	
Williams	Goose Creek, SC	595	
Cope ⁽³⁾	Cope, SC	415	
Total Coal		1,694	25
Hydro			
Fairfield	Jenkinsville, SC	576	
Saluda	Irmo, SC	190	
Other	Various	18	
Total Hydro		784	12
Nuclear			
Summer	Jenkinsville, SC	644 ⁽⁴⁾	10
		5,622	
Power Purchase Agreements		1,112 ⁽⁵⁾	16
Total Utility Generation		6,734	100%

Note: (CT) denotes combustion turbine and (CC) denotes combined cycle.

(1) Capable of burning fuel oil as a secondary source.

(2) Expected to be retired by the end of 2025.

(3) Capable of burning natural gas as a secondary source.

(4) Excludes 33.3% undivided interest owned by Santee Cooper.

(5) Includes 189 MW from agreements with certain solar facilities within Dominion Energy.

Item 3. Legal Proceedings

From time to time, DESC is party to various legal, environmental or other regulatory proceedings, including in the ordinary course of business. SEC regulations require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that DESC reasonably believes will exceed a specified threshold. Pursuant to the SEC regulations, DESC uses a threshold of \$1 million for such proceedings. See Notes 3 and 12 to the Consolidated Financial Statements, which information is incorporated herein by reference, for discussion of certain legal, environmental and other regulatory proceedings to which DESC is a party.

Item 4. Mine Safety Disclosures

Not Applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

There is no established public trading market for DESC's common stock, all of which is owned by SCANA. DESC may pay cash dividends in 2025 but is neither required to nor restricted, except as described in Note 5 to the Consolidated Financial Statements, from making such payments.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

MD&A discusses DESC’s results of operations and should be read in conjunction with Item 1. Business and the Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data. DESC meets the conditions to file under the reduced disclosure format, and therefore has omitted certain sections of MD&A.

CONTENTS OF MD&A

MD&A consists of the following information:

- Forward-Looking Statements
- Results of Operations

FORWARD-LOOKING STATEMENTS

This report contains statements concerning DESC’s expectations, plans, objectives, future financial performance and other statements that are not historical facts. These statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, the reader can identify these forward-looking statements by such words as “path,” “anticipate,” “estimate,” “forecast,” “expect,” “believe,” “should,” “could,” “plan,” “may,” “continue,” “target” or other similar words.

DESC makes forward-looking statements with full knowledge that risks and uncertainties exist that may cause actual results to differ materially from predicted results. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Additionally, other factors may cause actual results to differ materially from those indicated in any forward-looking statement. These factors include but are not limited to:

- Unusual weather conditions and their effect on energy sales to customers and energy commodity prices;
- Extreme weather events and other natural disasters, including, but not limited to, hurricanes, high winds, severe storms, earthquakes, flooding, wildfires, climate changes and changes in water temperatures and availability that can cause outages and property damage to facilities;
- The impact of extraordinary external events, such as the pandemic health event resulting from COVID-19, and their collateral consequences, including extended disruption of economic activity in DESC’s markets and global supply chains;
- Federal, state and local legislative and regulatory developments;
- Changes in or interpretations of federal and state tax laws and regulations, including those related to tax credits or other incentives;
- The indirect impacts of Dominion Energy implementing recommendations resulting from its business review concluded in March 2024;
- Risks of operating businesses in regulated industries that are subject to changing regulatory structures;
- Changes to regulated rates collected;
- Timing and receipt of regulatory approvals necessary for planned construction or growth projects and compliance with conditions associated with such regulatory approvals;
- The inability to complete planned construction, conversion or growth projects at all, or with the outcomes or within the terms and time frames initially anticipated, including as a result of increased public involvement, intervention or litigation in such projects;
- Changes to federal, state and local environmental laws and regulations, including those related to climate change, the tightening of emission or discharge limits for GHGs and other substances, more extensive permitting requirements and the regulation of additional substances;
- Cost of environmental strategy and compliance, including those costs related to climate change;
- Changes in implementation and enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities;

- Difficulty in anticipating mitigation requirements associated with environmental and other regulatory approvals or related appeals;
- The impact of operational hazards, including adverse developments with respect to pipeline and plant safety or integrity, equipment loss, malfunction or failure, operator error and other catastrophic events;
- Risks associated with the operation of nuclear facilities, including costs associated with the disposal of spent nuclear fuel, decommissioning, plant maintenance and changes in existing regulations governing such facilities;
- Changes in operating, maintenance and construction costs;
- The availability of nuclear fuel, natural gas, purchased power or other materials utilized by DESC to provide electric generation, transmission and distribution and/or gas distribution services to its customers;
- Domestic terrorism and other threats to DESC's physical and intangible assets, as well as threats to cybersecurity;
- Additional competition from the development and deployment of alternative energy sources, such as self-generation and distributed generation technologies;
- Competition in the development, construction and ownership of certain electric transmission facilities in connection with Order 1000;
- Changes in technology, particularly with respect to new, developing or alternative sources of generation and smart grid technologies;
- Changes in demand for services, including industrial, commercial and residential growth or decline in service areas, changes in customer growth or usage patterns, including as a result of energy conservation programs, the availability of energy efficient devices and the use of distributed generation methods;
- Adverse outcomes in litigation matters or regulatory proceedings;
- Counterparty credit and performance risk;
- Fluctuations in the value of investments held in nuclear decommissioning and benefit plan trusts;
- Fluctuations in energy-related commodity prices and the effect these could have on DESC's liquidity position and the underlying value of its assets;
- Fluctuations in interest rates;
- Changes in rating agency requirements or credit ratings and their effect on availability and cost of capital;
- Global capital market conditions, including the availability of credit and the ability to obtain financing on reasonable terms;
- Political and economic conditions, including tariffs, inflation and deflation;
- Employee workforce factors including collective bargaining agreements and labor negotiations with union employees; and
- Changes in financial or regulatory accounting principles or policies imposed by governing bodies.

Additionally, other risks that could cause actual results to differ from predicted results are set forth in Item 1A. Risk Factors.

DESC's forward-looking statements are based on beliefs and assumptions using information available at the time the statements are made. DESC cautions the reader not to place undue reliance on its forward-looking statements because the assumptions, beliefs, expectations and projections about future events may, and often do, differ materially from actual results. DESC undertakes no obligation to update any forward-looking statement to reflect developments occurring after the statement is made.

RESULTS OF OPERATIONS

Presented below is a summary of DESC's results:

Year Ended December 31, (millions)	2024	\$ Change	2023
Net income	\$ 352	\$ (43)	\$ 395

Overview

2024 VS. 2023

Net income decreased 11%, primarily due to a charge in connection with the settlement of the electric base rate case and increased operations and maintenance expenses, partially offset by an increase in sales to utility customers from weather and an increase in non-fuel base rates following the settlement of the electric base rate case.

Analysis of Consolidated Operations

Presented below are selected amounts related to DESC's results of operations:

Year Ended December 31, (millions)	2024	\$ Change	2023
Operating revenues	\$ 3,173	\$ 145	\$ 3,028
Fuel used in electric generation	603	21	582
Purchased power	68	(4)	72
Gas purchased for resale	245	2	243
Other operations and maintenance	657	58	599
Impairment of assets and other charges	60	57	3
Depreciation and amortization	546	15	531
Other taxes	300	8	292
Other income (expense), net	(1)	(25)	24
Interest charges	276	26	250
Income tax expense	65	(20)	85

An analysis of DESC's results of operations follows:

2024 VS. 2023

Operating revenue increased 5%, primarily reflecting:

- A \$60 million increase in non-fuel base rates associated with the settlement of the electric base rate case;
- A \$49 million increase in sales to electric utility retail customers from an increase in cooling degree days during the cooling season (\$29 million) and an increase in heating degree days during the heating season (\$20 million);
- A \$25 million increase in sales to electric utility retail customers associated with growth;
- A \$9 million increase in fuel-related revenue primarily as a result of an increase in commodity costs and purchased power costs associated with sales to electric utility retail customers;
- An \$8 million increase in sales to gas utility customers associated with growth; and
- A \$5 million increase from electric utility customers who previously elected to pay market based or other negotiated rates.

These increases were partially offset by:

- A \$17 million decrease in sales to electric utility customers associated with economic and other usage factors;
- An \$11 million decrease in sales to electric retail customers from the capital cost rider; and
- A \$7 million decrease due to one-time credits to customers associated with the electric base rate case.

Fuel used in electric generation increased 4%, primarily due to increased fuel costs associated with electric utility customers, which are offset in operating revenue and do not impact net income.

Other operations and maintenance increased 10%, primarily due to an increase in salaries, wages and benefits and administrative expenses (\$16 million), an increase in outside services (\$13 million), charges associated with various personal injury or wrongful death litigation cases (\$11 million) and an increase due to the absence of a credit from the updated joint ownership cost allocation study in 2023 (\$7 million).

Impairment of assets and other charges increased \$57 million, primarily due to a charge in connection with the electric base rate case primarily to write down certain materials and supplies inventory.

Other income, net decreased \$25 million, primarily due to the absences of gains on the transfer and sales of certain utility properties.

Interest charges increased 10%, primarily due to an increase in the issuance of first mortgage bonds in 2023 (\$24 million) and interest expense associated with a pending final settlement of a federal tax audit (\$12 million), partially offset by increased AFUDC (\$5 million).

Income tax expense decreased 24%, primarily due to lower pre-tax income.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The matters discussed in this Item may contain “forward-looking statements” as described in the introductory paragraphs of Item 7. MD&A. The reader’s attention is directed to those paragraphs and Item 1A. Risk Factors for discussion of various risks and uncertainties that may impact DESC.

MARKET RISK SENSITIVE INSTRUMENTS AND RISK MANAGEMENT

DESC’s financial instruments, commodity contracts and related financial derivative instruments are exposed to potential losses due to adverse changes in interest rates and commodity prices as described below. Interest rate risk is generally related to DESC’s outstanding debt and future issuances of debt. In addition, DESC is exposed to investment price risk through various portfolios of equity and debt securities.

The following sensitivity analysis estimates the potential loss of future earnings or fair value from market risk sensitive instruments over a selected time period due to a 10% change in interest rates.

Commodity Price Risk

To manage price risk, DESC holds commodity-based derivative instruments held for non-trading purposes associated with the purchases of electricity.

The derivatives used to manage commodity price risk are executed within established policies and procedures and include instruments such as physical forwards that are sensitive to changes in the related commodity prices. For sensitivity analysis purposes, the hypothetical change in market prices of commodity-based derivative instruments is determined based on models that consider the market prices of commodities in future periods, as well as the time value factors of the derivative instruments. Prices are principally determined based on observable market prices.

A hypothetical 10% decrease in commodity prices would have resulted in a decrease of \$87 million and \$75 million in the fair value of DESC’s commodity-based derivative instruments as of December 31, 2024 and 2023, respectively.

The impact of a change in energy commodity prices on DESC’s commodity-based derivative instruments at a point in time is not necessarily representative of the results that will be realized when the contracts are ultimately settled.

Interest Rate Risk

DESC manages its interest rate risk exposure predominantly by maintaining a balance of fixed and variable rate debt. For variable rate debt outstanding for DESC, a hypothetical 10% increase in market interest rates would result in a \$6 million and \$4 million decrease in earnings at December 31, 2024 and 2023, respectively.

DESC also uses interest rate derivatives, including forward-starting swaps and interest rate swaps to manage interest rate risk. DESC had \$71 million in aggregate notional amounts of these interest rate derivatives outstanding as of both December 31, 2024 and 2023. A hypothetical 10% decrease in market interest rates would have resulted in a decrease of \$3 million and \$2 million in the fair value of DESC’s interest rate derivatives at December 31, 2024 and 2023, respectively.

The impact of a change in interest rates on DESC’s interest rate-based financial derivative instruments at a point in time is not necessarily representative of the results that will be realized when the contracts are ultimately settled. Net gains and/or losses from interest rate derivative instruments used for hedging purposes, to the extent realized, will generally be offset by recognition of the hedged transaction.

Investment Price Risk

DESC is subject to investment price risk due to securities held as investments in nuclear decommissioning trust funds which primarily hold insurance contracts that are reported in the Consolidated Balance Sheets at fair value.

DESC recognized net investment gains (including investment income) on nuclear decommissioning trust investments of \$21 million and \$25 million for the years ended December 31, 2024 and 2023, respectively.

DESC participates in the SCANA sponsored pension plan that holds investments in trusts to fund employee benefit payments. DESC's pension plan assets experienced aggregate actual returns of \$50 million and \$66 million in 2024 and 2023, respectively, versus expected returns of \$37 million and \$34 million, respectively. Differences between actual and expected returns on plan assets are accumulated and amortized during future periods. As such, any investment-related declines in these trusts will result in future increases in the net periodic cost recognized for such employee benefit plans and will be included in the determination of the amount of cash to be contributed to the employee benefit plans. A hypothetical 0.25% decrease in the assumed long-term rates of return on DESC's plan assets would result in an increase in the following year's net periodic cost of \$2 million and \$1 million at December 31, 2024 and 2023, respectively, for pension benefits.

Risk Management Policies

DESC has established operating procedures with corporate management to ensure that proper internal controls are maintained. In addition, Dominion Energy has established an independent function at the corporate level to monitor compliance with the credit and commodity risk management policies of all subsidiaries, including DESC. Dominion Energy maintains credit policies that include the evaluation of a prospective counterparty's financial condition, collateral requirements where deemed necessary and the use of standardized agreements that facilitate the netting of cash flows associated with a single counterparty. In addition, Dominion Energy also monitors the financial condition of existing counterparties on an ongoing basis. Based on these credit policies and DESC's December 31, 2024 provision for credit losses, management believes that it is unlikely that a material adverse effect on DESC's financial position, results of operations or cash flows would occur as a result of counterparty nonperformance.

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of Dominion Energy South Carolina, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Dominion Energy South Carolina, Inc. (an indirect, wholly-owned subsidiary of Dominion Energy, Inc.) and affiliates (“DESC”) at December 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in common equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of DESC at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of DESC’s management. Our responsibility is to express an opinion on DESC’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to DESC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. DESC is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of DESC’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Liabilities - Impact of Rate Regulation on the Consolidated Financial Statements —Refer to Notes 2 and 3 to the Consolidated Financial Statements

Critical Audit Matter Description

DESC, through its regulated electric and gas operations, is subject to rate regulation by the Public Service Commission of South Carolina (the “South Carolina Commission”) and the Federal Energy Regulatory Commission (“FERC”) (collectively, the “relevant commissions”), which have jurisdiction with respect to the rates of utility companies in the territory DESC serves. Management has determined DESC meets the requirements under accounting principles generally accepted in the United States of America to apply the specialized rules to account for the effects of cost-based rate regulation. Accounting for the economics of rate regulation impacts multiple financial statement line items and disclosures such as utility plant, net; regulatory assets; regulatory liabilities; operating revenue; fuel used in electric generation; gas purchased for resale; other operations and maintenance expense; impairment of assets and other charges; and depreciation and amortization expense, collectively, the “financial statement impacts of rate regulation”.

The accounting for DESC's regulated gas and regulated electric operations differs from the accounting for nonregulated operations in that DESC is required to reflect the effect of rate regulation in its consolidated financial statements. For regulated businesses subject to federal or state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs that otherwise would be expensed by nonregulated companies are deferred as regulatory assets. Likewise, regulatory liabilities are recognized when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have yet to be incurred.

DESC evaluates whether or not recovery of its regulatory assets through future rates is probable as well as whether a regulatory liability due to customers is probable and makes various assumptions in its analyses. These analyses are generally based on orders issued by regulatory commissions, legislation and judicial actions; past experience; and discussions with applicable regulatory authorities and legal counsel.

Generally, regulatory assets and liabilities are amortized into income over the period authorized by the regulator. If recovery of a regulatory asset is determined to be less than probable, it will be written off in the period such assessment is made. A regulatory liability, if considered probable, will be recorded in the period such assessment is made or reversed into earnings if no longer probable.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management to support its assertions about the financial statement impacts of rate regulation. Management judgments include assessing the likelihood of (1) recovery of its regulatory assets through future rates and (2) whether a regulatory liability is due to customers. Given management's accounting judgments are based on assumptions about the outcome of future decisions by the relevant commissions, auditing these judgments required specialized knowledge of the accounting for rate regulation and the rate setting process due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the assessment of whether recovery of regulatory assets through future rates or a regulatory liability due to customers is probable included the following, among others:

- We tested the effectiveness of management's controls over the evaluation of the likelihood of (1) recovery of regulatory assets through future rates, and (2) whether a regulatory liability is due to customers. We also tested the effectiveness of management's controls over the initial recognition of amounts as regulatory assets or liabilities; and the monitoring and evaluation of regulatory developments that may impact the assessment of whether recovery of regulatory assets through future rates or a regulatory liability due to customers is probable.
- We evaluated DESC's disclosures related to the financial statement impacts of rate regulation.
- We read and evaluated orders issued by the relevant commissions, as well as relevant regulatory statutes, interpretations, procedural memorandums, existing laws and other publicly available information to assess whether this external information was properly considered by management in concluding upon the financial statement impacts of rate regulation.
- We considered the likelihood of (1) recovery of regulatory assets through future rates and (2) whether a regulatory liability is due to customers based on precedents established by the relevant commissions' previous orders and DESC's past experience with the relevant commissions.
- For regulatory matters in process, we inspected associated documents and testimony filed with the relevant commissions for any evidence that might contradict management's assertions.
- We read and analyzed the minutes of the Board of Directors of Dominion Energy, Inc. and the Board of Directors of DESC, for discussions of changes in legal, regulatory, or business factors which could impact management's conclusions with respect to the financial statement impacts of rate regulation.

/s/ Deloitte & Touche LLP

Richmond, Virginia
February 27, 2025

We have served as DESC's auditor since 1945.

Dominion Energy South Carolina, Inc.
Consolidated Balance Sheets

At December 31, (millions)	2024	2023
ASSETS		
Utility plant in service	\$ 16,300	\$ 15,500
Accumulated depreciation and amortization	(5,761)	(5,557)
Construction work in progress	899	606
Nuclear fuel, net of accumulated amortization	224	229
Utility plant, net (\$824 and \$773 related to VIEs)	<u>11,662</u>	<u>10,778</u>
Nonutility Property and Investments:		
Nonutility property, net of accumulated depreciation	16	24
Assets held in trust, nuclear decommissioning	268	247
Nonutility property and investments, net	<u>284</u>	<u>271</u>
Current Assets:		
Cash and cash equivalents	—	1
Receivables:		
Customer, net of allowance for uncollectible accounts of \$6 for both periods	423	420
Affiliated and related party	4	4
Other	104	97
Inventories (at average cost):		
Fuel	83	94
Gas storage	22	30
Materials and supplies	211	232
Prepayments	91	84
Derivative assets ⁽¹⁾	63	9
Regulatory assets	299	444
Other current assets	16	14
Total current assets (\$79 and \$89 related to VIEs)	<u>1,316</u>	<u>1,429</u>
Deferred Debits and Other Assets:		
Derivative assets ⁽¹⁾	309	167
Regulatory assets	3,342	3,107
Affiliated receivables	26	4
Other	102	101
Total deferred debits and other assets (\$25 and \$26 related to VIEs)	<u>3,779</u>	<u>3,379</u>
Total assets	<u>\$ 17,041</u>	<u>\$ 15,857</u>

(1) See Note 16 for amounts attributable to affiliates.

See Notes to Consolidated Financial Statements.

At December 31, (millions)	2024	2023
CAPITALIZATION AND LIABILITIES		
Common Stock - no par value, 40.3 million shares outstanding	\$ 4,088	\$ 4,088
Retained earnings	689	592
Accumulated other comprehensive loss	(1)	(1)
Total common equity	4,776	4,679
Noncontrolling interest	206	183
Total equity	4,982	4,862
Long-term debt, net	4,220	4,219
Affiliated long-term debt	230	—
Finance leases	2	4
Total long-term debt	4,452	4,223
Total capitalization	9,434	9,085
Current Liabilities:		
Short-term borrowings	250	254
Securities due within one year	2	3
Accounts payable	273	180
Affiliated and related party payables	995	740
Customer deposits and customer prepayments	82	75
Taxes accrued	254	248
Interest accrued	83	79
Regulatory liabilities	201	205
Reserves for litigation and regulatory proceedings	7	3
Other	194	163
Total current liabilities	2,341	1,950
Deferred Credits and Other Liabilities:		
Deferred income taxes and investment tax credits	1,409	1,318
Asset retirement obligations	1,139	731
Pension and other postretirement benefits	109	115
Derivative liabilities	1	4
Regulatory liabilities	2,488	2,579
Other	120	75
Total deferred credits and other liabilities	5,266	4,822
Commitments and Contingencies (see Note 12)		
Total capitalization and liabilities	\$ 17,041	\$ 15,857

See Notes to Consolidated Financial Statements.

Dominion Energy South Carolina, Inc.
Consolidated Statements of Comprehensive Income

Year Ended December 31, (millions)	2024	2023	2022
Operating Revenue⁽¹⁾	\$ 3,173	\$ 3,028	\$ 3,783
Operating Expenses:			
Fuel used in electric generation	603	582	1,000
Purchased power ⁽¹⁾	68	72	137
Gas purchased for resale	245	243	433
Other operations and maintenance	492	436	460
Other operations and maintenance – affiliated suppliers	165	163	164
Impairment of assets and other charges	60	3	6
Depreciation and amortization	546	531	507
Other taxes ⁽¹⁾	300	292	277
Total operating expenses	<u>2,479</u>	<u>2,322</u>	<u>2,984</u>
Operating income	<u>694</u>	<u>706</u>	<u>799</u>
Other income (expense), net	(1)	24	55
Interest charges, net of AFUDC of \$25, \$20 and \$7 ⁽¹⁾	276	250	220
Income before income tax expense	<u>417</u>	<u>480</u>	<u>634</u>
Income tax expense	65	85	131
Net Income	352	395	503
Other Comprehensive Income (Loss):			
Deferred cost of employee benefit plans, net of tax of \$— for all periods	—	1	(1)
Total Comprehensive Income	352	396	502
Comprehensive Income Attributable to Noncontrolling Interest	23	21	20
Comprehensive Income Available to Common Shareholder	\$ <u>329</u>	\$ <u>375</u>	\$ <u>482</u>

(1) See Note 16 for amounts attributable to affiliates.

See Notes to Consolidated Financial Statements.

Dominion Energy South Carolina, Inc.
Consolidated Statements of Cash Flows

Year Ended December 31, (millions)	2024	2023	2022
Operating Activities			
Net income	\$ 352	\$ 395	\$ 503
Adjustments to reconcile net income to net cash provided by operating activities:			
Impairment of assets and other charges	60	3	4
Deferred income taxes, net	91	88	255
Depreciation and amortization	546	531	507
Amortization of nuclear fuel	34	33	39
Other adjustments	4	(21)	(33)
Changes in certain assets and liabilities:			
Receivables	(21)	5	(72)
Receivables – affiliated and related party	—	(2)	14
Inventories	(10)	(2)	(83)
Prepayments and deposits, net	—	(12)	—
Regulatory assets	79	334	(532)
Regulatory liabilities	(94)	(301)	(94)
Accounts payable	68	(68)	52
Accounts payable – affiliated and related party	(14)	(35)	59
Interest accrued	4	4	2
Taxes accrued	6	12	14
Net realized and unrealized changes related to commodity derivative activities	(194)	75	(103)
Pension and other postretirement benefits	(6)	2	(50)
Other assets and liabilities	16	(22)	24
Net cash provided by operating activities	<u>921</u>	<u>1,019</u>	<u>506</u>
Investing Activities			
Property additions and construction expenditures	(1,105)	(957)	(697)
Proceeds from investments and sales or disposals of assets, including asset retirement costs	(54)	(42)	(19)
Purchase of investments	(26)	(4)	(5)
Other	2	5	6
Net cash used in investing activities	<u>(1,183)</u>	<u>(998)</u>	<u>(715)</u>
Financing Activities			
Proceeds from issuance of debt	—	500	—
Dividend to parent	(232)	(200)	(433)
Short-term borrowings, net	(4)	5	249
Short-term borrowings – affiliated, net	499	(326)	354
Other	(2)	(10)	(4)
Net cash provided by (used in) financing activities	<u>261</u>	<u>(31)</u>	<u>166</u>
Net decrease in cash, restricted cash and equivalents	(1)	(10)	(43)
Cash, restricted cash and equivalents at beginning of period	1	11	54
Cash, restricted cash and equivalents at end of period	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 11</u>
Supplemental Cash Flow Information			
Cash for:			
Interest paid ⁽¹⁾ (net of capitalized interest of \$25, \$20 and \$7)	211	176	190
Income taxes paid	23	69	—
Income taxes received	—	—	130
Noncash investing and financing activities: ⁽²⁾			
Accrued construction expenditures	138	116	126
Operating leases ⁽³⁾	5	2	6
Contributed capital	—	—	72

(1) Excludes amounts related to affiliated debt discussed in Note 6.

(2) See Note 5 for noncash financing activities related to capital contributions associated with the settlement of litigation. See Note 12 for noncash investing activities related to the transfer of property associated with the settlement of litigation.

(3) Finance leases entered into, if any, were inconsequential for all years presented.

See Notes to Consolidated Financial Statements.

Dominion Energy South Carolina, Inc.
Consolidated Statements of Changes in Common Equity

(millions)	Common Stock		Retained Earnings	AOCI	Non-controlling Interest	Total Equity
	Shares	Amount				
December 31, 2021	40	\$ 4,016	\$ 335	\$ (1)	\$ 175	\$ 4,525
Total comprehensive income available to common shareholder			483	(1)	20	502
Capital contribution from parent		72				72
Dividend to parent			(400)		(33)	(433)
December 31, 2022	40	4,088	418	(2)	162	4,666
Total comprehensive income available to common shareholder			374	1	21	396
Dividend to parent			(200)			(200)
December 31, 2023	40	4,088	592	(1)	183	4,862
Total comprehensive income available to common shareholder			329	—	23	352
Dividend to parent			(232)			(232)
December 31, 2024	<u>40</u>	<u>\$ 4,088</u>	<u>\$ 689</u>	<u>\$ (1)</u>	<u>\$ 206</u>	<u>\$ 4,982</u>

See Notes to Consolidated Financial Statements.

Dominion Energy South Carolina, Inc.
Notes to Consolidated Financial Statements

1. NATURE OF OPERATIONS

DESC is a wholly-owned subsidiary of SCANA, which is a wholly-owned subsidiary of Dominion Energy.

DESC is engaged in the generation, transmission and distribution of electricity in the central, southern and southwestern portions of South Carolina. Additionally, DESC distributes natural gas to residential, commercial and industrial customers in South Carolina.

DESC manages its daily operations through one primary operating segment: Dominion Energy South Carolina. It also reports a Corporate and Other segment that primarily includes specific items attributable to its operating segment that are not included in profit measures evaluated by executive management in assessing the segment's performance or in allocating resources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

DESC makes certain estimates and assumptions in preparing its Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues, expenses and cash flows for the periods presented. Actual results may differ from those estimates.

DESC's Consolidated Financial Statements include, after eliminating intercompany balances and transactions, the accounts of DESC, GENCO and Fuel Company. DESC has concluded that GENCO and Fuel Company are VIEs due to the members lacking the characteristics of a controlling financial interest. DESC is the primary beneficiary of GENCO and Fuel Company and therefore is required to consolidate the VIEs. The equity interests in GENCO and Fuel Company are held solely by SCANA, DESC's parent. As a result, GENCO and Fuel Company's equity and results of operations are reflected as noncontrolling interest in the Consolidated Financial Statements.

GENCO owns a coal-fired electric generating station with a 605 MW net generating capacity (summer rating). GENCO's electricity is sold exclusively to DESC, pursuant to a FERC approved power purchase agreement and related operating agreement. The effects of these transactions are eliminated in consolidation. Fuel Company acquires, owns and provides financing for DESC's nuclear fuel, certain fossil fuels and emission and other environmental allowances. See also Note 6.

Additionally, DESC purchases shared services from DES, an affiliated VIE that provides accounting, legal, finance and certain administrative and technical services to all Dominion Energy subsidiaries, including DESC. DESC has determined that it is not the primary beneficiary of DES as it does not have either the power to direct the activities that most significantly impact its economic performance or an obligation to absorb losses and benefits which could be significant to it. See Note 16 for amounts attributable to affiliates.

DESC reports certain contracts and instruments at fair value. See below and Note 9 for further information on fair value measurements.

DESC maintains pension and other postretirement benefit plans. See Note 11 for further information on these plans.

Certain amounts in the 2023 and 2022 Consolidated Financial Statements and Notes have been reclassified to conform to the 2024 presentation for comparative purposes; however, such reclassifications did not affect DESC's net income, total assets, liabilities, equity or cash flows.

Utility Plant

Utility plant is stated at original cost. The costs of additions, replacements and betterments to utility plant, including direct labor, material and indirect charges for engineering, supervision and AFUDC, are added to utility plant accounts. The original cost of utility property retired or otherwise disposed of is removed from utility plant accounts and generally charged to accumulated depreciation. Cost of removal collections from utility customers are recorded as regulatory liabilities. The costs of repairs and replacements of items of property determined to be less than a unit of property or that do not increase the asset's life or functionality are charged to expense.

AFUDC is a noncash item that reflects the period cost of capital devoted to plant under construction. This accounting practice results in the inclusion of, as a component of construction cost, the costs of debt and equity capital dedicated to construction investment. AFUDC is included in rate base investment and depreciated as a component of plant cost in establishing rates for utility services.

DESC calculated AFUDC using average composite rates of 5.3%, 5.3% and 2.7% for 2024, 2023 and 2022, respectively. These rates do not exceed the maximum rates allowed in the various regulatory jurisdictions. DESC capitalizes interest on nuclear fuel in process at the actual interest cost incurred.

For property subject to cost-of-service rate regulation that will be abandoned significantly before the end of its useful life, the net carrying value is reclassified from utility plant-in-service when it becomes probable it will be abandoned and recorded as a regulatory asset for amounts expected to be collected through future rates.

Provisions for depreciation and amortization are recorded using the straight-line method based on the estimated service lives of the various classes of property, and in most cases, include provisions for future cost of removal. The composite weighted-average depreciation rates for utility plant by function were as follows:

Year Ended December 31, (percent)	2024	2023	2022
Generation	2.33	2.33	2.34
Transmission	2.53	2.54	2.36
Distribution	2.53	2.57	2.59
Storage	2.75	2.83	2.93
General and other	3.15	3.16	3.35

DESC records nuclear fuel amortization using the units-of-production method, which is included in fuel used in electric generation and recovered through the fuel cost component of retail electric rates.

Major Maintenance

Planned major maintenance costs related to certain fossil fuel turbine generator equipment, nuclear refueling outages and cyclical tree trimming and vegetation management are collected in rates and accrued in periods other than when incurred in accordance with approval by the South Carolina Commission for such accounting treatment and rate recovery of expenses accrued thereunder. The difference between such cumulative major maintenance costs and cumulative collections is classified as a regulatory asset or regulatory liability on the consolidated balance sheet. Other planned major maintenance is expensed when incurred.

DESC is authorized to collect \$25 million annually through electric rates to offset certain turbine generator maintenance expenditures. For the years ended December 31, 2024, 2023 and 2022, DESC incurred \$16 million, \$20 million and \$20 million, respectively, for turbine generator maintenance.

Nuclear refueling outages are scheduled 18 months apart. As approved by the South Carolina Commission, DESC accrued \$17 million annually through August 2024 and \$24 million annually beginning September 2024 for its portion of the nuclear refueling outages, that are scheduled to occur from the fall of 2024 through the fall of 2030 as well as unrecovered balances from the previous accrual cycle. Refueling outage costs incurred for which DESC was responsible totaled \$42 million in 2024, \$26 million in 2023 and \$1 million in 2022.

Effective September 2021, DESC implemented a tree trimming and vegetation management accrual where costs associated with cyclical tree trimming and vegetation management are accrued over the five-year operating cycle DESC seeks to maintain for such activities. As approved by the South Carolina Commission, DESC accrued \$28 million annually through August 2024 and \$34 million annually beginning September 2024. During the years ended December 31, 2024, 2023 and 2022, DESC incurred costs totaling \$29 million, \$31 million and \$33 million, respectively.

Asset Retirement Obligations

DESC recognizes AROs at fair value as incurred or when sufficient information becomes available to determine a reasonable estimate of the fair value of future retirement activities to be performed, for which a legal obligation exists. These amounts are generally capitalized as costs of the related tangible long-lived assets. Since relevant market information is not available, fair value is estimated using discounted cash flow analyses. Periodically, DESC assesses its AROs to determine if circumstances indicate that estimates of the amounts or timing of future cash flows associated with retirement activities have changed. AROs are adjusted when significant changes in the amounts or timing of future cash flows are identified. DESC reports accretion of AROs and depreciation on asset retirement costs as an adjustment to regulatory assets.

Nuclear Decommissioning

Based on a decommissioning cost study completed in 2020, DESC's two-thirds share of estimated site-specific nuclear decommissioning costs for Summer, including the cost of decommissioning plant components both subject to and not subject to radioactive contamination, totals \$831 million, stated in 2024 dollars. Santee Cooper is responsible for decommissioning costs related to its one-third ownership interest in Summer. The cost estimate assumes that the site will be maintained over a period of approximately 60 years in such a manner as to allow for subsequent decontamination that would permit release for unrestricted use.

Under DESC's method of funding decommissioning costs, DESC transfers to an external trust fund the amounts collected through rates (\$3 million in each period presented), less expenses. The trust invests the amounts transferred into insurance policies on the lives of certain company personnel. Insurance proceeds are reinvested in insurance policies. The asset balance held in trust reflects the net cash surrender value of the insurance policies and cash held by the trust. Management intends for the fund, including earnings thereon, to provide for all eventual decommissioning expenditures for Summer on an after-tax basis.

Cash, Restricted Cash and Equivalents

Cash, restricted cash and equivalents include cash on hand, cash in banks and temporary investments purchased with an original maturity of three months or less.

Restricted Cash and Equivalents

DESC may hold restricted cash and equivalent balances that consists of federal assistance funds to be used towards customer bill assistance.

The following table provides a reconciliation of the total cash, restricted cash and equivalents reported within DESC's Consolidated Balance Sheets to the corresponding amounts reported within DESC's Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022:

	Cash, Restricted Cash and Equivalents at End/Beginning of Year			
	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
(millions)				
Cash and cash equivalents	\$ —	\$ 1	\$ 11	\$ 30
Restricted cash and equivalents ⁽¹⁾	—	—	—	24
Cash, restricted cash and equivalents shown in the Consolidated Statements of Cash Flows	\$ —	\$ 1	\$ 11	\$ 54

(1) Restricted cash and equivalent balances are presented within other current assets on the Consolidated Balance Sheets.

Receivables

Customer receivables reflect amounts due from customers arising from the delivery of energy or related services and include both billed and unbilled amounts earned pursuant to revenue recognition practices described in Note 4. Customer receivables are generally due within one month of receipt of invoices which are presented on a monthly cycle basis. Unbilled revenues totaled \$176 million at both December 31, 2024 and 2023.

DESC sells electricity and natural gas and provides distribution and transmission services to customers in South Carolina. Management believes that this geographic concentration risk is mitigated by the diversity of DESC's customer base, which includes a large number of residential, commercial and industrial customers. Credit risk associated with accounts receivable is limited due to the large number of customers. DESC's exposure to potential concentrations of credit risk results primarily from amounts due from Santee Cooper related to the jointly owned nuclear generating facility at Summer. Such receivables represented approximately 7% of DESC's accounts receivable balance at December 31, 2024.

Inventories

Materials and supplies include the average cost of transmission, distribution and generating plant materials. Materials are charged to inventory when purchased and then expensed or capitalized to plant, as appropriate, at weighted-average cost when used. Fuel inventory includes the average cost of coal, natural gas, fuel oil and emission allowances. Fuel is charged to inventory when purchased and is expensed, at weighted-average cost, as used and recovered through fuel cost recovery rates approved by the South Carolina Commission.

Income Taxes

A consolidated federal income tax return is filed for Dominion Energy and its subsidiaries, including DESC. In addition, where applicable, combined income tax returns for Dominion Energy, including DESC, are filed in various states including South Carolina; otherwise, separate state income tax returns are filed.

DESC participates in an intercompany tax sharing agreement with Dominion Energy. Current income taxes are based on taxable income or loss and credits determined on a separate company basis.

Under the agreements, if a subsidiary incurs a tax loss or earns a credit, recognition of current income tax benefits is limited to refunds of prior year taxes obtained by the carryback of the net operating loss or credit or to the extent the tax loss or credit is absorbed by the taxable income of other Dominion Energy consolidated group members. Otherwise, the net operating loss or credit is carried forward and is recognized as a deferred tax asset until realized.

Accounting for income taxes involves an asset and liability approach. Deferred income tax assets and liabilities are provided, representing future effects on income taxes for temporary differences between the bases of assets and liabilities for financial reporting and tax purposes. Accordingly, deferred taxes are recognized for the future consequences of different treatments used for the reporting of transactions in financial accounting and income tax returns. DESC establishes a valuation allowance when it is more-likely-than-not that all, or a portion, of a deferred tax asset will not be realized. DESC did not have any valuation allowances recorded for the periods presented. Where the treatment of temporary differences is different for rate-regulated operations, a regulatory asset is recognized if it is probable that future revenues will be provided for the payment of deferred tax liabilities.

DESC recognizes positions taken, or expected to be taken, in income tax returns that are more-likely-than-not to be realized, assuming that the position will be examined by tax authorities with full knowledge of all relevant information. At December 31, 2024 and 2023, DESC had \$38 million and \$62 million, respectively, of unrecognized tax benefits.

If it is not more-likely-than-not that a tax position, or some portion thereof, will be sustained, the related tax benefits are not recognized in the financial statements. Unrecognized tax benefits may result in an increase in income taxes payable, a reduction of income tax refunds receivable or changes in deferred taxes. Also, when uncertainty about the deductibility of an amount is limited to the timing of such deductibility, the increase in income taxes payable (or reduction in tax refunds receivable) is accompanied by a decrease in deferred tax liabilities. Except when such amounts are presented net with amounts receivable from or amounts prepaid to tax authorities, noncurrent income taxes payable related to unrecognized tax benefits are classified in other deferred credits and other liabilities on the Consolidated Balance Sheets and current payables are included in taxes accrued on the Consolidated Balance Sheets.

DESC recognizes interest on underpayments and overpayments of income taxes in interest expense and interest income, respectively. Penalties are also recognized in other expenses. DESC recorded interest expense of \$12 million in 2024 with inconsequential amounts recorded in 2023 and 2022.

At December 31, 2024, DESC had an income tax-related affiliated payable of \$12 million to Dominion Energy. This balance is expected to be paid to Dominion Energy in 2025.

At December 31, 2023, DESC had an income tax-related affiliated payable of \$15 million to Dominion Energy. This balance was paid to Dominion Energy in 2024.

At DESC investment tax credits are deferred and amortized over the service lives of the properties giving rise to the credits. Production tax credits are recognized as energy is generated and sold.

Regulatory Assets and Liabilities

The accounting for DESC's regulated electric and gas operations differs from the accounting for nonregulated operations in that DESC is required to reflect the effect of rate regulation in its Consolidated Financial Statements. For regulated businesses subject to federal or state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs that otherwise would be expensed by nonregulated companies are deferred as regulatory assets. Likewise, regulatory liabilities are recognized when it is probable that regulators will require customer refunds or other benefits through future rates or when revenue is collected from customers for expenditures that have yet to be incurred.

DESC evaluates whether or not recovery of its regulatory assets through future rates is probable as well as whether a regulatory liability due to customers is probable and makes various assumptions in its analyses. These analyses are generally based on:

- Orders issued by regulatory commissions, legislation and judicial actions;
- Past experience; and
- Discussions with applicable regulatory authorities and legal counsel.

Generally, regulatory assets and liabilities are amortized into income over the period authorized by the regulator. If recovery of a regulatory asset is determined to be less than probable, it will be written off in the period such assessment is made. A regulatory liability, if considered probable, will be recorded in the period such assessment is made or reversed into earnings if no longer probable. See Note 3 to the Consolidated Financial Statements for additional information.

Derivative Instruments

DESC is exposed to the impact of market fluctuations in the price of electricity and natural gas it markets and purchases, as well as interest rate risk in its business operations. DESC uses derivative instruments such as physical forwards, options and swaps to manage commodity and/or interest rate risks of its business operations.

Derivative assets and liabilities are presented gross on DESC's Consolidated Balance Sheets. Derivative contracts representing unrealized gain positions and purchased options are reported as derivative assets. Derivative contracts representing unrealized losses and options sold are reported as derivative liabilities. All derivatives, except those for which an exception applies, are required to be reported in the Consolidated Balance Sheets at fair value. One of the exceptions to fair value accounting, normal purchases and normal sales, may be elected when the contract satisfies certain criteria, including a requirement that physical delivery of the underlying commodity is probable. Contracts for the future purchase of certain quantities of natural gas that no longer meet the criteria for the normal purchase normal sale exception are accounted for as derivative contracts. Expenses and revenues resulting from deliveries under normal purchase contracts and normal sales contracts, respectively, are included in earnings at the time of contract performance. See Fair Value Measurements below for additional information about fair value measurements and associated valuation methods for derivatives.

DESC's derivative contracts include over-the-counter transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter contracts contain contractual rights of setoff through master netting arrangements and contract default provisions. In addition, the contracts are subject to conditional rights of setoff through counterparty nonperformance, insolvency, or other conditions.

In general, most over-the-counter transactions are subject to collateral requirements. Types of collateral for over-the-counter contracts include cash, letters of credit and, in some cases, other forms of security, none of which are subject to restrictions.

DESC does not offset amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement. DESC had no margin assets or liabilities associated with cash collateral at December 31, 2024 and 2023. See Note 8 for further information about derivatives.

To manage price and interest rate risk, DESC holds derivative instruments that are not designated as hedges for accounting purposes. However, to the extent DESC does not hold offsetting positions for such derivatives, it believes these instruments represent economic hedges that mitigate its exposure to fluctuations in commodity prices or interest rates. All income statement activity, including amounts realized upon settlement, is presented in operating expenses and interest charges based on the nature of the underlying risk. For derivative instruments that are not accounted for as cash flow hedges, the cash flows from the derivatives are classified in operating cash flows.

Changes in the fair value of derivative instruments result in the recognition of regulatory assets or regulatory liabilities. Realized gains or losses on the derivative instruments are generally recognized when the related transactions impact earnings.

Derivative Instruments Designated as Hedging Instruments

In accordance with accounting guidance pertaining to derivatives and hedge accounting, DESC designated a portion of its derivative instruments as cash flow hedges for accounting purposes. For derivative instruments that are accounted for as cash flow hedges, the cash flows from the derivatives and from the related hedged items are classified in operating cash flows.

Cash Flow Hedges- DESC used interest rate swaps to hedge its exposure to variable interest rates on long-term debt. For transactions in which DESC is hedging the variability of cash flows, changes in the fair value of the derivatives are reported in regulatory assets or liabilities. Any derivative gains or losses reported in regulatory assets or liabilities are reclassified to earnings when the forecasted item is included in earnings, or earlier, if it becomes probable that the forecasted transaction will not occur. For cash flow hedge transactions, hedge accounting is discontinued if the occurrence of the forecasted transaction is no longer probable. At December 31, 2024, all derivatives previously designated as cash flow hedges have settled and are being amortized over the life of the debt.

Pursuant to regulatory orders, interest rate derivatives entered into by DESC after October 2013 were not designated for accounting purposes as cash flow hedges, and fair value changes and settlement amounts related to them have been recorded as regulatory assets and liabilities. Settlement losses on swaps generally have been amortized over the lives of subsequent debt issuances, and gains have been amortized to interest charges or have been applied as otherwise directed by the South Carolina Commission.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. However, the use of a mid-market pricing convention (the mid-point between bid and ask prices) is permitted. Fair values are based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. This includes not only the credit standing of counterparties involved and the impact of credit enhancements but also the impact of DESC's own nonperformance risk on its liabilities. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). DESC applies fair value measurements to certain assets and liabilities including commodity and interest rate derivative instruments. DESC applies credit adjustments to its derivative fair values in accordance with the requirements described above.

Inputs and Assumptions

Fair value is based on actively-quoted market prices, if available. In the absence of actively-quoted market prices, price information is sought from external sources, including industry publications, and to a lesser extent, broker quotes. When evaluating pricing information provided by Designated Contract Market settlement pricing, other pricing services, or brokers, DESC considers the ability to transact at the quoted price, i.e. if the quotes are based on an active market or an inactive market and to the extent which pricing models are used, if pricing is not readily available. If pricing information from external sources is not available, or if DESC believes that observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases the unobservable inputs are developed and substantiated using historical information, available market data, third-party data and statistical analysis. Periodically, inputs to valuation models are reviewed and revised as needed, based on historical information, updated market data, market liquidity and relationships and changes in third-party sources.

For options and contracts with option-like characteristics where observable pricing information is not available from external sources, DESC generally uses a model that considers time value, the volatility of the underlying commodities and other relevant assumptions when estimating fair value. For contracts with unique characteristics, DESC may estimate fair value using a discounted cash flow approach deemed appropriate in the circumstances and applied consistently from period to period. For individual contracts, the use of different valuation models or assumptions could have a significant effect on the contract's estimated fair value.

The inputs and assumptions used in measuring fair value include the following:

Inputs and assumptions	Derivative Contracts	
	Commodity	Interest Rate
Forward commodity prices	X	
Transaction prices	X	
Price volatility	X	
Price correlation	X	
Volumes	X	
Commodity location	X	
Interest rates	X	
Interest rate curves		X
Credit quality of counterparties and DESC	X	X
Credit enhancements	X	X
Time value	X	X
Notional value		X

In addition, investments are measured at fair value utilizing quoted securities prices and indices.

Levels

DESC utilizes the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1-Quoted prices (unadjusted) in active markets for identical assets and liabilities that it has the ability to access at the measurement date. Instruments categorized in Level 1 primarily consist of cash equivalents and other.
- Level 2-Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means. Instruments categorized in Level 2 include commodity forwards and interest rate swaps.
- Level 3-Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability. Instruments categorized in Level 3 for DESC consist of long-dated commodity derivatives and certain natural gas options.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In these cases, the lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

Debt Issuance Costs

DESC defers and amortizes debt issuance costs and debt premiums or discounts over the expected lives of the respective debt issues, considering maturity dates and, if applicable, redemption rights held by others. Deferred debt issuance costs are recorded as a reduction in long-term debt in the Consolidated Balance Sheets. Amortization of the issuance costs is reported as interest charges. As permitted by regulatory authorities, gains or losses resulting from the refinancing or redemption of debt that are probable of recovery through future rates are deferred and amortized.

Environmental

An environmental assessment program is maintained to identify and evaluate current and former operations sites that could require environmental clean-up. As site assessments are initiated, estimates are made of the amount of expenditures, if any, deemed necessary to investigate and remediate each site. Environmental remediation liabilities are accrued when the criteria for loss contingencies are met. These estimates are refined as additional information becomes available; therefore, actual expenditures could differ significantly from the original estimates. Probable and estimable costs are accrued related to environmental sites on an undiscounted basis. Amounts estimated and accrued to date for site assessments and clean-up relate solely to regulated operations. Amounts expected to be recovered through rates are recorded in regulatory assets and, if applicable, amortized over approved amortization periods. Other environmental costs are expensed as incurred.

Statement of Operations Presentation

Revenues and expenses arising from regulated businesses are presented within operating income, and all other activities are presented within other income (expense), net.

Operating Revenue

Operating revenue is recorded on the basis of services rendered, commodities delivered or contracts settled and includes amounts yet to be billed to customers. DESC collects sales, consumption, consumer utility taxes and sales taxes; however, these amounts are excluded from revenue and are recorded as liabilities until they are remitted to the respective taxing authority.

The primary types of sales and service activities reported as operating revenue for DESC are as follows:

Revenue from Contracts with Customers

- **Regulated electric sales** consist primarily of state-regulated retail electric sales, and federally-regulated wholesale electric sales and electric transmission services;
- **Regulated gas sales** consist primarily of state-regulated natural gas sales and related distribution services; and

- **Other regulated revenue** consists primarily of miscellaneous service revenue from electric and gas distribution operations and sales of excess electric capacity and other commodities.

Other Revenue

- **Other revenue** consists primarily of alternative revenue programs, gains and losses from derivative instruments not subject to hedge accounting and lease revenues.

DESC records refunds to customers as required by the South Carolina Commission as a reduction to regulated electric sales or regulated gas sales, as applicable. Revenues from electric and gas sales are recognized over time, as the customers of DESC consume gas and electricity as it is delivered. Sales of products and services typically transfer control and are recognized as revenue upon delivery of the product or service. The customer is able to direct the use of, and obtain substantially all of the benefits from, the product at the time the product is delivered. The contract with the customer states the final terms of the sale, including the description, quantity and price of each product or service purchased. Payment for most sales and services varies by contract type, but is typically due within a month of billing.

DESC customers subject to an electric fuel cost recovery component or a PGA are billed based on a fuel or cost of gas factor calculated in accordance with cost recovery procedures approved by the South Carolina Commission and subject to adjustment periodically. Any difference between actual costs and amounts contained in rates is adjusted through revenue and is deferred and included when making the next adjustment to the cost recovery factors.

Certain amounts deferred for the WNA arise under specific arrangements with regulators rather than customers and are accounted for as an alternative revenue program. This alternative revenue is included within Other operating revenues, separate from revenue arising from contracts with customers, in the month such adjustments are deferred within regulatory accounts. As permitted, DESC has elected to reduce the regulatory accounts in the period when such amounts are reflected on customer bills without affecting operating revenues.

Performance obligations which have not been satisfied by DESC relate primarily to demand or standby service for natural gas. Demand or standby charges for natural gas arise when an industrial customer reserves capacity on assets controlled by the service provider and may use that capacity to move natural gas it has acquired from other suppliers. For all periods presented, the amount of revenue recognized by DESC for these charges is equal to the amount of consideration DESC has a right to invoice and corresponds directly to the value transferred to the customer.

Leases

DESC leases certain assets including vehicles, real estate, office equipment and other assets under both operating and finance leases. For operating leases, rent expense is recognized on a straight-line basis over the term of the lease agreement, subject to regulatory framework. Rent expense associated with operating leases, short-term leases and variable leases is primarily recorded in other operations and maintenance expense in the Consolidated Statements of Comprehensive Income. Amortization expense and interest charges associated with finance leases are deferred within regulatory assets in the Consolidated Balance Sheets and amortized into the Consolidated Statements of Comprehensive Income.

Certain leases include one or more options to renew, with renewal terms that can extend the lease from one to 70 years. The exercise of renewal options is solely at DESC's discretion and is included in the lease term if the option is reasonably certain to be exercised. A right-of-use asset and corresponding lease liability for leases with original lease terms of one year or less are not included in the Consolidated Balance Sheets, unless such leases contain renewal options that DESC is reasonably certain will be exercised.

The determination of the discount rate utilized has a significant impact on the calculation of the present value of the lease liability included in the Consolidated Balance Sheets. For DESC's leased assets, the discount rate implicit in the lease is generally unable to be determined from a lessee perspective. As such, DESC uses internally-developed incremental borrowing rates as a discount rate in the calculation of the present value of the lease liability. The incremental borrowing rates are determined based on an analysis of DESC's publicly available secured borrowing rates over various lengths of time that most closely correspond to DESC's lease maturities.

New Accounting Standards

Segment Disclosures

In November 2023, the FASB issued revised accounting guidance for reportable segments. The revised guidance requires disclosure of significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires disclosure of the title and position of the CODM. The revised guidance does not change how an entity identifies its operating

segments, aggregates them or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted and requires retrospective application to all prior periods presented. This revised guidance only impacted DESC's disclosures with no impacts to its results of operations, cash flows or financial condition.

Income Tax Disclosures

In December 2023, the FASB issued revised accounting guidance for income taxes. The revised guidance requires disclosure of disaggregated information about an entity's effective tax rate reconciliation as well as additional information on income taxes paid. The new standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted and allows either prospective or retrospective application. DESC expects this revised guidance to only impact its disclosures with no impacts to its results of operations, cash flows or financial condition.

Climate-Related Disclosures

In March 2024, the SEC issued guidance for climate-related disclosures. The guidance requires disclosure of the financial statement impacts of severe weather events and other natural conditions, including amounts capitalized or expensed as well as any associated recoveries. In addition, the guidance requires disclosure of amounts related to renewable energy credits or carbon offsets if utilized as a material component of plans to achieve climate-related targets or goals. This guidance is currently subject to a stay issued by the SEC. Should this guidance become effective, DESC expects it to only impact its disclosures with no impacts to its results of operations, cash flows or financial condition.

Expense Disaggregation Disclosures

In November 2024, the FASB issued revised accounting guidance for income statement expense disaggregation disclosures. The revised guidance requires disclosure of disaggregated information about specific expense categories in commonly presented income statement expense captions. The new standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted and allows either prospective or retrospective application. DESC expects this revised guidance to only impact its disclosures with no impacts to its results of operations, cash flows or financial condition.

3. RATE AND OTHER REGULATORY MATTERS

Regulatory Matters Involving Potential Loss Contingencies

As a result of issues generated in the ordinary course of business, DESC is involved in various regulatory matters. Certain regulatory matters may ultimately result in a loss; however, as such matters are in an initial procedural phase, involve uncertainty as to the outcome of pending reviews or orders and/or involve significant factual issues that need to be resolved, it is not possible for DESC to estimate a range of possible loss. For regulatory matters that DESC cannot estimate, a statement to this effect is made in the description of the matter. Other matters may have progressed sufficiently through the regulatory process such that DESC is able to estimate a range of possible loss. For regulatory matters that DESC is able to reasonably estimate a range of possible losses, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. Any estimated range is based on currently available information, involves elements of judgment and significant uncertainties and may not represent DESC's maximum possible loss exposure. The circumstances of such regulatory matters will change from time to time and actual results may vary significantly from the current estimate. For current matters not specifically reported below, management does not anticipate that the outcome from such matters would have a material effect on DESC's financial position, liquidity or results of operations.

Other Regulatory Matters

Electric Base Rate Case

In March 2024, DESC filed its retail electric base rate case and schedules with the South Carolina Commission. DESC proposed a non-fuel, base rate increase of \$295 million, partially offset by a net decrease in storm damage and DSM components of \$4 million. If approved, the overall proposed rate increase of \$291 million, or 12.59%, would be effective on and after the first billing cycle of September 2024. The base rate increase was proposed to recover the significant investment in assets and operating resources required to serve an expanding customer base, maintain the safety, reliability and efficiency of DESC's system and meet increasingly stringent reliability, security and environmental requirements for the benefit of South Carolina customers. DESC presented an earned ROE of 4.32% based upon a fully-adjusted test period. The proposed rates would provide for an earned ROE of 10.60% compared to the currently authorized ROE of 9.50%.

In July 2024, DESC, the ORS and other parties of record filed a comprehensive settlement agreement with the South Carolina Commission for approval. The comprehensive settlement agreement provides for a non-fuel, base rate increase of \$219 million prior to the effect of South Carolina Commission-ordered DSM reductions commencing with service rendered on September 1, 2024 and an authorized ROE of 9.94%. In addition, the comprehensive settlement agreement includes that DESC would provide a one-time bill

credit in 2024 of approximately \$7 million primarily to residential customers. In August 2024, the South Carolina Commission voted to approve the settlement agreement.

In connection with this matter, in the third quarter of 2024 DESC recorded a charge of \$58 million (\$44 million after tax) (reflected within the Corporate and Other segment), composed of \$55 million within impairment of assets and other charges, including \$50 million to write down certain materials and supplies inventory, and \$3 million within other income (expense), net.

Electric – Cost of Fuel

DESC's retail electric rates include a cost of fuel component approved by the South Carolina Commission which may be adjusted periodically to reflect changes in the price of fuel purchased by DESC.

In February 2024, DESC filed with the South Carolina Commission a proposal to decrease the total fuel cost component of retail electric rates. DESC's proposed adjustment is designed to recover DESC's current base fuel costs, including its existing under-collected balance, over the 12-month period beginning with the first billing cycle of May 2024. In addition, DESC proposed an increase to its variable environmental and avoided capacity cost component. The net effect is a proposed annual decrease of \$315 million. In March 2024, DESC, the ORS and another party of record filed a settlement agreement with the South Carolina Commission for approval to make certain adjustments to the February 2024 filing that would result in a net annual decrease of \$316 million. In April 2024, the South Carolina Commission voted to approve the settlement agreement, with rates effective May 2024.

In February 2025, DESC filed with the South Carolina Commission a proposal to increase the total fuel cost component of retail electric rates. DESC's proposed adjustment is designed to recover DESC's current base fuel costs, including its existing under-collected balance, over the 12-month period beginning with the first billing cycle of May 2025. In addition, DESC proposed an increase to its variable environmental and avoided capacity cost component. The net effect is a proposed annual increase of \$154 million. This matter is pending.

Electric Transmission Projects

In March 2024, DESC filed an application with the South Carolina Commission requesting approval of a CPCN to construct and operate the Church Creek-Charleston Transmission Line, comprised of a 7-mile 230 kV transmission line and associated facilities in Charleston County, South Carolina with an estimated total project cost of \$40 million. In July 2024, the South Carolina Commission approved the application.

In December 2024, DESC filed an application with the South Carolina Commission requesting approval of a CPCN to construct and operate the Ritter-Yemassee Transmission Line #2, comprised of a 17-mile 230 kV transmission line and associated facilities in Colleton and Hampton Counties, South Carolina with an estimated total project cost of \$55 million. This matter is pending.

Electric – Other

DESC has approval for a DSM rider through which it recovers expenditures related to its DSM programs. In January 2024, DESC filed an application with the South Carolina Commission seeking approval to recover \$47 million of costs and net lost revenues associated with these programs, along with an incentive to invest in such programs. DESC requested that rates be effective with the first billing cycle of May 2024. In April 2024, the South Carolina Commission approved the request, effective with the first billing cycle of May 2024. In January 2025, DESC filed an application with the South Carolina Commission seeking approval to recover \$46 million of costs and net lost revenues associated with these programs, along with an incentive to invest in such programs. DESC requested that rates be effective with the first billing cycle of May 2025. This matter is pending.

DESC utilizes a pension costs rider approved by the South Carolina Commission which is designed to allow recovery of projected pension costs, including under-collected balances or net of over-collected balances, as applicable. The rider is typically reviewed for adjustment every 12 months with any resulting increase or decrease going into effect beginning with the first billing cycle in May. In February 2024, DESC requested that the South Carolina Commission approve an adjustment to this rider to increase annual revenue by \$9 million. In April 2024, the South Carolina Commission approved the request. In February 2025, DESC requested that the South Carolina Commission approve an adjustment to this rider to decrease annual revenue by \$13 million. This matter is pending.

Natural Gas Rates

DESC's natural gas tariffs include a PGA that provides for the recovery of actual gas costs incurred, including transportation costs. DESC's gas rates are calculated using a methodology which may adjust the cost of gas monthly based on a 12-month rolling average, and its gas purchasing policies and practices are reviewed annually by the South Carolina Commission.

In June 2024, DESC filed with the South Carolina Commission its monitoring report for the 12-month period ended March 31, 2024 with a total revenue requirement of \$523 million. This represents a \$13 million base rate increase, after certain adjustments, under the terms of the Natural Gas Rate Stabilization Act effective with the first billing cycle of November 2024. In October 2024, the South Carolina Commission approved a \$13 million base rate increase after certain adjustments, effective with the first billing cycle of November 2024.

Regulatory Assets and Regulatory Liabilities

Rate-regulated utilities recognize in their financial statements certain revenues and expenses in different periods than do other enterprises. As a result, DESC has recorded regulatory assets and regulatory liabilities which are summarized in the following table. Except for NND Project costs and certain other unrecovered costs referenced herein, substantially all regulatory assets are either explicitly excluded from rate base or are effectively excluded from rate base due to their being offset by related liabilities.

At December 31, (millions)	2024	2023
Regulatory assets:		
NND Project costs ⁽¹⁾	\$ 138	\$ 138
AROs ⁽²⁾	8	44
Deferred employee benefit plan costs ⁽³⁾	8	11
Other unrecovered plant ⁽⁴⁾	18	19
DSM programs ⁽⁵⁾	24	22
Cost of fuel and purchased gas under-collections ⁽⁶⁾	35	154
Other	68	56
Regulatory assets - current	<u>299</u>	<u>444</u>
NND Project costs ⁽¹⁾	1,811	1,949
AROs ⁽²⁾	695	379
Deferred employee benefit plan costs ⁽³⁾	94	118
Interest rate hedges ⁽⁷⁾	167	168
Other unrecovered plant ⁽⁴⁾	89	66
DSM programs ⁽⁵⁾	49	46
Environmental remediation costs ⁽⁸⁾	42	34
Deferred storm damage costs ⁽⁹⁾	76	40
Deferred transmission operating costs ⁽¹⁰⁾	72	74
Derivatives ⁽¹¹⁾	95	103
Other ⁽¹²⁾	152	130
Regulatory assets - noncurrent	<u>3,342</u>	<u>3,107</u>
Total regulatory assets	<u>\$ 3,641</u>	<u>\$ 3,551</u>
Regulatory liabilities:		
Monetization of guaranty settlement ⁽¹³⁾	\$ 67	\$ 67
Income taxes refundable through future rates ⁽¹⁴⁾	24	37
Reserve for refunds to electric utility customers ⁽¹⁵⁾	73	83
Derivatives ⁽¹¹⁾	27	12
Other	10	6
Regulatory liabilities - current	<u>201</u>	<u>205</u>
Monetization of guaranty settlement ⁽¹³⁾	568	635
Income taxes refundable through future rates ⁽¹⁴⁾	820	839
Asset removal costs ⁽¹⁶⁾	598	633
Reserve for refunds to electric utility customers ⁽¹⁵⁾	161	237
Derivatives ⁽¹¹⁾	328	229
Other	13	6
Regulatory liabilities - noncurrent	<u>2,488</u>	<u>2,579</u>
Total regulatory liabilities	<u>\$ 2,689</u>	<u>\$ 2,784</u>

(1) Reflects expenditures associated with the NND Project, which pursuant to the SCANA Merger Approval Order, will be recovered from electric service customers over a 20-year period ending in 2039.

(2) Represents uncollected costs, including deferred depreciation and accretion expense, related to legal obligations associated with the future retirement of generation, transmission and distribution properties. The AROs primarily relate to DESC's electric generating facilities, including Summer, and are expected to be recovered over the related property lives and periods of decommissioning which may range up to approximately 105 years. In addition, the balance at December 31, 2024 reflects amounts related to the EPA's May 2024 final rule concerning CCR as discussed in Note 12.

(3) Employee benefit plan costs have historically been recovered as they have been recorded under GAAP. Deferred employee benefit plan costs represent amounts of pension and other postretirement benefit costs which were accrued as liabilities and treated as regulatory assets pursuant to FERC guidance, and costs deferred pursuant to specific South Carolina Commission regulatory orders. DESC expects to recover deferred pension costs through utility rates over periods through 2044. DESC expects to recover other deferred benefit costs through utility rates, primarily over average service periods of participating employees up to 11 years.

- (4) Represents the carrying value of coal-fired generating units, including related materials and supplies inventory, retired from service prior to being fully depreciated. DESC is amortizing these amounts through cost of service rates following depreciation amounts that were designed to recover the retired units cost over their previous estimated remaining useful lives, which has been estimated to be through 2025. Based on current projections of remaining decommissioning costs, projected recovery is expected to extend through 2039. In addition, amounts include unrecovered costs of existing meters and equipment retired from service prior to being fully depreciated as part of the Advanced Metering Infrastructure project, which are being recovered through rates through 2028. This amount also includes certain inventory and preliminary survey and investigation charges being amortized through 2026 related to the transition or conversion from coal to gas fired generation at certain facilities.
- (5) Primarily represents deferred costs associated with electric demand reduction programs, and such deferred costs are currently being recovered over three years through an approved rate rider.
- (6) Represents amounts under- or over-collected from customers pursuant to the cost of fuel and purchased gas components approved by the South Carolina Commission.
- (7) Represents settled interest rate derivatives designated as cash flow hedges expected to be amortized to interest expense over the lives of the underlying debt through 2065.
- (8) Reflects amounts associated with the assessment and clean-up of sites currently or formerly owned by DESC. Such remediation costs are expected to be recovered over periods of up to 24 years. See Note 12 for additional information.
- (9) Represents storm restoration costs for which DESC expects to receive future recovery. Pursuant to the settlement agreement approved in DESC's retail electric base rate case in August 2024, for costs incurred prior to September 2024, DESC expects to receive future recovery through customer rates through 2034 and for costs incurred effective September 2024, DESC expects to receive future recovery through customer rates of approximately \$2 million each year. Unamortized amounts are included in rate base and are earning a current return.
- (10) Includes deferred depreciation and property taxes associated with certain transmission assets for which DESC expects future recovery from customers through 2062. Unamortized amounts are included in rate base and earning a current return.
- (11) Represents changes in the fair value of derivatives, excluding separately presented interest rate hedges, that following settlement are expected to be recovered from or refunded to customers.
- (12) Various other regulatory assets are expected to be recovered through rates over varying periods through 2078.
- (13) Represents proceeds related to the monetization of the Toshiba Settlement. In accordance with the SCANA Merger Approval Order, this balance, net of amounts that may be required to satisfy liens, will be refunded to electric customers over a 20-year period ending in 2039.
- (14) Includes (i) excess deferred income taxes arising from the remeasurement of deferred income taxes in connection with the enactment of the 2017 Tax Reform Act (certain of which are protected under normalization rules and will be amortized over the remaining lives of related property, and certain of which will be amortized to the benefit of customers over prescribed periods as instructed by regulators) and (ii) deferred income taxes arising from investment tax credits, offset by (iii) deferred income taxes that arise from utility operations that have not been included in customer rates (a portion of which relate to depreciation and are expected to be recovered over the remaining lives of the related property which may range up to 85 years). See Note 7 for additional information.
- (15) Reflects amounts previously collected from retail electric customers of DESC for the NND Project to be credited to customers over an estimated 11-year period effective February 2019 in connection with the SCANA Merger Approval Order.
- (16) Represents estimated net collections through depreciation rates of amounts to be expended for the removal of assets in the future.

Regulatory assets have been recorded based on the probability of their recovery. All regulatory assets represent incurred costs that may be deferred under GAAP for regulated operations. The South Carolina Commission or FERC has reviewed and approved through specific orders certain of the items shown as regulatory assets. In addition, regulatory assets include, but are not limited to, certain costs which have not been specifically approved for recovery by one of these regulatory agencies. While such costs are not currently being recovered, management believes that they would be allowable under existing rate-making concepts embodied in rate orders or applicable state law and expects to recover these costs through rates in future periods.

4. OPERATING REVENUE

DESC's operating revenue consists of the following:

Year Ended December 31, (millions)	2024		2023		2022	
	Electric	Gas	Electric	Gas	Electric	Gas
Customer class:						
Residential	\$ 1,259	\$ 302	\$ 1,160	\$ 268	\$ 1,375	\$ 303
Commercial	855	126	820	129	968	184
Industrial	389	68	372	77	533	166
Other	123	25	150	24	203	23
Revenues from contracts with customers	2,626	521	2,502	498	3,079	676
Other revenues	25	1	27	1	27	1
Total Operating Revenues	\$ 2,651	\$ 522	\$ 2,529	\$ 499	\$ 3,106	\$ 677

Contract liabilities represent the obligation to transfer goods or services to a customer for which consideration has already been received from the customer. DESC had contract liability balances of \$6 million and \$7 million at December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, DESC recognized revenue of \$5 million and \$9 million, respectively, from the beginning contract liability balances as DESC fulfilled its obligations to provide service to its customers. Contract liabilities are recorded in customer deposits and customer prepayments in the Consolidated Balance Sheets.

Contract Costs

In limited instances, DESC provides economic development grants intended to support economic growth within DESC's electric service territory and defers such grants as regulatory assets on the Consolidated Balance Sheets. Whenever these grants are contingent on a customer entering into a long-term electric supply contract with DESC such costs are deferred and amortized on a straight-line basis over the term of the related service contract, which generally ranges from ten to 15 years.

Balances and activity related to contract costs deferred as regulatory assets were as follows:

(millions)	Regulatory Assets	
	2024	2023
Beginning balance	\$ 11	\$ 9
Additional costs	—	3
Amortization	(1)	(1)
Ending balance	\$ 10	\$ 11

5. EQUITY

For all periods presented, DESC's authorized shares of common stock, no par value, were 50 million, of which 40.3 million were issued and outstanding, and DESC's authorized shares of preferred stock, no par value, were 20 million, of which 1,000 shares were issued and outstanding. All outstanding shares of common and preferred stock are held by SCANA.

In 2022, Dominion Energy issued \$72 million of shares of Dominion Energy common stock to partially satisfy DESC's remaining obligation under a settlement agreement with the SCDOR discussed in Note 12. In connection with this transaction, DESC recorded an equity contribution from Dominion Energy.

DESC's bond indenture under which it issues first mortgage bonds contains provisions that could limit the payment of cash dividends on its common stock. DESC's bond indenture permits the payment of dividends on DESC's common stock only either (1) out of its Surplus (as defined in the bond indenture) or (2) in case there is no Surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. In addition, pursuant to the SCANA Merger Approval Order, the amount of any DESC dividends paid must be reasonable and consistent with the long-term payout ratio of the electric utility industry and gas distribution industry.

At December 31, 2024, DESC's retained earnings exceed the balance established by the Federal Power Act as a reserve on earnings attributable to hydroelectric generation plants. As a result, DESC is permitted to pay dividends without additional regulatory approval provided that such amounts would not bring the retained earnings balance below the established threshold.

6. LONG-TERM AND SHORT-TERM DEBT

Long-term debt by type with related weighted-average coupon rates and maturities at December 31, 2024 and 2023 is as follows:

At December 31, (millions, except percentages)	2024 Weighted- average Coupon ⁽¹⁾	2024	2023
DESC:			
First Mortgage Bonds, 2.30% to 6.625%, due 2028 to 2065	5.23 %	\$ 4,134	\$ 4,134
Tax-Exempt Financings:⁽²⁾			
Variable rate due 2038	3.70 %	35	35
3.625% and 4.00%, due 2028 and 2033	3.90 %	54	54
Other	3.58 %	1	1
GENCO:			
Tax-Exempt Financing, variable rate due 2038	3.70 %	33	33
Affiliated note, 5.31% due 2027	5.31 %	230	230
Total principal		4,487	4,487
Affiliated and related party payables		—	(230)
Unamortized discount, premium and debt issuance costs, net		(37)	(38)
Finance leases		2	4
Total long-term debt		<u>\$ 4,452</u>	<u>\$ 4,223</u>

(1) Represents weighted-average coupon rates for debt outstanding as of December 31, 2024.

(2) Industrial revenue bonds totaling \$68 million are secured by letters of credit that expire, subject to renewal, in the fourth quarter of 2025.

Based on stated maturity dates rather than early redemption dates that could be elected by instrument holders, the scheduled principal payments of long-term debt at December 31, 2024, were as follows:

(millions, except percentages)	2025	2026	2027	2028	2029	Thereafter	Total
First Mortgage Bonds	\$ —	\$ —	\$ —	\$ 53	\$ —	\$ 4,081	\$ 4,134
Tax-Exempt Financings	—	—	—	39	—	83	122
Other	—	—	230	—	—	1	231
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 230</u>	<u>\$ 92</u>	<u>\$ —</u>	<u>\$ 4,165</u>	<u>\$ 4,487</u>
Weighted-average coupon			5.31 %	4.14 %		5.21 %	

Substantially all of DESC's electric utility plant is pledged as collateral in connection with long-term debt.

DESC is subject to a bond indenture dated April 1, 1993 (Mortgage) covering substantially all of its electric properties under which all of its first mortgage bonds (Bonds) have been issued. Bonds may be issued under the Mortgage in an aggregate principal amount not exceeding the sum of (1) 70% of Unfunded Net Property Additions (as therein defined), (2) the aggregate principal amount of retired Bonds and (3) cash deposited with the trustee. Bonds, other than certain Bonds issued on the basis of retired Bonds, may be issued under the Mortgage only if Adjusted Net Earnings (as therein defined) for 12 consecutive months out of the 18 months immediately preceding the month of issuance are at least twice the annual interest requirements on all outstanding Bonds and Bonds to be issued (Bond Ratio). For the year ended December 31, 2024, the Bond Ratio was approximately 5.

In May 2024, following approval from the South Carolina Commission, GENCO amended its \$230 million promissory note due to Dominion Energy to change the maturity date from May 2024 to May 2027 and the interest rate from 3.05% to 5.31%.

In January 2025, DESC issued \$450 million of 5.30% first mortgage bonds that mature in 2035. The proceeds were used for general corporate purposes and/or to repay short-term debt.

Short-Term Debt

DESC's short-term financing is supported through its access as co-borrower to Dominion Energy's \$6.0 billion joint revolving credit facility, which can be used for working capital, as support for the combined commercial paper programs of DESC, Dominion Energy, Virginia Power and Questar Gas (through May 2024) and for other general corporate purposes.

DESC's share of commercial paper and letters of credit outstanding under its joint credit facility with Dominion Energy, were as follows:

(millions)	Facility Limit	Outstanding Commercial Paper ⁽¹⁾	Outstanding Letters of Credit
At December 31, 2024			
Joint revolving credit facility ⁽²⁾⁽³⁾	\$ 1,000	\$ 250	\$ —
At December 31, 2023			
Joint revolving credit facility ⁽²⁾	\$ 1,000	\$ 254	\$ —

- (1) The weighted-average interest rate of the outstanding commercial paper supported by the credit facility was 4.76% and 5.70% at December 31, 2024 and 2023, respectively.
- (2) A maximum of \$1.0 billion of the facility is available to DESC, assuming adequate capacity is available after giving effect to uses by co-borrowers Dominion Energy and Virginia Power. A sub-limit for DESC is set within the facility limit but can be changed at the option of the co-borrowers multiple times per year. At December 31, 2024, the sub-limit for DESC was \$500 million. If DESC has liquidity needs in excess of its sub-limit, the sub-limit may be changed or such needs may be satisfied through short-term borrowings from Dominion Energy. This credit facility matures in June 2026, with the potential to be extended by the borrowers to June 2028. The credit facility can be used to support bank borrowings and the issuance of commercial paper, as well as to support up to \$1.0 billion (or the sub-limit, whichever is less) of letters of credit.
- (3) In May 2024, the joint revolving credit facility was amended to remove Questar Gas as a co-borrower.

In March 2023, FERC granted DESC authority through March 2025 to issue short-term indebtedness (pursuant to Section 204 of the Federal Power Act) in amounts not to exceed \$2.2 billion outstanding with maturity dates of one year or less. At December 31, 2024, DESC had issued \$250 million in commercial paper under its joint credit facility with Dominion Energy as disclosed above and had drawn on \$597 million of its intercompany credit facility with Dominion Energy, as permitted by this FERC authorization. In addition, in March 2023, FERC granted GENCO authority through March 2025 to issue short-term indebtedness not to exceed \$200 million outstanding with maturity dates of one year or less. At December 31, 2024, GENCO had drawn on \$62 million of its intercompany credit facility with Dominion Energy, as permitted by this FERC authorization. In January 2025, DESC and GENCO applied to FERC for a two-year short-term borrowing authorization in amounts not to exceed \$1.8 billion and \$300 million, respectively. The applications are pending.

DESC is obligated with respect to an aggregate of \$68 million of industrial revenue bonds which are secured by letters of credit. These letters of credit expire, subject to renewal, in the fourth quarter of 2025.

DESC, GENCO and Fuel Company each have intercompany credit facilities with Dominion Energy with a maximum capacity of \$900 million, \$200 million and \$400 million, respectively. At December 31, 2024 and 2023, DESC, GENCO and Fuel Company collectively had borrowings outstanding under these agreements totaling \$942 million and \$442 million, respectively, which are recorded in affiliated and related party payables in DESC's Consolidated Balance Sheets. For the years ended December 31, 2024, 2023 and 2022, DESC recorded interest charges of \$50 million, \$53 million and \$19 million, respectively.

7. INCOME TAXES

Judgment and the use of estimates are required in developing the provision for income taxes and reporting of tax-related assets and liabilities. The interpretation of tax laws involves uncertainty since tax authorities may interpret the laws differently. DESC is routinely audited by federal and state tax authorities. Ultimate resolution of income tax matters may result in favorable or unfavorable impacts to net income and cash flows, and adjustments to tax-related assets and liabilities could be material.

As indicated in Note 2, DESC's operations, including accounting for income taxes, are subject to regulatory accounting treatment. See Note 3 for additional information and current year developments.

Details of income tax expense for continuing operations including noncontrolling interests were as follows:

Year Ended December 31, (millions)	2024	2023	2022
Current:			
Federal	\$ (6)	\$ 91	\$ (69)
State	7	(70)	(3)
Total current expense (benefit)	1	21	(72)
Deferred:			
Federal			
Taxes before operating loss carryforwards and investment tax credits	16	(72)	135
Tax utilization expense (benefit) of operating loss carryforwards	36	43	33
State	13	95	36
Total deferred expense	65	66	204
Investment tax credits	(1)	(2)	(1)
Total income tax expense	\$ 65	\$ 85	\$ 131

Subsequent to the SCANA Combination, DESC's annual utilization of its net operating losses is restricted by the tax law, however in certain circumstances the utilization may be increased if SCANA recognizes built-in gains on certain sales of assets.

For continuing operations including noncontrolling interests, the statutory U.S. federal income tax rate reconciles to DESC's effective income tax rate as follows:

Year Ended December 31,	2024	2023	2022
U.S. statutory rate	21.0 %	21.0 %	21.0 %
Increases (reductions) resulting from:			
State taxes, net of federal benefit	4.0	4.1	4.7
Amortization of federal investment tax credits	(0.3)	(0.3)	(0.2)
Reversal of excess deferred income taxes	(5.6)	(4.7)	(4.6)
Settlements of uncertain tax positions	(3.5)	(2.2)	—
Other	(0.1)	(0.2)	(0.2)
Effective tax rate	15.5 %	17.7 %	20.7 %

DESC's 2024 effective tax rate reflects an income tax benefit of \$14 million from the effective settlement of a position that management believed was reasonably possible to occur.

DESC's 2023 effective tax rate reflects an income tax benefit of \$11 million from the effective settlement of a position that management believed was reasonably possible to occur.

DESC's deferred income taxes consist of the following:

At December 31, (millions)	2024	2023
Deferred income taxes:		
Total deferred income tax assets	\$ 662	\$ 728
Total deferred income tax liabilities	2,059	2,033
Total net deferred income tax liabilities	\$ 1,397	\$ 1,305
Total deferred income taxes:		
Depreciation method and plant basis differences	\$ 1,271	\$ 1,203
Excess deferred income taxes	(203)	(212)
Unrecovered nuclear plant cost	420	450
DESC rate refund	(49)	(67)
Toshiba Settlement	(133)	(147)
Nuclear decommissioning	(60)	(51)
Deferred state income taxes	289	274
Federal benefit of deferred state income taxes	(61)	(60)
Deferred fuel, purchased energy and gas costs	11	32
Pension benefits	35	35
Other postretirement benefits	(20)	(17)
Loss and credit carryforwards	(153)	(185)
Other	50	50
Total net deferred income tax liabilities	\$ 1,397	\$ 1,305
Deferred investment tax credits	12	13
Total deferred taxes and deferred investment tax credits	\$ 1,409	\$ 1,318

At December 31, 2024, DESC had the following deductible loss and credit carryforwards:

(millions)	Deductible Amount	Deferred Tax Asset ⁽¹⁾	Expiration Period
Federal losses	\$ 361	\$ 76	2037
Federal production and other credits	—	22	2036-2038
State losses	887	44	2037-2042
State investment and other credits	—	41	2026-2033
Total	\$ 1,248	\$ 183	

(1) Includes \$38 million of unrecognized tax benefits.

A reconciliation of changes in DESC's unrecognized tax benefits follows:

(millions)	2024	2023	2022
Balance at January 1,	\$ 62	\$ 68	\$ 62
Increases-prior period positions	5	5	6
Decreases-prior period positions	(16)	(11)	(1)
Increases-current period positions	—	—	1
Settlements with tax authorities	(13)	—	—
Balance at December 31,	\$ 38	\$ 62	\$ 68

Certain unrecognized tax benefits, or portions thereof, if recognized, would affect the effective tax rate. Changes in these unrecognized tax benefits may result from remeasurement of amounts expected to be realized, settlements with tax authorities and expiration of statutes of limitations. If recognized, all the unrecognized tax benefits would impact the effective tax rate.

The statute is closed for IRS examination of years prior to 2020. DESC is no longer subject to state and local income tax examinations by tax authorities for years prior to 2021.

It is reasonably possible that these unrecognized tax benefits may decrease by \$38 million within the next twelve months. If such changes were to occur, other than revisions of the accrual for interest on tax underpayments and overpayments, earnings could increase by \$30 million. Otherwise, with regard to 2024 and prior years, DESC cannot estimate the range of reasonably possible changes to unrecognized tax benefits that may occur in 2025.

DESC is also obligated to report adjustments resulting from IRS settlements to state tax authorities. In addition, if DESC utilizes operating losses or tax credits generated in years for which the statute of limitations has expired, such amounts are generally subject to examination.

8. DERIVATIVE FINANCIAL INSTRUMENTS

See Note 2 for DESC's accounting policies, objectives, and strategies for using derivative instruments. See Notes 2 and 9 for further information about fair value measurements and associated valuation methods for derivatives.

Cash collateral is used in the table below to offset derivative assets and liabilities when applicable. Certain of DESC's derivative instruments contain credit-related contingent provisions. These provisions require DESC to provide collateral upon the occurrence of specific events, primarily a credit rating downgrade. If the credit-related contingent features underlying the instruments that are in a liability position and not fully collateralized with cash were fully triggered as of December 31, 2024 and 2023, DESC would have been required to post \$1 million and \$4 million, respectively, of additional collateral to its counterparties. The collateral that would be required to be posted includes the impacts of any offsetting asset positions and any amounts already posted for derivatives and non-derivative contracts, per contractual terms. DESC had not posted any collateral at December 31, 2024 and 2023 related to derivatives with credit-related contingent provisions that are in a liability position and not fully collateralized with cash. The aggregate fair value of all derivative instruments with credit-related contingent provisions that are in a liability position and not fully collateralized with cash as of December 31, 2024 and 2023 was \$1 million and \$4 million, respectively, which does not include the impact of any offsetting asset positions.

The table below presents derivative balances by type of financial instrument, if the gross amounts recognized in the Consolidated Balance Sheets were netted with derivative instruments and cash collateral received or paid.

(millions)	December 31, 2024				December 31, 2023			
	Gross Assets Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet ⁽¹⁾			Gross Assets Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet ⁽¹⁾		
		Financial Instruments	Cash Collateral Received	Net Amounts		Financial Instruments	Cash Collateral Received	Net Amounts
Interest rate contracts:								
Over-the-counter	\$ 2	\$ —	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ —
Commodity contracts:								
Over-the-counter	81	—	—	81	—	—	—	—
Total derivatives	\$ 83	\$ —	\$ —	\$ 83	\$ —	\$ —	\$ —	\$ —

(1) Excludes derivative assets of \$289 million and \$176 million at December 31, 2024 and December 31, 2023, respectively, which are not subject to master netting or similar arrangements.

(millions)	December 31, 2024				December 31, 2023			
	Gross Liabilities Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet ⁽¹⁾			Gross Liabilities Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet ⁽¹⁾		
		Financial Instruments	Cash Collateral Paid	Net Amounts		Financial Instruments	Cash Collateral Paid	Net Amounts
Interest rate contracts:								
Over-the-counter	\$ 1	\$ —	\$ —	\$ 1	\$ 4	\$ —	\$ —	\$ 4
Total derivatives	\$ 1	\$ —	\$ —	\$ 1	\$ 4	\$ —	\$ —	\$ 4

(1) DESC did not have any derivative liabilities at December 31, 2024 and December 31, 2023, respectively, which were not subject to master netting or similar arrangements.

Volumes

The following table presents the volume of derivative activity at December 31, 2024. These volumes are based on open derivative positions and represent the combined absolute value of their long and short positions.

	Current	Noncurrent
Natural Gas (bcf):		
Basis ⁽¹⁾	32	30
Electricity (MWh in millions):		
Fixed price	2	21
Interest rate ⁽²⁾ (in millions)	\$ —	\$ 71

(1) Includes options.

(2) Maturity is determined based on final settlement period.

Fair Value and Gains and Losses on Derivative Instruments

The following table presents the fair values of derivatives and where they are presented in the Consolidated Balance Sheets:

(millions)	Assets	Liabilities
At December 31, 2024		
Current derivatives not under cash flow hedge accounting		
Commodity	\$ 63	\$ —
Total current derivatives	\$ 63	\$ —
Noncurrent derivatives not under cash flow hedge accounting		
Commodity	\$ 307	\$ —
Interest rate	2	1
Total noncurrent derivatives	309	1
Total derivatives	\$ 372	\$ 1
At December 31, 2023		
Current derivatives not under cash flow hedge accounting		
Commodity	\$ 9	\$ —
Total current derivatives	\$ 9	\$ —
Noncurrent derivatives not under cash flow hedge accounting		
Commodity	\$ 167	\$ —
Interest rate	—	4
Total noncurrent derivatives	167	4
Total derivatives	\$ 176	\$ 4

The following tables present the gains and losses on derivatives, as well as where the associated activity is presented in the Consolidated Balance Sheets and Statements of Comprehensive Income:

Derivatives in Cash Flow Hedging Relationships

(millions)	Increase (Decrease) in Derivatives Subject to Regulatory Treatment ⁽¹⁾	
Year Ended December 31, 2024		
Derivative type and location of gains (losses):		
Interest rate	\$ 1	1
Total	\$ 1	1
Year Ended December 31, 2023		
Derivative type and location of gains (losses):		
Interest rate	\$ —	—
Total	\$ —	—
Year Ended December 31, 2022		
Derivative type and location of gains (losses):		
Interest rate	\$ 11	11
Total	\$ 11	11

(1) Represents net derivative activity deferred into and amortized out of regulatory assets/liabilities. Amounts deferred into regulatory assets/ liabilities have no associated effect in the Consolidated Statements of Comprehensive Income.

Derivatives Not Designated as Hedging Instruments

(millions) Year Ended December 31,	Amount of Gain (Loss) Recognized in Income on Derivatives ⁽¹⁾		
	2024	2023	2022
Derivative type and location of gains (losses):			
Commodity:			
Purchased power	\$ 3	\$ 6	\$ 77
Fuel used in electric generation	1	—	—
Interest rate:			
Interest charges	(1)	(2)	(2)
Total	\$ 3	\$ 4	\$ 75

(1) Includes derivative activity amortized out of regulatory assets/liabilities. Amounts deferred into regulatory assets/liabilities have no associated effect in the Consolidated Statements of Comprehensive Income.

9. FAIR VALUE MEASUREMENTS, INCLUDING DERIVATIVES

DESC's fair value measurements are made in accordance with the policies discussed in Note 2. See Note 8 for additional information about DESC's derivative and hedge accounting activities.

Level 3 Valuations

DESC enters into certain physical forwards and options, which are considered Level 3 as they have one or more inputs that are not observable and are significant to the valuation. The discounted cash flow method is used to value Level 3 physical forwards contracts. The discounted cash flow model for forwards calculates mark-to-market valuations based on forward market prices, original transaction prices, volumes, risk-free rate of return and credit spreads. An option model is used to value Level 3 physical options. The inputs into the option models are the forward market prices, implied price volatilities, risk-free rate of return, the option expiration dates, the option strike prices, the original sales prices and volumes. For Level 3 fair value measurements, certain forward market prices are considered unobservable.

The following table presents DESC's quantitative information about Level 3 fair value measurements at December 31, 2024. The range and weighted-average are presented in dollars for market price inputs and percentages for price volatility.

	Fair Value (millions)	Valuation Techniques	Unobservable Input	Range	Weighted-average ⁽¹⁾
Assets					
Physical forwards:					
Electricity	\$ 289	Discounted cash flow	Market price (per MWh) ⁽³⁾	31-95	55
Physical options:					
Natural gas ⁽²⁾	\$ 81	Option model	Market price (per Dth) ⁽³⁾ Price volatility ⁽⁴⁾	2-7 11%-73%	4 47%
Total assets	\$ 370				

(1) Averages weighted by volume.

(2) Includes basis.

(3) Represents market prices beyond defined terms for Levels 1 and 2.

(4) Represents volatilities unrepresented in published markets.

Sensitivity of the fair value measurements to changes in the significant unobservable inputs is as follows:

Significant Unobservable Inputs	Position	Change to Input	Impact on Fair Value Measurement
Market price	Buy	Increase (decrease)	Gain (loss)
Market price	Sell	Increase (decrease)	Loss (gain)
Price volatility	Buy	Increase (decrease)	Gain (loss)
Price volatility	Sell	Increase (decrease)	Loss (gain)

Recurring Fair Value Measurements

Fair value disclosures for assets held in DESC's pension plan are presented in Note 11.

The following table presents DESC's assets and liabilities that are measured at fair value on a recurring basis for each hierarchy level, including both current and noncurrent portions:

(millions)	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
At December 31, 2024				
Assets				
Derivatives:				
Commodity	\$ —	\$ —	\$ 370	\$ 370
Interest rate	—	2	—	2
Investments:				
Cash equivalents and other	29	—	—	29
Total assets	\$ 29	\$ 2	\$ 370	\$ 401
Liabilities				
Derivatives:				
Interest rate	\$ —	\$ 1	\$ —	\$ 1
Total liabilities	\$ —	\$ 1	\$ —	\$ 1
At December 31, 2023				
Assets				
Derivatives:				
Commodity	\$ —	\$ —	\$ 176	\$ 176
Total assets	\$ —	\$ —	\$ 176	\$ 176
Liabilities				
Derivatives:				
Interest rate	\$ —	\$ 4	\$ —	\$ 4
Total liabilities	\$ —	\$ 4	\$ —	\$ 4

The following table presents the net change in DESC's assets and liabilities measured at fair value on a recurring basis and included in the Level 3 fair value category.

(millions)	<u>2024</u>	<u>2023</u>	<u>2022</u>
Balance at January 1,	\$ 176	\$ 251	\$ 148
Total realized and unrealized gains (losses):			
Included in earnings:			
Purchased power	3	6	77
Fuel used in electric generation	1	—	—
Gas purchased for resale	1	—	—
Included in regulatory assets/liabilities	115	(75)	103
Settlements	(17)	(6)	(77)
Purchases	91	—	—
Balance at December 31,	\$ 370	\$ 176	\$ 251

There are no unrealized gains and losses included in earnings in the Level 3 fair value category related to assets/liabilities still held at the reporting date for the years ended December 31, 2024, 2023 and 2022.

Fair Value of Financial Instruments

Substantially all of DESC's financial instruments are recorded at fair value, with the exception of the instruments described below, which are reported at historical cost. Estimated fair values have been determined using available market information and valuation methodologies considered appropriate by management. The carrying amount of financial instruments classified within current assets and current liabilities are representative of fair value because of the short-term nature of these instruments. For financial instruments that are not recorded at fair value, the carrying amounts and estimated fair values are as follows:

At December 31,	2024		2023	
(millions)	Carrying Amount	Estimated Fair Value ⁽¹⁾	Carrying Amount	Estimated Fair Value ⁽¹⁾
Long-term debt ⁽²⁾	\$ 4,220	\$ 4,142	\$ 4,219	\$ 4,301
Affiliated long-term debt ⁽³⁾	230	230	230	230

- (1) Fair value is estimated using market prices, where available, and interest rates currently available for issuance of debt with similar terms and remaining maturities. All fair value measurements are classified as Level 2. The carrying amount of debt issuances with short-term maturities and variable rates refinanced at current market rates is a reasonable estimate of their fair value.
- (2) Carrying amount includes current portions, if any, included in securities due within one year and amounts which represent the unamortized debt issuance costs and discount or premium.
- (3) Carrying amount includes current portions presented in affiliated and related party payables, as applicable.

10. ASSET RETIREMENT OBLIGATIONS

A liability for the present value of an ARO is recognized when incurred if the liability can be reasonably estimated. Uncertainty about the timing or method of settlement of a conditional ARO is factored into the measurement of the liability when sufficient information exists, but such uncertainty is not a basis upon which to avoid liability recognition.

The legal obligations associated with the retirement of long-lived tangible assets that result from their acquisition, construction, development and normal operation relate primarily to DESC's regulated utility operations. As of December 31, 2024 and 2023, DESC has recorded AROs of \$324 million and \$311 million, respectively, for nuclear plant decommissioning. In addition, DESC has recorded AROs of \$815 million and \$420 million at December 31, 2024 and 2023, respectively, for other conditional obligations primarily related to other generation including CCR, transmission and distribution properties, including gas pipelines. All of the amounts recorded are based upon estimates which are subject to varying degrees of precision, particularly since such payments are based on future cash flows for extended periods of time which are by nature highly uncertain.

A reconciliation of the beginning and ending aggregate carrying amount of AROs is as follows:

(millions)	2024		2023	
Beginning balance	\$ 731		\$ 628	
Liabilities incurred ⁽¹⁾	654		7	
Liabilities settled	(79)		(14)	
Accretion expense	46		29	
Revisions in estimated cash flows ⁽²⁾	(213)		81	
Ending balance	<u>\$ 1,139</u>		<u>\$ 731</u>	

- (1) In 2024, primarily reflects AROs related to CCR remediation as discussed in Note 12.
- (2) In 2024, primarily reflects a revision related to CCR remediation costs as discussed in Note 12. In 2023, there was an increase in estimated costs associated with certain coal-fired generating units, including revisions following the approval of closure plans for a facility previously taken out of service.

11. EMPLOYEE BENEFIT PLANS AND EQUITY COMPENSATION PLAN

Pension and Other Postretirement Benefit Plans

SCANA sponsors a noncontributory defined benefit pension plan covering regular, full-time employees hired before January 1, 2014. DESC participates in SCANA's pension plan. SCANA's policy has been to fund the plan as permitted by applicable federal income tax regulations, as determined by an independent actuary.

The pension plan provides benefits under a cash balance formula for employees hired before January 1, 2000 who elected that option and all eligible employees hired subsequently through December 31, 2013. Under the cash balance formula, benefits accumulate as a result of compensation credits and interest credits. Employees hired before January 1, 2000 who elected to remain under the final average pay formula earn benefits based on years of credited service and the employee's average annual base earnings received during the last three years of employment. Benefits under the final average pay formula continued to accrue through December 31, 2023, after which date eligible participants began accruing benefits under the cash balance formula.

In addition to pension benefits, SCANA provides certain unfunded postretirement health care and life insurance benefits to certain active and retired employees. DESC participates in these programs. Retirees hired before January 1, 2011 share in a portion of their medical care cost, while employees hired subsequently are responsible for the full cost of retiree medical benefits elected by them. The costs of postretirement benefits other than pensions are accrued during the years the employees render the services necessary to be eligible for these benefits.

The same benefit formula applies to all SCANA subsidiaries participating in the parent sponsored plans and, with regard to the pension plan, there are no legally separate asset pools. The postretirement benefit plans are accounted for as multiple employer plans.

Changes in Benefit Obligations

The measurement date used to determine pension and other postretirement benefit obligations is December 31. Data related to the changes in the projected benefit obligation for pension benefits and the accumulated benefit obligation for other postretirement benefits are presented below.

(millions)	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
Beginning balance	\$ 584	\$ 580	\$ 120	\$ 121
Service cost	8	8	1	1
Interest cost	31	33	8	8
Amendments	7	1	—	—
Actuarial (gain) loss	(10)	1	(6)	1
Benefits paid	(43)	(39)	(11)	(11)
Ending balance	\$ 577	\$ 584	\$ 112	\$ 120

The accumulated benefit obligation for pension benefits for DESC was \$574 million and \$579 million at December 31, 2024 and 2023, respectively. The accumulated pension benefit obligation differs from the projected pension benefit obligation above in that it reflects no assumptions about future compensation levels.

Significant assumptions used to determine the above benefit obligations are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
Annual discount rate used to determine benefit obligation	5.84 %	5.39 %	5.86 %	5.42 %
Assumed annual rate of future salary increases for projected benefit obligation	3.47 %	3.54 %	N/A	N/A
Crediting interest rate for cash balance plans	4.59 %	4.14 %	N/A	N/A

DESC's pension benefit obligations include a gain of \$10 million in 2024 resulting primarily from a \$15 million gain due to an increase in the discount rate that was offset by a \$5 million loss from other experience. DESC's pension benefit obligations include a loss of \$1 million in 2023 resulting primarily from a \$10 million loss due to a decrease in the discount rate that was offset by a \$9 million gain from other experience. Actuarial gains recognized in DESC's other postretirement benefit obligations include a \$6 million gain in 2024 resulting from a \$7 million gain due to an increase in the discount rate that was offset by a \$1 million loss from other experience. Actuarial losses recognized in DESC's other postretirement benefit obligations include a \$1 million loss in 2023 resulting from a \$4 million loss due to a decrease in the discount rate that was offset by a \$3 million gain from other experience.

A 7.00% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2024. The rate was assumed to decrease gradually to 5.0% in 2032 and to remain at that level thereafter.

Funded Status

At December 31, (millions)	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
Fair value of plan assets	\$ 603	\$ 588	\$ —	\$ —
Benefit obligation	577	584	112	120
Funded status	\$ 26	\$ 4	\$ (112)	\$ (120)

Amounts recognized on the consolidated balance sheets were as follows:

At December 31, (millions)	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
Noncurrent assets	\$ 26	\$ 4	\$ —	\$ —
Current liability	—	—	(10)	(11)
Noncurrent liability	—	—	(102)	(109)

Amounts recognized in AOCI were as follows:

At December 31, (millions)	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
Net actuarial (gain) loss	\$ 2	\$ 2	\$ (1)	\$ (1)

Amounts recognized in regulatory assets were as follows:

At December 31, (millions)	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
Net actuarial (gain) loss	\$ 98	\$ 126	\$ (43)	\$ (41)
Prior service cost	7	1	—	—
Total	\$ 105	\$ 127	\$ (43)	\$ (41)

In connection with the joint ownership of Summer, costs related to pensions attributable to Santee Cooper as of December 31, 2024 and 2023 totaled \$9 million and \$19 million and were recorded within deferred debits. Costs related to other postretirement benefits attributable to Santee Cooper as of both December 31, 2024 and 2023 totaled \$10 million were recorded within deferred debits.

Changes in Fair Value of Plan Assets

At December 31, (millions)	Pension Benefits	
	2024	2023
Beginning balance	\$ 588	\$ 561
Actual return (loss) on plan assets	50	66
Benefits paid	(43)	(39)
Contributions	8	—
Ending balance	\$ 603	\$ 588

Investment Policies and Strategies

Strategic investment policies are established for DESC's prefunded benefit plans based upon periodic asset/liability studies. Factors considered in setting the investment policy include employee demographics, liability growth rates, future discount rates, the funded status of the plans and the expected long-term rate of return on plan assets. Deviations from the plans' strategic allocation are a function of DESC's assessments regarding short-term risk and reward opportunities in the capital markets and/or short-term market movements which result in the plans' actual asset allocations varying from the strategic target asset allocations. Through periodic rebalancing, actual allocations are brought back in line with the target. Future asset/liability studies will focus on strategies to further reduce pension and other postretirement plan risk, while still achieving attractive levels of returns. Financial derivatives may be used to obtain or manage market exposures and to hedge assets and liabilities.

DESC's overall objective for investing its pension plan assets is to achieve appropriate long-term rates of return commensurate with prudent levels of risk. To minimize risk, funds are diversified among asset classes, securities, active and passive investment strategies and investment advisors. Effective January 2025, DESC transferred its pension assets to be held in Dominion Energy's pension master trust. The strategic target asset allocations after the assets were moved to Dominion Energy's pension master trust are expected to be: 30% public equity, 27% fixed income and 43% other alternative investments, such as private equity, private debt and hedge fund investments. The strategic target asset allocations for DESC's pension fund through December 2024 were: 45% global equities, 53% fixed income and 2% cash. Global equities include investments in U.S. and non-U.S. companies, developed and emerging markets and small and large cap companies. The split between U.S. and non-U.S. companies was roughly 60% U.S./40% Non-U.S. Fixed income

includes investments in corporate debt instruments of companies from diversified industries and U.S. Treasuries. Equity and fixed income investments are in individual securities, mutual funds and exchange traded funds.

DESC also utilizes commingled funds/collective trust funds as an investment vehicle for its defined benefit plans. A commingled fund/collective trust fund is a pooled fund operated by a bank, trust company, or investment firm for investment of the assets of various organizations and individuals in a diversified portfolio. Commingled funds/collective trust funds are funds of grouped assets that follow various investment strategies.

For 2025, the expected long-term rate of return on assets will be 7.35%. DESC determines the expected long-term rates of return on plan assets for its pension plans by using a combination of:

- Expected inflation and risk-free interest rate assumptions;
- Historical return analysis to determine long term historic returns as well as historic risk premiums for various asset classes;
- Expected future risk premiums, asset classes' volatilities and correlations;
- Forward-looking return expectations derived from the yield on long-term bonds and the expected long-term returns of major capital market assumptions; and
- Investment allocation of plan assets.

Fair Value Measurements

Assets held by the pension plan are measured at fair value and are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. At December 31, 2024 and 2023, fair value measurements, and the level within the fair value hierarchy in which the measurements fall, were as follows:

At December 31, (millions)	2024				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 294	\$ —	\$ —	\$ 294	\$ 4	\$ 1	\$ —	\$ 5
Corporate debt instruments	—	—	—	—	—	137	—	137
Government and other debt instruments	—	—	—	—	—	14	—	14
Total recorded at fair value	\$ 294	\$ —	\$ —	\$ 294	\$ 4	\$ 152	\$ —	\$ 156
Assets recorded at NAV ⁽¹⁾								
Commingled funds/collective trust funds				—				436
Total recorded at NAV				\$ —				\$ 436
Total investments ⁽²⁾				\$ 294				\$ 592

(1) These investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient are not required to be categorized in the fair value hierarchy.

(2) Excludes net assets related to pending sales of securities of \$309 million at December 31, 2024. Excludes net assets related to pending sales of securities of \$1 million, net accrued income of \$1 million, and includes net assets related to pending purchases of securities of \$6 million at December 31, 2023.

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Short-term investment vehicles are funds that invest in short-term fixed income instruments and are valued using observable prices of the underlying fund assets based on trade data for identical or similar securities. U.S. Treasury securities are valued using quoted market prices or based on models using observable inputs from market sources such as external prices or spreads or benchmarked thereto. Corporate debt instruments and government and other debt instruments are valued based on recently executed transactions, using quoted market prices, or based on models using observable inputs from market sources such as external prices or spreads or benchmarked thereto. In addition, corporate debt instruments include investments in open-end mutual funds registered with the SEC that invest in corporate debt instruments. Commingled funds/common collective trust assets are valued at NAV, which are determined based on the unit values of the trust funds. Unit values are determined by the organization sponsoring such funds by dividing the funds' net assets at fair value by the units outstanding at each valuation date.

Expected Cash Flows

Total benefits expected to be paid from the pension plan or company assets for the other postretirement benefits plan (net of participant contributions), respectively, are as follows:

Expected Benefit Payments

(millions)	Pension Benefits		Other Postretirement Benefits	
2025	\$	50	\$	11
2026		46		11
2027		45		11
2028		47		11
2029		46		11
2030 - 2034		240		54

Pension Plan Contributions

Under its funding policies, DESC evaluates plan funding requirements annually, usually in the fourth quarter after receiving updated plan information from its actuary. Based on the funded status of each plan and other factors, DESC determines the amount of contributions for the current year, if any, at that time. DESC made \$8 million of contributions, which were reimbursed by Santee Cooper, to the pension trust in 2024, and no such contributions in 2023 or 2022. DESC expects to make \$3 million of minimum required contributions to its qualified pension plan in 2025 and expects to receive reimbursement for such contributions from Santee Cooper.

Net Periodic Benefit Cost

Net periodic benefit cost is recorded utilizing beginning of the year assumptions. Disclosures required for these plans are set forth in the following tables.

Components of Net Periodic Benefit (Credit) Cost

Year Ended December 31, (millions)	Pension Benefits			Other Postretirement Benefits		
	2024	2023	2022	2024	2023	2022
Service cost	\$ 8	\$ 8	\$ 8	\$ 1	\$ 1	\$ 1
Interest cost	31	33	21	8	8	6
Expected return on assets	(37)	(34)	(49)	—	—	—
Amortization of actuarial losses (gains)	9	12	1	(4)	(4)	—
Net periodic benefit (credit) cost	<u>\$ 11</u>	<u>\$ 19</u>	<u>\$ (19)</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 7</u>

In connection with regulatory orders, DESC recovers current pension costs through a rate rider that may be adjusted annually for retail electric operations or through cost of service rates for gas operations. For retail electric operations, current pension expense is recognized based on amounts collected through a rate rider, and differences between actual pension expense and amounts recognized pursuant to the rider are deferred as a regulatory asset (for under-collections) or regulatory liability (for over-collections) as applicable. In addition, DESC amortizes certain previously deferred pension costs. See Note 3.

Other changes in plan assets and benefit obligations recognized in other comprehensive income (net of tax) were as follows:

Year Ended December 31, (millions)	Pension Benefits			Other Postretirement Benefits		
	2024	2023	2022	2024	2023	2022
Current year actuarial (gain) loss	\$ —	\$ (1)	\$ 2	\$ —	\$ —	\$ (1)
Total recognized in other comprehensive income	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1)</u>

Other changes in plan assets and benefit obligations recognized in regulatory assets were as follows:

Year Ended December 31, (millions)	Pension Benefits			Other Postretirement Benefits		
	2024	2023	2022	2024	2023	2022
Current year actuarial (gain) loss	\$ (20)	\$ (27)	\$ 95	\$ (5)	\$ 2	\$ (41)
Amortization of actuarial gain (loss)	(8)	(11)	(1)	3	3	—
Current year prior service cost	6	1	—	—	—	—
Total recognized in regulatory assets	<u>\$ (22)</u>	<u>\$ (37)</u>	<u>\$ 94</u>	<u>\$ (2)</u>	<u>\$ 5</u>	<u>\$ (41)</u>

Significant assumptions used in determining net periodic benefit cost:

Year Ended December 31,	Pension Benefits			Other Postretirement Benefits		
	2024	2023	2022	2024	2023	2022
Discount rate	5.39 %	5.69 %	3.06 %	5.42 %	5.70 %	3.11 %
Expected return on plan assets	7.00 %	7.00 %	7.00 %	n/a	n/a	n/a
Rate of compensation increase	3.54 %	3.93 %	3.71 %	n/a	n/a	n/a
Crediting interest rate for cash balance plans	4.14 %	4.44 %	1.81 %	n/a	n/a	n/a
Health care cost trend rate				7.00 %	7.00 %	6.25 %
Ultimate health care cost trend rate				5.00 %	5.00 %	5.00 %
Year achieved				2031	2030	2026-2027

Participation in Dominion Energy Defined Benefit Plans

Effective January 2021, eligible DESC employees hired after 2013 began accruing benefits under a cash balance formula within the Dominion Energy Pension Plan, a qualified defined benefit pension plan sponsored by Dominion Energy. In addition, DESC employees hired in 2021 prior to July 2021 are covered by the Dominion Energy Pension Plan. As a participating employer, DESC is subject to Dominion Energy's funding policy, which is to contribute annually an amount that is in accordance with ERISA. DESC made no contributions to the Dominion Energy Pension Plan during 2024 or 2023. DESC made contributions of less than \$1 million to the Dominion Energy Pension Plan during 2022. DESC's net periodic pension cost related to this plan was \$2 million, \$2 million, and \$1 million in 2024, 2023, and 2022, respectively. Net periodic benefit (credit) cost is reflected in other operations and maintenance expense in DESC's Consolidated Statements of Income. The funded status of various Dominion Energy subsidiary groups and employee compensation are the basis for determining the share of total pension costs for participating Dominion Energy subsidiaries. During 2024 and 2023, DESC's pension and other postretirement benefits obligation includes \$7 million and \$6 million, respectively, for amounts due to Dominion Energy related to this plan.

Dominion Energy holds investments in trusts to fund employee benefit payments for the pension plan in which DESC's employees participate. Any investment-related declines in these trusts will result in future increases in the net periodic cost recognized for such employee benefit plans and will be included in the determination of the amount of cash that DESC will provide to Dominion Energy for its share of employee benefit plan contributions.

401(k) Retirement Savings Plan

Effective January 2021, DESC participates in a defined contribution savings plan sponsored by Dominion Energy. Previously, DESC had participated in a defined contribution plan sponsored by SCANA, which was merged into the Dominion Energy plan in December 2020. DESC recognized employer matching contributions of \$15 million, \$14 million, and \$13 million in 2024, 2023, and 2022, respectively.

12. COMMITMENTS AND CONTINGENCIES

As a result of issues generated in the ordinary course of business, DESC is involved in legal proceedings before various courts and is periodically subject to governmental examinations (including by regulatory authorities), inquiries and investigations. Certain legal proceedings and governmental examinations involve demands for unspecified amounts of damages, are in an initial procedural phase, involve uncertainty as to the outcome of pending appeals or motions, or involve significant factual issues that need to be resolved, such that it is not possible for DESC to estimate a range of possible loss. For such matters that DESC cannot estimate, a statement to this effect is made in the description of the matter. Other matters may have progressed sufficiently through the litigation or investigative processes such that DESC is able to estimate a range of possible loss. For legal proceedings and governmental examinations that DESC is able to reasonably estimate a range of possible losses, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. DESC maintains various insurance programs, including general liability insurance coverage which provides coverage for personal injury or wrongful death cases. Any accrued liability is recorded on a gross basis with a receivable also recorded for any probable insurance recoveries. Estimated ranges of loss are inclusive of legal fees and net of any anticipated insurance recoveries. Any estimated range is based on currently available information and involves elements of

judgment and significant uncertainties. Any estimated range of possible loss may not represent DESC's maximum possible loss exposure. The circumstances of such legal proceedings and governmental examinations will change from time to time and actual results may vary significantly from the current estimate. For current proceedings not specifically reported below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on DESC's financial position, liquidity or results of operations. During the year ended December 31, 2024, DESC recorded \$11 million of charges in aggregate for various personal injury or wrongful death cases. DESC's Consolidated Balance Sheet at December 31, 2024 includes \$10 million of insurance receivables and \$7 million of reserves related to personal injury or wrongful death cases. The Consolidated Balance Sheets at December 31, 2023 included an inconsequential amount of reserves primarily related to personal injury or wrongful death cases. For the years ended December 31, 2023 and 2022, charges included in DESC's Consolidated Statements of Comprehensive Income were inconsequential.

Environmental Matters

DESC is subject to costs resulting from a number of federal, state and local laws and regulations designed to protect human health and the environment. These laws and regulations affect future planning and existing operations. They can result in increased capital, operating and other costs as a result of compliance, remediation, containment and monitoring obligations.

From a regulatory perspective, DESC continually monitors and evaluates its current and projected emission levels and strives to comply with all state and federal regulations regarding those emissions. DESC participates in the SO₂ and NO_x emission allowance programs with respect to coal plant emissions and also has constructed additional pollution control equipment at its coal-fired electric generating plants. These actions are expected to address many of the rules and regulations discussed herein.

Air

The CAA, as amended, is a comprehensive program utilizing a broad range of regulatory tools to protect and preserve the nation's air quality. At a minimum, states are required to establish regulatory programs to meet applicable requirements of the CAA. However, states may choose to develop regulatory programs that are more restrictive. Many of DESC's facilities are subject to the CAA's permitting and other requirements.

ACE Rule

In July 2019, the EPA published the final rule informally referred to as the ACE Rule, as a replacement for the Clean Power Plan. The ACE Rule regulated GHG emissions from existing coal-fired power plants pursuant to Section 111(d) of the CAA and required states to develop plans by July 2022 establishing unit-specific performance standards for existing coal-fired power plants. In January 2021, the U.S. Court of Appeals for the D.C. Circuit vacated the ACE Rule and remanded it to the EPA. This decision would take effect upon issuance of the court's mandate. In March 2021, the court issued a partial mandate vacating and remanding all parts of the ACE Rule except for the portion of the ACE Rule that repealed the Clean Power Plan. In October 2021, the U.S. Supreme Court agreed to hear a challenge of the U.S. Court of Appeals for the D.C. Circuit's decision on the ACE Rule. In June 2022, the U.S. Supreme Court reversed the D.C. Circuit's decision on the ACE Rule and remanded the case back to the D.C. Circuit. In May 2024, the EPA repealed the ACE Rule as part of a package of final rules addressing CO₂ emissions from new and existing fossil fuel-fired electric generating units.

Carbon Regulations

In August 2016, the EPA issued a draft rule proposing to reaffirm that a source's obligation to obtain a PSD or Title V permit for GHGs is triggered only if such permitting requirements are first triggered by non-GHG, or conventional, pollutants that are regulated by the New Source Review program, and exceed a significant emissions rate of 75,000 tons per year of CO₂ equivalent emissions. Until the EPA ultimately takes final action on this rulemaking, DESC cannot predict the impact to its results of operations, financial condition and/or cash flows.

In December 2018, the EPA proposed revised Standards of Performance for Greenhouse Gas Emissions from New, Modified, and Reconstructed Stationary Sources. The proposed rule would amend the previous determination that the best system of emission reduction for newly constructed coal-fired steam generating units is no longer partial carbon capture and storage. Instead, the proposed revised best system of emission reduction for this source category is the most efficient demonstrated steam cycle (e.g., supercritical steam conditions for large units and subcritical steam conditions for small units) in combination with best operating practices. In May 2024, the EPA withdrew the proposed revision to the performance standards for coal-fired steam generating units as part of a package of final rules addressing CO₂ emissions from new and existing fossil fuel-fired electric generating units.

Water

The CWA, as amended, is a comprehensive program requiring a broad range of regulatory tools including a permit program to authorize and regulate discharges to surface waters with strong enforcement mechanisms. DESC must comply with applicable aspects of the CWA programs at its operating facilities.

Regulation 316(b)

In October 2014, the final regulations under Section 316(b) of the CWA that govern existing facilities and new units at existing facilities that employ a cooling water intake structure and that have flow levels exceeding a minimum threshold became effective. The rule establishes a national standard for impingement based on seven compliance options, but forgoes the creation of a single technology standard for entrainment. Instead, the EPA has delegated entrainment technology decisions to state regulators. State regulators are to make case-by-case entrainment technology determinations after an examination of five mandatory facility-specific factors, including a social cost-benefit test, and six optional facility-specific factors. The rule governs all electric generating stations with water withdrawals above two MGD, with a heightened entrainment analysis for those facilities over 125 MGD. DESC has five facilities that are subject to the final regulations. DESC is also working with the EPA and state regulatory agencies to assess the applicability of Section 316(b) to five hydroelectric facilities. DESC anticipates that it may have to install impingement control technologies at certain of these stations that have once-through cooling systems. DESC is currently evaluating the need or potential for entrainment controls under the final rule as these decisions will be made on a case-by-case basis after a thorough review of detailed biological, technological, and cost benefit studies. DESC is conducting studies and implementing plans as required by the rule to determine appropriate intake structure modifications at certain facilities to ensure compliance with this rule. While the impacts of this rule could be material to DESC's results of operations, financial condition and/or cash flows, the existing regulatory framework in South Carolina provides rate recovery mechanisms that could substantially mitigate any such impacts for DESC.

Effluent Limitations Guidelines

In September 2015, the EPA released a final rule to revise the ELG Rule. The final rule established updated standards for wastewater discharges that apply primarily at coal and oil steam generating stations. Affected facilities are required to convert from wet to dry or closed cycle coal ash management, improve existing wastewater treatment systems and/or install new wastewater treatment technologies in order to meet the new discharge limits. In April 2017, the EPA granted two separate petitions for reconsideration of the final ELG Rule and stayed future compliance dates in the rule. Also in April 2017, the U.S. Court of Appeals for the Fifth Circuit granted the EPA's request for a stay of the pending consolidated litigation challenging the rule while the EPA addresses the petitions for reconsideration. In September 2017, the EPA signed a rule to postpone the earliest compliance dates for certain waste streams regulations in the final ELG Rule from November 2018 to November 2020; however, the latest date for compliance for these regulations was December 2023. In October 2020, the EPA released the final rule that extended the latest dates for compliance with individual facilities' compliance dates that would vary based on circumstances and the determination by state regulators and may range from 2021 to 2028. In May 2024, the EPA released a final rule revising the 2015 and 2020 Effluent Limitations Guidelines, establishing more stringent standards for wastewater discharges for the Steam Electric Power Generating Category, which apply primarily to wastewater discharges at coal and oil steam generating stations. Individual facilities' compliance dates will vary based on circumstances and the determination by state regulators and may range to 2029, except in certain circumstances when a facility will be retired by 2034. DESC expects to complete wastewater treatment technology retrofits and modifications at the Williams generating station, with a similar project at the Wateree generation station under evaluation, to meet the requirements with the existing regulatory framework in South Carolina providing rate recovery mechanisms for costs of the projects. As discussed below, DESC recorded an increase to its AROs in the second quarter of 2024 in connection with the expected compliance costs associated with the EPA's May 2024 final rule concerning CCR. DESC expects that such AROs would satisfy any AROs that would have otherwise been necessary for compliance with the EPA's May 2024 Effluent Limitations Guidelines. DESC is currently unable to estimate what costs, if any, may be required in addition to the project for the Williams generating station, a potential project at the Wateree generating station and the recorded AROs to meet the requirements to operate certain facilities past 2034. However, DESC expects that while such costs for facility improvements, if required, could be material to its financial condition and/or cash flows, the existing regulatory framework in South Carolina provides rate recovery mechanisms that could substantially mitigate any such impacts.

Capacity Use Area

In November 2019, a new CUA was established in the counties surrounding the Cope Generating Station (Western Capacity Use Area) under the South Carolina Groundwater Use and Reporting Regulation. Under the regulation any groundwater well in a CUA that withdraws above three million gallons per month must be permitted. The Cope Generating Station is located within this new Western Capacity Use Area. Cope has been using four deep groundwater wells for cooling water and other house loads since 1996. Prior to designation of the new Western Capacity Use Area, the wells at Cope Station were only required to be registered not permitted. As a result of this designation, Cope will need to restore the surface water equipment to operable status to reduce reliance on groundwater wells. This includes completion of 316(b) requirements, (including SCDES BAT determination and modification of the station national pollutant discharge elimination system permit, which was obtained) and extensive inspection, repair and/or replacement of the associated surface water withdrawal equipment which has been idle since 1996. While the impacts of this rule

change are potentially material to DESC's results of operations, financial condition and/or cash flows, the existing regulatory framework in South Carolina provides rate recovery mechanisms that could substantially mitigate any such impacts for DESC.

Waste Management and Remediation

The operations of DESC are subject to a variety of state and federal laws and regulations governing the management and disposal of solid and hazardous waste, and release of hazardous substances associated with current and/or historical operations. The CERCLA, as amended, and similar state laws, may impose joint, several and strict liability for cleanup on potentially responsible parties who owned, operated or arranged for disposal at facilities affected by a release of hazardous substances. In addition, many states have created programs to incentivize voluntary remediation of sites where historical releases of hazardous substances are identified and property owners or responsible parties decide to initiate cleanups.

From time to time, DESC may be identified as a potentially responsible party in connection with the alleged release of hazardous substances or wastes at a site. Under applicable federal and state laws, DESC could be responsible for costs associated with the investigation or remediation of impacted sites, or subject to contribution claims by other responsible parties for their costs incurred at such sites. DESC also may identify, evaluate and remediate other potentially impacted sites under voluntary state programs. Remediation costs may be subject to reimbursement under DESC's insurance policies, rate recovery mechanisms, or both. Except as described below, DESC does not believe these matters will have a material effect on results of operations, financial condition and/or cash flows.

DESC has four decommissioned manufactured gas plant sites in South Carolina that are in various states of investigation, remediation and monitoring under work plans approved by, or under review by, the SCDES or the EPA. In the fourth quarter of 2023, DESC completed the majority of remediation activities at one site. DESC anticipates the remaining activities at that site will be completed by 2025 at an estimated cost of less than \$1 million, after which the site will continue to incur ongoing maintenance and monitoring obligations. DESC expects to recover costs arising from the remediation work at all four sites through rate recovery mechanisms and as of December 31, 2024, deferred amounts, net of amounts previously recovered through rates and insurance settlements, totaled \$33 million and are included in regulatory assets.

Ash Pond and Landfill Closure Costs

In April 2015, the EPA enacted a final rule regulating CCR landfills, existing ash ponds that still receive and manage CCRs, and inactive ash ponds that do not receive, but still store, CCRs. DESC currently has inactive and existing CCR ponds and CCR landfills subject to the final rule at three different facilities. This rule created a legal obligation for DESC to retrofit or close all of its inactive and existing ash ponds over a certain period of time, as well as perform required monitoring, corrective action, and post-closure care activities as necessary.

In December 2016, legislation was enacted that creates a framework for EPA-approved state CCR permit programs. In August 2017, the EPA issued interim guidance outlining the framework for state CCR program approval. The EPA has enforcement authority until state programs are approved. The EPA and states with approved programs both will have authority to enforce CCR requirements under their respective rules and programs. In September 2017, the EPA agreed to reconsider portions of the CCR rule in response to two petitions for reconsideration. In March 2018, the EPA proposed certain changes to the CCR rule related to issues remanded as part of the pending litigation and other issues the EPA is reconsidering. Several of the proposed changes would allow states with approved CCR permit programs additional flexibility in implementing their programs. In July 2018, the EPA promulgated the first phase of changes to the CCR rule. In August 2018, the U.S. Court of Appeals for the D.C. Circuit issued its decision in the pending challenges of the CCR rule, vacating and remanding to the EPA three provisions of the rule. In May 2024, the EPA released a final rule to regulate inactive surface impoundments located at retired generating stations that contained CCR and liquids after October 2015, and certain other inactive or previously closed surface impoundments, landfills or other areas that contain accumulations of CCR. DESC believes that it may have inactive or closed units or areas that could be subject to the final rule at up to seven different stations. In connection with this rule, in the second quarter of 2024, DESC recorded an increase to its AROs of \$655 million, with a corresponding increase of \$353 million to property, plant and equipment for amounts recoverable for electric generation stations that are currently in service and \$302 million to regulatory assets for amounts recoverable through retail electric rates for electric generation stations that have been retired. In the third quarter of 2024, DESC recorded an adjustment to decrease the ARO and related property, plant and equipment by \$215 million to reflect updated information concerning one facility. The actual AROs related to CCRs may vary substantially from the estimates used to record the obligation.

Claims and Litigation

The following describes certain legal proceedings involving DESC relating primarily to events occurring before closing of the SCANA Combination.

Matters Fully Resolved Prior to 2024 Impacting the Consolidated Financial Statements

Governmental Proceedings and Investigations

In June 2018, DESC received a notice of proposed assessment of approximately \$410 million, excluding interest, from the SCDOR following its audit of DESC's sales and use tax returns for the periods September 1, 2008 through December 31, 2017. The proposed assessment, which includes 100% of the NND Project, is based on the SCDOR's position that DESC's sales and use tax exemption for the NND Project does not apply because the facility will not become operational. In December 2020, the parties reached an agreement in principle in the amount of \$165 million to resolve this matter. In June 2021, the parties executed a settlement agreement which allows DESC to fund the settlement amount through a combination of cash, shares of Dominion Energy common stock or real estate with an initial payment of at least \$43 million in shares of Dominion Energy common stock. In August 2021, Dominion Energy issued 0.6 million shares of its common stock to satisfy DESC's obligation for the initial payment under the settlement agreement. In May 2022, Dominion Energy issued an additional 0.9 million shares of its common stock to partially satisfy DESC's remaining obligation under the settlement agreement. In June 2022, DESC requested approval from the South Carolina Commission to transfer certain real estate with a total settlement value of \$51 million to satisfy its remaining obligation under the settlement agreement. In July 2022, the South Carolina Commission voted to approve the request and issued its final order in August 2022. In September 2022, DESC transferred certain non-utility property with a fair value of \$28 million to the SCDOR under the settlement agreement, resulting in a gain of \$19 million (\$14 million after-tax) recorded in other income (expense), net in DESC's Consolidated Statements of Comprehensive Income for the year ended December 31, 2022. In December 2022, DESC transferred additional utility property with a fair value of \$3 million to the SCDOR, resulting in an inconsequential gain. In October 2022, DESC filed for approval to transfer the remaining real estate with FERC which was received in November 2022. In March 2023, DESC transferred utility property with a fair value of \$10 million to the SCDOR resulting in a gain of \$9 million (\$7 million after-tax), recorded in other income (expense), net (reflected in the Corporate and Other segment) in DESC's Consolidated Statements of Comprehensive Income for the year ended December 31, 2023. In June 2023, DESC transferred the remaining utility property with a fair value of \$11 million to the SCDOR resulting in a gain of \$11 million (\$8 million after-tax), recorded in other income (expense), net (reflected in the Corporate and Other segment) in DESC's Consolidated Statements of Comprehensive Income for the year ended December 31, 2023. In July 2023, DESC made a less than \$1 million cash payment to the SCDOR to fully satisfy its remaining obligation, including applicable interest, under the settlement agreement.

SCANA Shareholder Litigation

In February 2018, a purported class action was filed against Dominion Energy and certain former directors of SCANA and DESC in the State Court of Common Pleas in Richland County, South Carolina (the Metzler Lawsuit). The plaintiff alleges, among other things, that defendants violated their fiduciary duties to shareholders by executing a merger agreement that would unfairly deprive plaintiffs of the true value of their SCANA stock, and that Dominion Energy aided and abetted these actions. Among other remedies, the plaintiff seeks to enjoin and/or rescind the merger. In February 2018, Dominion Energy removed the case to the U.S. District Court for the District of South Carolina and filed a Motion to Dismiss in March 2018. In September 2019, the U.S. District Court for the District of South Carolina granted the plaintiffs' motion to consolidate the Metzler Lawsuit with another lawsuit regarding the SCANA Merger Agreement to which DESC is not a party. In October 2019, the plaintiffs filed an amended complaint against certain former directors and executive officers of SCANA and DESC, which stated substantially similar allegations to those in the initial lawsuits as well as an inseparable fraud claim. In November 2019, the defendants filed a motion to dismiss. In April 2020, the U.S. District Court for the District of South Carolina denied the motion to dismiss. In May 2020, SCANA filed a motion to intervene, which was denied in August 2020. In September 2020, SCANA filed a notice of appeal with the U.S. Court of Appeals for the Fourth Circuit. In June 2021, the parties reached an agreement in principle to settle this case, along with a related case to which DESC was not a party, subject to court approval, with no financial impact to DESC. In June 2022, this case was dismissed in connection with court approval of the related case to which DESC was not a party.

Nuclear Insurance

Under Price-Anderson, DESC (for itself and on behalf of Santee-Cooper) maintains agreements of indemnity with the U.S. Nuclear Regulatory Commission that, together with private insurance, cover third-party liability arising from any nuclear incident occurring at Summer. Price-Anderson provides funds up to \$16.3 billion for public liability claims that could arise from a single nuclear incident. Each nuclear plant is insured against this liability to a maximum of \$450 million by American Nuclear Insurers with the remaining coverage provided by a mandatory program of deferred premiums that could be assessed, after a nuclear incident, against all owners of commercial nuclear reactors. Each reactor licensee is liable for up to \$166 million per reactor owned for each nuclear incident occurring at any reactor in the U.S., provided that not more than \$25 million of the liability per reactor would be assessed per year. DESC's maximum assessment, based on its two-thirds ownership of Summer, would be \$111 million per incident, but not more than \$9 million per year. Both the maximum assessment per reactor and the maximum yearly assessment are adjusted for inflation at least every five years.

During the first quarter of 2024, the total liability protection per nuclear incident available to all participants in the Secondary Financial Protection Program increased from \$16.2 billion to \$16.3 billion. This increase does not impact DESC's responsibility per

active unit under the Price-Anderson Amendments Act of 1988. Additionally, Dominion Energy increased the amount of coverage purchased from commercial insurance pools for Summer from \$450 million to \$500 million with the remainder provided through the mandatory industry retrospective rating plan.

DESC currently maintains insurance policies (for itself and on behalf of Santee Cooper) with NEIL. The policies provide coverage to Summer for property damage and outage costs up to \$1.06 billion resulting from an event of nuclear origin and up to \$1 million resulting from an event of a non-nuclear origin. The NEIL policies in aggregate, are subject to a maximum loss of \$1.06 billion for any single loss occurrence. The NEIL policies permit retrospective assessments under certain conditions to cover insurer's losses. Based on the current annual premium, DESC's portion of the retrospective premium assessment would not exceed \$7 million. DESC currently maintains an excess property insurance policy (for itself and on behalf of Santee Cooper) with EMANI. The policy provides coverage to Summer for property damage and outage costs up to \$1 million resulting from an event of a non-nuclear origin. The EMANI policy permits retrospective assessments under certain conditions to cover insurer's losses. Based on the current annual premium, DESC's portion of the retrospective premium assessment would not exceed an inconsequential amount.

To the extent that insurable claims for property damage, decontamination, repair and replacement and other costs and expenses arising from an incident at Summer exceed the policy limits of insurance, or to the extent such insurance becomes unavailable in the future, and to the extent that DESC's rates would not recover the cost of any purchased replacement power, DESC will retain the risk of loss as a self-insurer. DESC has no reason to anticipate a serious nuclear or other incident. However, if such an incident were to occur, it likely would have a material impact on DESC's results of operations, cash flows and financial position.

Spent Nuclear Fuel

The Nuclear Waste Policy Act of 1982 required that the United States government accept and permanently dispose of high-level radioactive waste and spent nuclear fuel by January 31, 1998, and it imposed on utilities the primary responsibility for storage of their spent nuclear fuel until the repository is available. DESC entered into a Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste with the DOE in 1983. By mutual agreement of the parties, damage award payments and settlement payments are made until the DOE has accepted the same amount of spent fuel from the facility as if it has fully performed its contractual obligations. In 2024, DESC received payment of \$2 million for resolution of its share of claims incurred at Summer for the period of January 1, 2023 through December 31, 2023. In 2023, DESC received payment of \$6 million for resolution of its share of claims incurred at Summer for the period of January 1, 2022 through December 31, 2022. In 2022, DESC received payment of \$1 million for resolution of its share of claims incurred at Summer for the period of January 1, 2021 through December 31, 2021. As of December 31, 2024, the federal government has not accepted any spent fuel from Summer, and it remains unclear when the repository may become available. DESC has constructed an independent spent fuel storage installation to accommodate the spent nuclear fuel output for the life of Summer. DESC may evaluate other technology as it becomes available.

Long-Term Purchase Agreements

At December 31, 2024, DESC had the following long-term commitments that are noncancelable or cancelable only under certain conditions, and that a third party that will provide the contracted goods or services has used to secure financing.

	2025	2026	2027	2028	2029	Thereafter	Total
Purchased electric capacity ⁽¹⁾⁽²⁾	\$ 85	\$ 88	\$ 89	\$ 88	\$ 87	\$ 473	\$ 910

(1) Includes affiliated amounts with certain solar facilities of \$173 million.

(2) Commitments represent estimated amounts payable for energy under power purchase contracts with qualifying facilities which expire at various dates through 2040. Energy payments are generally based on fixed dollar amounts per month and totaled \$70 million in 2024, \$70 million in 2023 and \$75 million in 2022.

Surety Bonds

At December 31, 2024, DESC had purchased \$24 million of surety bonds. Under the terms of surety bonds, DESC is obligated to indemnify the respective surety bond company for any amounts paid.

13. LEASES

At December 31, 2024 and 2023, DESC had the following lease assets and liabilities recorded in the Consolidated Balance Sheets:

At December 31, (millions)	2024	2023
Lease assets:		
Operating lease assets ⁽¹⁾	\$ 20	\$ 18
Finance lease assets ⁽²⁾	3	6
Total lease assets	\$ 23	\$ 24
Lease liabilities:		
Operating lease - current ⁽³⁾	\$ 3	\$ 2
Operating lease - noncurrent ⁽⁴⁾	18	17
Finance lease - current ⁽⁵⁾	2	3
Finance lease - noncurrent	2	4
Total lease liabilities	\$ 25	\$ 26

(1) Included in other deferred debits and other assets in the Consolidated Balance Sheets.

(2) Included in utility plant, net, in the Consolidated Balance Sheets, net of \$15 million and \$17 million of accumulated amortization at December 31, 2024 and December 31, 2023, respectively.

(3) Included in other current liabilities in the Consolidated Balance Sheets.

(4) Included in other deferred credits and other liabilities in the Consolidated Balance Sheets.

(5) Included in securities due within one year in the Consolidated Balance Sheets.

For the years ended December 31, 2024, 2023 and 2022, total lease cost consisted of the following:

Year Ended December 31, (millions)	2024	2023	2022
Finance lease cost:			
Amortization	\$ 3	\$ 3	\$ 4
Interest	—	—	1
Operating lease cost	4	5	4
Short-term lease cost	1	2	2
Total lease cost	\$ 8	\$ 10	\$ 11

For the years ended December 31, 2024, 2023 and 2022, cash paid for amounts included in the measurement of lease liabilities consisted of the following amounts, included in the Consolidated Statements of Cash Flows:

Year Ended December 31, (millions)	2024	2023	2022
Operating cash flows from finance leases	\$ —	\$ —	\$ 1
Operating cash flows from operating leases	4	4	6
Financing cash flows from finance leases	3	4	4

At December 31, 2024 and 2023, the weighted-average remaining lease term and weighted-average discount rate for finance and operating leases were as follows:

At December 31,	2024	2023
Weighted-average remaining lease term - finance leases	3 years	3 years
Weighted-average remaining lease term - operating leases	16 years	18 years
Weighted-average discount rate - finance leases	3.17 %	2.96 %
Weighted-average discount rate - operating leases	4.34 %	4.12 %

Lease liabilities have the following scheduled maturities:

(millions)	<u>Operating</u>	<u>Finance</u>
2025	\$ 3	\$ 2
2026	3	1
2027	2	1
2028	2	—
2029	2	—
After 2029	20	—
Total undiscounted lease payments	<u>32</u>	<u>4</u>
Present value adjustment	(11)	—
Present value of lease liabilities	<u>\$ 21</u>	<u>\$ 4</u>

14. OPERATING SEGMENTS

The Corporate and Other Segment primarily includes specific items attributable to DESC's operating segment that are not included in profit measures evaluated by executive management in assessing the segment's performance or in allocating resources.

DESC's CODM for the year ended December 31, 2024 was the CEO. The CODM uses net income (loss) as the primary profit or loss measure at each segment. The CODM considers budget-to-actual variances on a quarterly basis when making decisions about allocating operating and capital resources to each segment, when assessing the performance of each segment and when determining the compensation of certain employees.

In 2024, DESC reported after-tax net expenses of \$47 million for specific items in the Corporate and Other segment, all of which was attributable to its operating segment.

The net expense for specific items attributable to DESC's operating segment in 2024 primarily related to a \$58 million (\$44 million after-tax) charge in connection with the electric base rate case.

In 2023, DESC reported after-tax net income of \$18 million for specific items in the Corporate and Other segment, all of which was attributable to its operating segment.

The net income for specific items attributable to DESC's operating segment in 2023 primarily related to a \$28 million (\$21 million after-tax) benefit related to real estate transactions, including gains on the transfer of property to satisfy litigation associated with the NND Project.

In 2022, DESC reported after-tax expenses of \$3 million for specific items in the Corporate and Other segment, all of which was attributable to its operating segment.

The following table presents segment information pertaining to DESC's operations:

Year Ended December 31, (millions)	Dominion Energy South Carolina	Corporate and Other	Consolidated Total
2024			
Operating Revenue	\$ 3,173	\$ —	\$ 3,173
Fuel used in electric generation ⁽¹⁾	603	—	603
Purchased power ⁽¹⁾	68	—	68
Gas purchased for resale ⁽¹⁾	245	—	245
Other operations and maintenance ⁽¹⁾⁽²⁾	658	59	717
Depreciation and amortization ⁽¹⁾	546	—	546
Other taxes ⁽¹⁾	300	—	300
Total Operating Expenses	2,420	59	2,479
Other income, net ⁽³⁾	2	(3)	(1)
Interest charges, net of AFUDC ⁽¹⁾	276	—	276
Income tax expense (benefit) ⁽¹⁾	80	(15)	65
Deferred cost of employee benefit plans, net of tax ⁽³⁾	—	—	—
Comprehensive Income Attributable to Noncontrolling Interest⁽³⁾	23	—	23
Comprehensive Income (Loss) Available (Attributable) to Common Shareholder	376	(47)	329
Capital expenditures	1,105	—	1,105
Total assets (billions)	17.0	—	17.0
2023			
Operating Revenue	\$ 3,028	\$ —	\$ 3,028
Fuel used in electric generation ⁽¹⁾	582	—	582
Purchased power ⁽¹⁾	72	—	72
Gas purchased for resale ⁽¹⁾	243	—	243
Other operations and maintenance ⁽¹⁾⁽²⁾	626	(24)	602
Depreciation and amortization ⁽¹⁾	531	—	531
Other taxes ⁽¹⁾	292	—	292
Total Operating Expenses	2,346	(24)	2,322
Other income, net ⁽³⁾	24	—	24
Interest charges, net of AFUDC ⁽¹⁾	250	—	250
Income tax expense ⁽¹⁾	79	6	85
Deferred cost of employee benefit plans, net of tax ⁽³⁾	1	—	1
Comprehensive Income Attributable to Noncontrolling Interest⁽³⁾	21	—	21
Comprehensive Income Available to Common Shareholder	357	18	375
Capital expenditures	957	—	957
Total assets (billions)	15.9	—	15.9
2022			
Operating Revenue	\$ 3,783	\$ —	\$ 3,783
Fuel used in electric generation ⁽¹⁾	1,000	—	1,000
Purchased power ⁽¹⁾	137	—	137
Gas purchased for resale ⁽¹⁾	433	—	433
Other operations and maintenance ⁽¹⁾⁽²⁾	626	4	630
Depreciation and amortization ⁽¹⁾	507	—	507
Other taxes ⁽¹⁾	277	—	277
Total Operating Expenses	2,980	4	2,984
Other income, net ⁽³⁾	55	—	55
Interest charges, net of AFUDC ⁽¹⁾	220	—	220
Income tax expense (benefit) ⁽¹⁾	132	(1)	131
Deferred cost of employee benefit plans, net of tax ⁽³⁾	(1)	—	(1)
Comprehensive Income Attributable to Noncontrolling Interest⁽³⁾	20	—	20
Comprehensive Income (Loss) Available (Attributable) to Common Shareholder	485	(3)	482
Capital expenditures	697	—	697

- (1) The significant expense categories and amounts in the segment information presented above align with the segment-level information that is regularly provided to DESC's CODM.
- (2) Includes impairment of assets and other charges.
- (3) Items designated are other segment items for each reportable segment.

15. UTILITY PLANT AND NONUTILITY PROPERTY

Major classes of utility plant and other property and their respective balances at December 31, 2024 and 2023 were as follows:

At December 31, (millions)	2024	2023
Gross utility plant:		
Generation	\$ 6,635	\$ 6,322
Transmission	2,342	2,272
Distribution	6,311	5,901
Storage	79	79
General and other	651	644
Intangible	282	282
Construction work in progress	899	606
Nuclear fuel	570	609
Total gross utility plant	<u>\$ 17,769</u>	<u>\$ 16,715</u>
Gross nonutility property	<u>\$ 16</u>	<u>\$ 25</u>

Jointly Owned Utility Plant

DESC jointly owns and is the operator of Summer. Each joint owner provides its own financing and shares the direct expenses and generation output in proportion to its ownership. DESC's share of the direct expenses of Summer is included in the corresponding operating expenses on its income statement. The units associated with the NND Project, net of impairment charges, have been reclassified from construction work in progress to a regulatory asset as a result of the decision to stop their construction. See additional discussion at Note 3.

At December 31,	2024	2023
	Summer Unit 1	Summer Unit 1
Percent owned	66.7%	66.7%
Plant in service	\$ 1.6 billion	\$ 1.6 billion
Accumulated depreciation	\$ 784 million	\$ 772 million
Construction work in progress	\$ 58 million	\$ 88 million

Included within other receivables on the balance sheet were amounts due to DESC from Santee Cooper for its share of direct expenses. These amounts totaled \$36 million at December 31, 2024 and \$50 million at December 31, 2023.

16. AFFILIATED AND RELATED PARTY TRANSACTIONS

DES, on behalf of itself and its parent company, provides the following services to DESC, which are rendered at direct or allocated cost: information systems, telecommunications, customer support, marketing and sales, human resources, corporate compliance, purchasing, financial, risk management, public affairs, legal, investor relations, gas supply and capacity management, strategic planning, general administrative and retirement benefits. Costs for these services include amounts capitalized. Amounts expensed are primarily recorded in other operations and maintenance - affiliated suppliers and other income, net in the Consolidated Statements of Comprehensive Income.

DESC transacts with affiliates for certain quantities of electricity in the ordinary course of business. DESC also enters into certain commodity derivative contracts with affiliates. DESC uses these contracts, which are principally comprised of forward commodity purchases, to manage commodity price risks associated with purchases of electricity. See Note 8 for more information.

Year Ended December 31, (millions)	2024	2023	2022
Direct and allocated costs from DES ⁽¹⁾	\$ 222	\$ 222	\$ 212
Operating Revenues – Electric from sales to affiliate	7	4	4
Operating Revenues – Gas from sales to affiliate	1	1	1
Operating Expenses – Other taxes from affiliate	8	8	8
Purchases of electricity from solar affiliates	8	13	14

(1) Includes capitalized expenditures of \$57 million, \$59 million and \$48 million for the years ended December 31, 2024, 2023 and 2022, respectively.

At December 31, (millions)	2024	2023
Payable to DES	19	18
Payable to SCANA Corporation	7	7
Payable to PSNC		13
Derivative assets with affiliates ⁽¹⁾	48	33

(1) Includes amounts recorded in current derivative assets of \$4 million and \$2 million as of December 31, 2024 and 2023, respectively, and amounts recorded in noncurrent derivative assets of \$44 million and \$31 million as of December 31, 2024 and 2023, respectively.

Certain disclosures regarding tax related affiliate balances are included in Note 2. Borrowings from an affiliate are described in Note 6. Certain disclosures regarding DESC's participation in SCANA's noncontributory defined benefit pension plan and unfunded postretirement health care and life insurance programs are included in Note 11.

17. OTHER INCOME (EXPENSE), NET

Components of other income (expense), net are as follows:

Year Ended December 31, (millions)	2024	2023	2022
Other income	\$ 12	\$ 8	\$ 10
Gains on sales of assets ⁽¹⁾	4	32	42
Other expense	(19)	(16)	2
Allowance for equity funds used during construction	2	—	1
Other income (expense), net	\$ (1)	\$ 24	\$ 55

(1) Includes amounts recognized in connection with the transfer of property, plant and equipment to satisfy litigation in 2023 and 2022. See Note 12 for additional information.

Non-service cost components of pension and other postretirement benefits are included in other expense.

In 2023, DESC completed the sale of certain utility property in South Carolina, as approved by the South Carolina Commission in February 2023, for total cash consideration of \$12 million. In connection with the sale, DESC recognized a net gain of \$11 million (\$8 million after-tax), reflected in the Corporate and Other segment, for the year ended December 31, 2023.

In 2022, DESC completed the sales of certain utility property in South Carolina, as approved by the South Carolina Commission, for total cash consideration of \$20 million. In connection with the sales, DESC recognized a gain of \$20 million (\$15 million after-tax) for the year ended December 31, 2022.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Senior management, including DESC's CEO and CFO, evaluated the effectiveness of DESC's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation process, DESC's CEO and CFO have concluded that DESC's disclosure controls and procedures are effective. There were no changes in DESC's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, DESC's internal control over financial reporting.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of DESC understands and accepts responsibility for DESC's financial statements and related disclosures and the effectiveness of internal control over financial reporting (internal control). DESC continuously strives to identify opportunities to enhance the effectiveness and efficiency of internal control, just as DESC does throughout all aspects of its business.

DESC maintains a system of internal control designed to provide reasonable assurance, at a reasonable cost, that its assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed and recorded in accordance with established procedures. This system includes written policies, an organizational structure designed to ensure appropriate segregation of responsibilities, careful selection and training of qualified personnel and internal audits.

The Board of Directors also serves as DESC's Audit Committee and has periodic communications with the independent registered public accounting firm, the internal auditors and management concerning DESC's auditing, internal accounting control and financial reporting matters and to ensure that each is properly discharging its responsibilities.

SEC rules implementing Section 404 of the Sarbanes-Oxley Act require DESC's 2024 Annual Report to contain a management's report regarding the effectiveness of internal control. As a basis for the report, DESC tested and evaluated the design and operating effectiveness of internal controls. Based on its assessment as of December 31, 2024, DESC makes the following assertions:

Management is responsible for establishing and maintaining effective internal control over financial reporting of DESC.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management evaluated DESC's internal control over financial reporting as of December 31, 2024. This assessment was based on criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that DESC maintained effective internal control over financial reporting as of December 31, 2024.

This annual report does not include an attestation report of DESC's independent registered public accounting firm regarding internal control over financial reporting. Management's report is not subject to attestation by DESC's independent registered public accounting firm pursuant to a permanent exemption under the Dodd-Frank Act.

February 27, 2025

Item 9B. Other Information

During the last fiscal year, none of DESC's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Omitted pursuant to General Instructions I.(2)(c).

Item 11. Executive Compensation

Omitted pursuant to General Instructions I.(2)(c).

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Omitted pursuant to General Instructions I.(2)(c).

Item 13. Certain Relationships and Related Transactions, and Director Independence

Omitted pursuant to General Instructions I.(2)(c).

Item 14. Principal Accountant Fees and Services

The following table presents fees paid to Deloitte & Touche LLP for services related to DESC for the fiscal years ended December 31, 2024 and 2023.

Type of Fees (millions)	2024	2023
Audit fees	\$ 1.67	\$ 1.62
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
Total Fees	\$ 1.67	\$ 1.62

Audit fees represent fees of Deloitte & Touche LLP for the audit of DESC's annual consolidated financial statements, the review of financial statements included in DESC's quarterly Form 10-Q reports, and the services that an independent auditor would customarily provide in connection with subsidiary audits, statutory requirements, regulatory filings, and similar engagements for the fiscal year, such as comfort letters, attest services, consents, and assistance with review of documents filed with the SEC.

Audit-related fees consist of assurance and related services that are reasonably related to the performance of the audit or review of DESC's consolidated financial statements or internal control over financial reporting. This category may include fees related to the performance of audits and attest services not required by statute or regulations, due diligence related to mergers, acquisitions, and investments, and accounting consultations about the application of GAAP to proposed transactions.

DESC's Board of Directors has adopted the Dominion Energy Audit Committee pre-approval policy for its independent auditor's services and fees and has delegated the execution of this policy to the Dominion Energy Audit Committee. All services performed in 2024 and 2023 by the independent auditor were approved by the Dominion Energy Audit Committee pursuant to the pre-approval policy.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) Certain documents are filed as part of this Form 10-K and are incorporated by reference and found on the pages noted.

1. Financial Statements
See Index on page 26.
2. All schedules are omitted because they are not applicable, or the required information is either not material or is shown in the financial statements or the related notes.
3. Exhibits (incorporated by reference unless otherwise noted)

Exhibit Number	Description
3.01	Amended and Restated Articles of Incorporation, effective April 29, 2019 (Exhibit 3.1, Form 8-K filed April 29, 2019, File No. 1-3375).
3.02	Amended and Restated Bylaws, effective April 29, 2019 (Exhibit 3.2, Form 8-K filed April 29, 2019, File No. 1-3375).
4.01	Articles of Exchange of South Carolina Electric & Gas Company and SCANA Corporation (Filed as Exhibit 4-A to Post-Effective Amendment No. 1 to Registration Statement No. 2-90438 and incorporated by reference herein). (Filed on paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
4.02	Indenture dated as of April 1, 1993 between Dominion Energy South Carolina, Inc. (formerly South Carolina Electric & Gas Company) and The Bank of New York Mellon Trust Company, N. A. (successor to NationsBank of Georgia, National Association), as trustee (Exhibit 4.1, Form S-3 Registration Statement filed January 12, 2021, File No. 333-252048).
4.03	First Supplemental Indenture dated as of June 1, 1993 (Filed as Exhibit 4-G to Registration Statement No. 33-49421). (Filed on paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
4.04	Second Supplemental Indenture dated as of June 15, 1993 (Filed as Exhibit 4-G to Registration Statement No. 33-57955). (Filed on paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
4.05	Third Supplemental Indenture dated as of September 1, 2013 (Exhibit 4.12, Amendment No. 1 to Form S-3 Registration Statement filed October 3, 2013, File No. 333-184426).
4.06	Description of Series A Nonvoting Preferred Shares (Exhibit 4.06, Form 10-K for the fiscal year ended December 31, 2019 filed February 28, 2020, File No. 1-03375).
10.01	Contract for AP1000 Fuel Fabrication and Related Services between Westinghouse Electric Company LLC and South Carolina Electric & Gas Company for V. C. Summer AP1000 Nuclear Plant Units 2 & 3 dated January 27, 2011 (portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended) (Exhibit 10.01, Form 10-Q/A for the quarter ended March 31, 2011 filed August 3, 2011, File No. 1-3375).
10.02	\$6,000,000,000 Fifth Amended and Restated Revolving Credit Agreement, dated June 9, 2021, among Dominion Energy, Inc., Virginia Electric and Power Company, Questar Gas Company, Dominion Energy South Carolina, Inc., JP Morgan Chase Bank, N.A., as Administrative Agent, Mizuho Bank, Ltd., Bank of America, N.A., The Bank of Nova Scotia and Wells Fargo Bank, N.A., as Syndication Agents, J.P. Morgan Securities, LLC and Mizuho Bank, Ltd., as Co-Sustainability Structuring Agent, and other lenders named therein (Exhibit 10.1, Form 8-K filed June 10, 2021, File No. 1-3375); as amended by the First Amendment, dated September 28, 2022, to the Fifth Amended and Restated Revolving Credit Agreement (Exhibit 10.1, Form 8-K filed September 30, 2022, File No. 1-3375) and the Second Amendment, dated May 30, 2024, to the Fifth Amended and Restated Revolving Credit Agreement (Exhibit 10.1, Form 8-K filed June 3, 2024, File No. 1-3375).
10.03	DES Services Agreement, dated February 20, 2019, by and between South Carolina Electric & Gas Company and Dominion Energy Services, Inc. (Exhibit 10.04, Form 10-K for the fiscal year ended December 31, 2019 filed February 28, 2020, File No. 1-03375).

Exhibit Number	Description
10.04	<u>Settlement Agreement dated as of July 27, 2017, by and among Toshiba, South Carolina Electric & Gas Company and Santee Cooper (Exhibit 99.2, Form 8-K filed July 28, 2017, File No. 1-3375).</u>
10.05	<u>Trade Confirmation dated September 25, 2017, between South Carolina Electric & Gas Company, Santee Cooper and Citibank, N.A., and associated Assignment and Purchase Agreement, dated September 27, 2017, by and among South Carolina Electric & Gas Company, Santee Cooper and Citibank, N. A. (Exhibit 10.03, Form 10-Q for the quarter ended September 30, 2017 filed November 3, 2017, File No. 1-3375).</u>
23	<u>Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm for Dominion Energy South Carolina, Inc. (filed herewith).</u>
31.a	<u>Certification by Chief Executive Officer of Dominion Energy South Carolina, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</u>
31.b	<u>Certification by Chief Financial Officer of Dominion Energy South Carolina, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</u>
32.a	<u>Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Dominion Energy South Carolina, Inc. as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</u>
101	The following financial statements from Dominion Energy South Carolina, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2024, filed on February 27, 2025, formatted in iXBRL (Inline eXtensible Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Comprehensive Income; (iii) Consolidated Statements of Cash Flows, (iv) Consolidated Statements of Changes in Common Equity, and (v) the Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted in iXBRL (Inline eXtensible Reporting Language) and contained in Exhibit 101).

Item 16. Form 10-K Summary

None.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-277322 on Form S-3 of our report dated February 27, 2025, relating to the consolidated financial statements of Dominion Energy South Carolina, Inc. (an indirect, wholly-owned subsidiary of Dominion Energy, Inc.) and affiliates, appearing in this Annual Report on Form 10-K of Dominion Energy South Carolina, Inc. for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Richmond, Virginia
February 27, 2025

I, Edward H. Baine, certify that:

1. I have reviewed this report on Form 10-K of Dominion Energy South Carolina, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Edward H. Baine

Edward H. Baine
Chief Executive Officer

I, Steven D. Ridge, certify that:

1. I have reviewed this report on Form 10-K of Dominion Energy South Carolina, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Steven D. Ridge

Steven D. Ridge
Executive Vice President and
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Dominion Energy South Carolina, Inc. (the "Company"), certify that:

1. the Annual Report on Form 10-K for the year ended December 31, 2024 (the "Report"), of the Company to which this certification is an exhibit fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)).
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of December 31, 2024, and for the period then ended.

/s/ Edward H. Baine

Edward H. Baine
Chief Executive Officer
February 27, 2025

/s/ Steven D. Ridge

Steven D. Ridge
Executive Vice President and Chief Financial Officer
February 27, 2025
