STATE OF SOUTH CAROLINA )
COUNTY OF HAMPTON )
Jessica S. Cook, et al., )
Plaintiffs, )
v. )
South Carolina Public Service )
Authority, et al., )
Defendants. )

IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT

Civil Action No. 2017-CP-25-00348

## AMENDED ANSWER TO PLAINTIFFS' FIFTH AMENDED COMPLAINT

Defendants South Carolina Electric & Gas Company, SCANA Corporation, and SCANA Services, Inc. (collectively, "SCE&G") submit the following Amended Answer to Plaintiffs' Fifth Amended Class Action Complaint, filed July 25, 2019 ("Complaint").

# FOR A FIRST DEFENSE

(General Denial)

# PARTIES AND JURISDICTION

1. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 1 and, therefore, denies them.

2. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 2 and, therefore, denies them.

3. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 3 and, therefore, denies them.

4. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 4 and, therefore, denies them.

5. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 5 and, therefore, denies them.

6. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 6 and, therefore, denies them.

7. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 7 and, therefore, denies them.

8. SCE&G admits that the South Carolina Public Service Authority ("Santee Cooper") is a state agency and public power utility created by the South Carolina General Assembly with its principal place of business in South Carolina. SCE&G also admits that Santee Cooper provides electric power to customers. SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 8 and, therefore, denies them.

9. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 9 and, therefore, denies them.

10. SCE&G admits that Central Electric Power Cooperative, Inc. is a South Carolina corporation. SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 10 and, therefore, denies them.

11. SCE&G admits that Palmetto Electric Cooperative, Inc. is a South Carolina corporation. SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 11 and, therefore, denies them.

12. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 12 and, therefore, denies them.

13. SCE&G, now known as Dominion Energy South Carolina, admits that its principal place of business is in Lexington County, South Carolina and that it provides electric utility services, and owns certain property, in various locations throughout South

Carolina. SCE&G denies the remaining allegations in Paragraph 13 as written. SCE&G is now a wholly owned subsidiary of Dominion Energy.

14. SCE&G admits that SCANA previously had its principal place of business in South Carolina and was in the business of holding certain utility assets. SCANA was acquired by Dominion Energy in January 2019. SCE&G denies the remaining allegations in Paragraph 14.

15. SCE&G admits the allegations in Paragraph 15 regarding SCANA Services, now known as Dominion Energy Southeast Services.

16. SCE&G admits that it is in the business of providing electric utility services to customers throughout South Carolina and that it provides those services to customers pursuant to contracts. SCE&G denies the remaining allegations in Paragraph 16.

17. SCE&G admits that the Complaint refers to the above-named plaintiffs as "Plaintiffs." SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 17 and, therefore, denies them.

18. SCE&G denies the allegations in Paragraph 18.

## SUBSTANTIVE ALLEGATIONS

19. SCE&G admits that Plaintiffs' stated reason for filing this lawsuit is SCE&G and Santee Cooper's decision to construct and abandon construction of the Project.

20. SCE&G admits the allegations in Paragraph 20.

21. SCE&G lacks knowledge or information sufficient to admit or deny the allegations in Paragraph 21 and, therefore, denies them.

22. SCE&G admits the allegations in Paragraph 22.

23. SCE&G admits the allegations in Paragraph 23.

24. SCE&G admits that it considered a nuclear design from General Electric, but ultimately selected the AP1000 from Westinghouse. SCE&G further admits that Westinghouse is a subsidiary of Toshiba. SCE&G states that the parties' rights and obligations with respect to construction of the reactors are defined by contracts and SCE&G refers to those contracts as the best evidence of their contents. SCE&G denies the remaining allegations in Paragraph 24.

25. SCE&G admits that it became partners with Santee Cooper as co-owners of the Project and that Santee Cooper's ownership interest was 45% with SCE&G owning the remaining 55%. The contracts between SCE&G and Santee Cooper are written documents that speak for themselves. To the extent the remaining allegations in Paragraph 25 mischaracterize or misconstrue the parties' obligations under those agreements, SCE&G denies them.

26. In response to the allegations in Paragraph 26, SCE&G states that the contracts between SCE&G and Santee Cooper are written documents that speak for themselves. To the extent the remaining allegations in Paragraph 26 mischaracterize or misconstrue the parties' obligations under those agreements, SCE&G denies them.

27. In response to the allegations in Paragraph 27, SCE&G admits that Santee Cooper's involvement in pre- and post-construction phases of the Project was one consideration in SCE&G's decision to move forward with the Project. SCE&G further admits that it announced its decision to suspend construction of the Project on the same day Santee Cooper made its announcement. SCE&G denies the remaining allegations in Paragraph 27.

28. In response to the allegations in Paragraph 28, SCE&G states that the statements referenced in this paragraph speak for themselves and SCE&G refers to the statements themselves as the best evidence of their content. To the extent the allegations mischaracterize or misconstrue those statements, SCE&G denies them.

29. SCE&G denies the allegations in Paragraph 29.

30. SCE&G admits that it charged customers in accordance with the relevant standards set forth by the Base Load Review Act. SCE&G lacks sufficient knowledge or information to admit or deny the allegations regarding Santee Cooper's methods for charging its customers and, therefore, denies them. SCE&G denies the remaining allegations in Paragraph 30.

31. SCE&G admits that SCE&G and Santee Cooper decided to include two nuclear reactors in defining the proposed scope of the Project. SCE&G further admits that it charged customers in accordance with the relevant standards set forth by the Base Load Review Act. SCE&G lacks sufficient knowledge or information to admit or deny the allegations regarding Santee Cooper's methods for charging its customers and, therefore, denies them. SCE&G denies the remaining allegations in Paragraph 31.

32. SCE&G admits that it signed an Engineering, Procurement, and Construction Contract ("EPC") with a consortium in 2008. The EPC contract is a written document that speaks for itself and, to the extent the allegations in Paragraph 32 mischaracterize or misstate the contents of that document, SCE&G denies those allegations.

33. SCE&G admits that it sought a "Certificate of Need" from the South Carolina Public Service Commission ("PSC"). SCE&G further states that the pleadings

submitted in the proceeding referenced in Paragraph 33 are written documents that speak for themselves. To the extent the allegations in Paragraph 33 mischaracterize or misconstrue the relief requested in those documents, SCE&G denies them. SCE&G denies the remaining allegations in Paragraph 33.

34. In response to the allegations in Paragraph 34, SCE&G states that Mr. Marsh's testimony and the PSC's written findings speak for themselves. To the extent the allegations in Paragraph 34 are inconsistent with Mr. Marsh's testimony or the PSC's written findings, SCE&G denies them.

35. In response to the allegations in Paragraph 35, SCE&G states that Mr. Marsh's testimony speaks for itself. To the extent the allegations in Paragraph 35 misquote or misconstrue that testimony, SCE&G denies them.

36. In response to the allegations in Paragraph 36, SCE&G states that its duties and obligations with respect to the Project are governed by various contracts and other written documents that speak for themselves. To the extent Paragraph 36 alleges that the PSC "charged" SCE&G with specific responsibilities, SCE&G states that the PSC's order is a written document that speaks for itself and denies any allegations inconsistent with that order. SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 36, and, therefore, denies them.

37. In response to the allegations in Paragraph 37, SCE&G states that its submissions to the federal licensing authorities are written documents that speak for themselves and, to the extent the allegations misconstrue or mischaracterize the contents of those documents, SCE&G denies them.

38. In response to the allegations in Paragraph 38, SCE&G states that the term "[p]re-nuclear construction" is vague and ambiguous. SCE&G, therefore, lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 38.

39. SCE&G denies the allegations in Paragraph 39.

40. SCE&G denies the allegations in Paragraph 40.

41. SCE&G admits that Santee Cooper provided its share of funding for the Project and that the money was used on construction. SCE&G lacks sufficient knowledge and information to admit or deny the allegations regarding Santee Cooper's financing of its contractual obligations and, therefore, denies them. SCE&G denies the remaining allegations in Paragraph 41.

42. SCE&G lacks sufficient knowledge and information to admit or deny the allegations in Paragraph 42 and, therefore, denies them.

43. SCE&G denies that it assumed responsibility for negotiations with prospective purchasers of Santee Cooper's ownership interest. SCE&G states that the terms of sale are part of a written document that speaks for itself. To the extent the allegations mischaracterize or misstate the contents of those documents, SCE&G denies them.

44. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in the first sentence of Paragraph 44 and, therefore, denies them. The press releases referenced in the second sentence of Paragraph 44 are written documents that speak for themselves. To the extent the allegations mischaracterize or misstate the contents of those documents, SCE&G denies them.

45. SCE&G admits that it agreed to purchase 5% of Santee Cooper's ownership interest in the Project under terms set forth in a purchase and sale agreement. The purchase and sale agreement is a written document that speaks for itself. To the extent the allegations mischaracterize or misconstrue the contents of that document, SCE&G denies them.

46. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 46 and, therefore, denies them.

47. SCE&G admits that the Project incurred delays, cost increases, and setbacks at various points throughout the Project. SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 47 and, therefore, denies them.

48. SCE&G admits that the owners gave Westinghouse full notice to proceed in 2012. SCE&G denies the remaining allegations in Paragraph 48.

49. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 49 and, therefore, denies them.

50. SCE&G admits that the parties amended the EPC agreement in October of 2015. Both the amendment and the letter referenced in Paragraph 50 are written documents that speak for themselves and, to the extent the allegations mischaracterize or misstate the contents of those documents, SCE&G denies them.

51. In response to the allegations in Paragraph 51, SCE&G states that the EPC amendment is a written document that speaks for itself and, to the extent the allegations mischaracterize or misstate the contents of that document, SCE&G denies them.

52. SCE&G admits that the Project continued to experience delays and increased costs. SCE&G denies the remaining allegations in the first two sentences of Paragraph 52. With respect to subsection a, SCE&G admits that it did not receive a fully-integrated and resource-loaded project schedule, but denies Plaintiffs' characterization of that schedule as written. With respect to subsection b, SCE&G admits that it entered into various agreements related to the Project and that the PSC approved various rate increases over time. SCE&G denies the remaining allegations in subsection b of Paragraph 52. With respect to subsection c, SCE&G admits that Santee Cooper ultimately did not sell its ownership interest in the Project, but denies that it was due to any wrongdoing by SCE&G. With respect to subsection d, SCE&G admits that it entered into a purchase and sale agreement with Santee Cooper and that, consistent with the terms of that agreement, SCE&G did not make payments to Santee Cooper for its ownership interest. SCE&G further states that the purchase and sale agreement is a written document that speaks for itself and, to the extent the allegations mischaracterize or misconstrue the contents of that document, SCE&G denies them. SCE&G denies the remaining allegations in subsection d. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in subsections e, f, and g of Paragraph 52 and, therefore, denies them. With respect to subsection h, SCE&G states that the allegation in the first sentence refers to statements in an email, which is a written document. To the extent the allegations misquote, misconstrue, or mischaracterize the timing or contents of that document, SCE&G denies them. SCE&G further states that any statement made by Mr. Byrne to the Wall Street journal speaks for itself and SCE&G denies the allegations in subsection h to the extent they misstate

or misconstrue Mr. Byrne's statements. With respect to subsection i, SCE&G admits that it received updated cost projections from the Consortium in 2014, but denies that it performed its own bottoms up analysis of the estimated cost to complete the Project at that time. SCE&G denies the remaining allegations in subsection i. With respect to subsection j, SCE&G admits that counsel for Santee Cooper and SCE&G hired Bechtel and that Bechtel issued a written report to SCE&G in February 2016. That report is a written document that speaks for itself and, to the extent the allegations mischaracterize or misstate the contents of that document, SCE&G denies them. SCE&G admits that it entered into the Fixed Price Contract and that the Bechtel Report was disclosed in SCE&G denies the remaining allegations in subsection j of September 2017. With respect to subsection k, SCE&G states that the email Paragraph 52. correspondence referenced in that subsection are written documents that speak for themselves and, to the extent the allegations mischaracterize or misstate the contents of those documents, SCE&G denies them. SCE&G denies the remaining allegations in subsection k of Paragraph 52. With respect to the allegations in subsection I, SCE&G admits that various issues arose over the course of the Project and that SCE&G believed that the Project remained viable until Westinghouse declared bankruptcy in March 2017 and Santee Cooper thereafter made the decision to suspend its participation in the Project in July 2017. SCE&G denies the remaining allegations in subsection I. With respect to subsection m, SCE&G admits that design flaws emerged over time. SCE&G denies the remaining allegations in subsection m of Paragraph 52. With respect to subsection n, SCE&G states that the letter referenced in this subsection is a written document that speaks for itself and, to the extent the allegations

mischaracterize or misstate the contents of that document, SCE&G denies them. SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in subsection n and, therefore, denies them. With respect to the allegations in subsection o, SCE&G lacks sufficient knowledge or information to admit or deny the allegations regarding Central and Palmetto and, therefore, denies them. SCE&G denies the remaining allegations subsection o.

53. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 53 and, therefore, denies them. SCE&G denies the remaining allegations in Paragraph 53.

54. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 54 and, therefore, denies them.

55. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 55 and, therefore, denies them.

56. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 56 and, therefore, denies them.

57. SCE&G denies the allegations in Paragraph 57 as they pertain to SCE&G and its management of the Project. SCE&G lacks sufficient knowledge or information to admit or deny the allegations as they pertain to Central and Palmetto and, therefore, denies them.

58. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 58 and, therefore, denies them.

59. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 59 and, therefore, denies them.

60. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 60 and, therefore, denies them.

61. SCE&G denies that the Project "was teetering on extinction" before the owners made the decision to cease construction in 2017. SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 61 and, therefore, denies them.

62. The allegations in Paragraph 62 call for a legal conclusion to which no response is required. To the extent a response is required, SCE&G denies them.

63. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 63 and, therefore, denies them.

64. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 64 (including Footnote 2) and, therefore, denies them.

65. To the extent the allegations in Paragraph 65 suggest that the parties completed the sale of Santee Cooper's 5% interest, SCE&G denies them and refers to the purchase and sale agreement, which is a written document that speaks for itself. To the extent the allegations mischaracterize the terms of that agreement, SCE&G denies them. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 65 and, therefore, denies them.

66. SCE&G denies that it became the owner of any part of Santee Cooper's 45% ownership interest in the Project. SCE&G lacks sufficient knowledge or information to admit or deny whether Santee Cooper's customers continued to fund any part of Santee Cooper's 45% interest. If they did, SCE&G admits that it did not pay them for doing so.

67. SCE&G admits that Paragraph 67 purports to quote a portion of S.C. Code Ann. § 58-27-810, which is a written document that speaks for itself. To the extent that the allegations misquote or misconstrue that provision, SCE&G denies them.

68. The allegations in Paragraph 68 call for a legal conclusion to which no response is required. To the extent that a response is required, SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 68 and, therefore, denies them.

69. SCE&G admits that Paragraph 69 purports to quote a portion of S.C. Code Ann. § 58-31-30(13), which is a written document that speaks for itself. To the extent that the allegations misquote or misconstrue that provision, SCE&G denies them.

70. SCE&G admits that Paragraph 70 purports to quote a portion of S.C. Code Ann. § 58-31-55(A)(3)(a), which is a written document that speaks for itself. To the extent that the allegations misquote or misconstrue that provision, SCE&G denies them.

71. SCE&G admits that Paragraph 71 purports to quote a portion of S.C. Code Ann. § 58-31-360, which is a written document that speaks for itself. To the extent that the allegations misquote or misconstrue that provision, SCE&G denies them.

72. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 72 and, therefore, denies them.

73. SCE&G denies the allegations in Paragraph 73 as they pertain to SCE&G.

74. SCE&G admits that it agreed to purchase 5% of Santee Cooper's ownership interest in the Project subject to various terms and conditions set forth in a

purchase and sale agreement. To the extent the allegations in Paragraph 74 suggest that the parties completed the purchase, SCE&G denies them.

75. SCE&G admits that it agreed to purchase 5% of Santee Cooper's ownership interest in the Project under terms set forth in a purchase and sale agreement. The purchase and sale agreement is a written document that speaks for itself. To the extent the allegations are inconsistent with the contents of that document, SCE&G denies them.

76. SCE&G denies that it entered into any agreement with Santee Cooper regarding how Santee Cooper would finance its 45% share of the Project.

77. SCE&G denies the allegations in Paragraph 77.

78. SCE&G lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 78 and, therefore, denies them.

79. SCE&G denies the allegations in Paragraph 79 as they pertain to SCE&G. SCE&G lacks sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 79 and, therefore, denies them.

80. SCE&G denies the allegations in Paragraph 80.

#### CLASS ALLEGATIONS

81. SCE&G admits that Plaintiffs purport to bring this action on behalf of a class of customers as defined in Paragraph 81, but denies that class treatment is appropriate or that SCE&G has any liability to the proposed class.

82. SCE&G admits that Plaintiffs purport to divide the proposed class into two subclasses, but denies that class treatment is appropriate or that SCE&G has any liability to the proposed class.

83. SCE&G admits that Plaintiffs have excluded the individuals identified in Paragraph 83 from the proposed class.

- 84. SCE&G denies the allegations in Paragraph 84.
- 85. SCE&G denies the allegations in Paragraph 85.
- 86. SCE&G denies the allegations in Paragraph 86.
- 87. SCE&G denies the allegations in Paragraph 87.
- 88. SCE&G denies the allegations in Paragraph 88.
- 89. SCE&G denies the allegations in Paragraph 89.
- 90. SCE&G denies the allegations in Paragraph 90.
- 91. SCE&G denies the allegations in Paragraph 91.
- 92. SCE&G denies the allegations in Paragraph 92.
- 93. SCE&G denies the allegations in Paragraph 93.
- 94. SCE&G denies the allegations in Paragraph 94 as they pertain to SCE&G.
- 95. SCE&G denies the allegations in Paragraph 95.
- 96. SCE&G denies the allegations in Paragraph 96 as they pertain to SCE&G.

## FOR A FIRST CAUSE OF ACTION

## Declaratory Judgement—Statutorily Unauthorized Rate Imposition On Behalf of the Class Against Santee Cooper

97. SCE&G incorporates its responses to Paragraphs 1-96 by reference as if fully set forth herein.

98. Paragraph 98 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

99. Paragraph 99 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

100. Paragraph 100 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

## FOR A SECOND CAUSE OF ACTION Breach of Statutory Duties On Behalf of the Class Against the Santee Cooper Board

101. SCE&G incorporates its responses to Paragraphs 1-100 by reference as if fully set forth herein.

102. Paragraph 102 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

103. Paragraph 103 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

104. Paragraph 104 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

105. Paragraph 105 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

106. Paragraph 106 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

107. Paragraph 107 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

### FOR A THIRD CAUSE OF ACTION Breach of Fiduciary Duties On Behalf of the Direct Subclass Against the Santee Cooper Board

108. SCE&G incorporates its responses to Paragraphs 1-107 by reference as if fully set forth herein.

109. Paragraph 109 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

110. Paragraph 110 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

111. Paragraph 111 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

112. Paragraph 112 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

113. Paragraph 113 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

114. Paragraph 114 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

115. Paragraph 115 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

## FOR A FOURTH CAUSE OF ACTION

## Breach of Contract or Breach of Implied Contract On Behalf of the Direct Subclass Against Santee Cooper

116. SCE&G incorporates its responses to Paragraphs 1-115 by reference as if fully set forth herein.

117. Paragraph 117 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

118. Paragraph 118 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

119. Paragraph 119 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

120. Paragraph 120 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

121. Paragraph 121 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

122. Paragraph 122 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

#### FOR A FIFTH CAUSE OF ACTION

## Unconstitutional Taking Under the South Carolina Constitution On Behalf of the Class Against Santee Cooper

123. SCE&G incorporates its responses to Paragraphs 1-122 by reference as if fully set forth herein.

124. Paragraph 124 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

125. Paragraph 125 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

126. Paragraph 126 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

127. Paragraph 127 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

128. Paragraph 128 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

129. Paragraph 129 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

130. Paragraph 130 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

## FOR A SIXTH CAUSE OF ACTION

## Violation of Due Process Under the South Carolina Constitution On Behalf of the Direct Subclass Against Santee Cooper

131. SCE&G incorporates its responses to Paragraphs 1-130 by reference as if fully set forth herein.

132. Paragraph 132 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

133. Paragraph 133 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

134. Paragraph 134 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

135. Paragraph 135 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

136. Paragraph 136 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

## FOR A SEVENTH CAUSE OF ACTION

## Breach of Contract or Breach of Implied Contract On Behalf of the Cooperative Subclass Against Santee Cooper and Central

137. SCE&G incorporates its responses to Paragraphs 1-136 by reference as if fully set forth herein.

138. Paragraph 138 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

139. Paragraph 139 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

140. Paragraph 140 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

141. Paragraph 141 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

142. Paragraph 142 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

143. Paragraph 143 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

## FOR AN EIGHTH CAUSE OF ACTION Breach of Contract or Breach of Implied Contract On Behalf of the Palmetto Subclass Against Palmetto

144. Paragraph 144 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

145. Paragraph 145 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

146. Paragraph 146 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

147. Paragraph 147 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

148. Paragraph 148 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

149. Paragraph 149 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

### FOR A NINTH CAUSE OF ACTION Negligence and/or Gross Negligence On Behalf of the Class Against Santee Cooper

150. SCE&G incorporates its responses to Paragraphs 1-149 by reference as if fully set forth herein.

151. SCE&G admits that Santee Cooper was a partner and owner of the Project and that one of the purposes of the Project was to benefit the owners' customers.

152. Paragraph 152 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

153. Paragraph 153 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

154. Paragraph 154 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

155. Paragraph 155 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

156. Paragraph 156 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

## FOR A TENTH CAUSE OF ACTION Negligence and/or Gross Negligence On Behalf of the Cooperative Subclass Against Central

157. SCE&G incorporates its responses to Paragraphs 1-156 by reference as if fully set forth herein.

158. Paragraph 158 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

159. Paragraph 159 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

160. Paragraph 160 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

161. Paragraph 161 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

162. Paragraph 162 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

163. Paragraph 163 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

### FOR AN ELEVENTH CAUSE OF ACTION Negligence and/or Gross Negligence On Behalf of the Palmetto Subclass Against Palmetto

164. SCE&G incorporates its responses to Paragraphs 1-163 by reference as if fully set forth herein.

165. Paragraph 165 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

166. Paragraph 166 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

167. Paragraph 167 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

168. Paragraph 168 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

169. Paragraph 169 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

170. Paragraph 170 does not require a response because this cause of action has not been asserted against SCE&G. To the extent a response is required, SCE&G denies the allegations.

# FOR A TWELFTH CAUSE OF ACTION Negligence and/or Gross Negligence

On Behalf of the Class Against SCANA, SCE&G, and SCANA Services 171. SCE&G incorporates its responses to Paragraphs 1-170 by reference as if

fully set forth herein.

172. Paragraph 172 calls for a legal conclusion to which no response is required. To the extent a response is required, SCE&G denies them.

173. SCE&G denies the allegations in Paragraph 173.

174. SCE&G denies the allegations in Paragraph 174.

175. SCE&G denies the allegations in Paragraph 175.

176. SCE&G denies the allegations in Paragraph 176.

## FOR A THIRTEENTH CAUSE OF ACTION Respondeat Superior On Behalf of the Class Against SCANA, SCE&G, and SCANA Services

177. SCE&G incorporates its responses to Paragraphs 1-176 by reference as if fully set forth herein.

178. SCE&G admits that Marsh, Byrne, and Addison were employed by SCANA Services. SCE&G denies that all members of the NND team were employed by SCANA Services.

179. SCE&G denies the allegations in Paragraph 179 to the extent they are inconsistent with the Design and Construction Agreement ("DCA") between SCE&G and Santee Cooper or with the EPC agreement. SCE&G admits that members of the NND team were among those responsible for carrying out SCE&G's obligations under the DCA and EPC agreement, but denies that Mr. Marsh, Mr. Byrne and Mr. Addison were categorically "responsible for oversight, quality control, quality assurance, and management of the Project."

180. In response to the allegations in Paragraph 180, SCE&G states that the term "public face" is vague and ambiguous and does not allege a verifiable fact that may be admitted or denied. Accordingly, SCE&G is unable to admit or deny the allegations in Paragraph 180.

181. SCE&G denies the allegations in Paragraph 181.

182. Paragraph 182 calls for a legal conclusion to which no response is required. To the extent a response is required, SCE&G admits the allegations in Paragraph 182.

183. Paragraph 183 calls for a legal conclusion to which no response is required. To the extent a response is required, SCE&G denies the allegations in Paragraph 183.

184. SCE&G denies the allegations in Paragraph 184.

185. SCE&G denies the allegations in Paragraph 185.

## FOR A FOURTEENTH CAUSE OF ACTION Unjust Enrichment / Money Had and Received On Behalf of the Class Against Defendants

186. SCE&G incorporates its responses to Paragraphs 1-185 by reference as if fully set forth herein.

187. SCE&G denies the allegations in Paragraph 187 as they pertain to SCE&G.

188. SCE&G denies the allegations in Paragraph 188 as they pertain to SCE&G.

189. SCE&G denies the allegations in Paragraph 189.

190. SCE&G denies the allegations in Paragraph 190.

### FOR A FIFTEENTH CAUSE OF ACTION Constructive Trust On Behalf of the Class Against Defendants

191. SCE&G incorporates its responses to Paragraphs 1-190 by reference as if fully set forth herein.

192. SCE&G denies the allegations in Paragraph 192 as they pertain to SCE&G.

193. SCE&G denies the allegations in Paragraph 193 as they pertain to SCE&G.

194. SCE&G denies the allegations in Paragraph 194 as they pertain to SCE&G.

195. SCE&G denies the allegations in Paragraph 195 as they pertain to SCE&G.

196. SCE&G denies the allegations in Paragraph 196 as they pertain to SCE&G.

197. SCE&G denies the allegations in Paragraph 197 as they pertain to SCE&G.

198. SCE&G denies the allegations in Paragraph 198 as they pertain to SCE&G.

199. SCE&G denies the allegations in Paragraph 199 as they pertain to SCE&G.

200. SCE&G denies the allegations in Paragraph 200 as they pertain to SCE&G.

201. SCE&G denies the allegations in Paragraph 201 as they pertain to SCE&G.

202. SCE&G denies the allegations in Paragraph 202 as they pertain to SCE&G.

203. SCE&G denies the allegations in Paragraph 203 as they pertain to SCE&G.

## FOR A SIXTEENTH CAUSE OF ACTION Equity On Behalf of the Class Against Defendants

204. SCE&G incorporates its responses to Paragraphs 1-203 by reference as if fully set forth herein.

205. SCE&G admits that Paragraph 205 purports to quote a portion of the South Carolina Court of Appeals' opinion in *Ex Parte Dibble*, 279 S.C. 592, 595-96, 310 S.E.2d 440, 442 (Ct. App. 1983), which is a written document that speaks for itself. To the extent the allegations misquote or mischaracterize that opinion, SCE&G denies them.

206. SCE&G denies the allegations in Paragraph 206.

207. SCE&G denies the allegations in Paragraph 207.

#### JURY TRIAL DEMANDED AND PRAYER FOR RELIEF

208. SCE&G denies that Plaintiffs are entitled to any of the relief requested.

## FOR A SECOND DEFENSE

(Lack of Venue)

209. Venue is not proper in Hampton County, South Carolina pursuant to Rule 12(b)(3), SCRCP.

## FOR A THIRD DEFENSE

(Class Action Not Proper)

210. This action should not proceed as a Class Action pursuant to Rule 23,

SCRCP, because the requisite elements are not met.

# FOR A FOURTH DEFENSE

(Lack of Standing)

211. Plaintiffs lack standing to pursue any of their claims.

## FOR A FIFTH DEFENSE

(Equitable Defenses)

212. Plaintiffs' claims are barred by any and all equitable defenses available to

SCE&G, including but not limited to the doctrines of laches, waiver, and/or estoppel.

# FOR A SIXTH DEFENSE

(Acts of Third Parties)

213. Plaintiffs' cause of action for negligence should be dismissed in whole or

in part because Plaintiffs' damages were proximately caused by intervening and

superseding events and acts of third parties, for which Defendants are not responsible.

# FOR A SEVENTH DEFENSE

(Lack of Foreseeability)

214. Plaintiffs' cause of action for negligence should be dismissed because Plaintiffs' damages were caused by unforeseeable acts and events, for which SCE&G is not responsible.

## FOR A EIGHTH DEFENSE

(Punitive Damages Prohibited)

215. Plaintiffs' claims for punitive damages are prohibited by the Fifth, Sixth, Eighth, and Fourteenth Amendments of the United States Constitution and Article I, Section 3 of the South Carolina Constitution.

## FOR AN NINTH DEFENSE

(Arbitration)

216. To the extent Plaintiffs' claims rely on or in any way relate to the terms of SCE&G's relationship with Santee Cooper, those claims can be pursued only pursuant to the mandatory arbitration clause contained in the DCA between SCE&G and Santee Cooper.

## FOR A TENTH DEFENSE

(Other Potential Defenses)

217. SCE&G intends to rely on any and all other available defenses as may be developed through discovery and the evidence.

Respectfully Submitted,

s/ Steven J. Pugh Steven J. Pugh (SC Bar #14341) Jasmine D. Wyman (SC Bar #101898) RICHARDSON PLOWDEN & ROBINSON, P.A. 1900 Barnwell Street (29201) Post Office Drawer 7788 Columbia, South Carolina 29202 803-771-4400 spugh@richardsonplowden.com jwyman@richardsonplowden.com

and

Leah B. Moody (SC Bar #12141) LAW OFFICE OF LEAH B. MOODY, LLC 235 East Main Street, Suite 115 (29730) Post Office Box 1015 Rock Hill, South Carolina 29731 803-327-4192 Ibmatty@comporium.net

and

David L. Balser (admitted *pro hac vice*) Jonathan R. Chally (admitted *pro hac vice*) KING & SPALDING LLP 1180 Peachtree Street NE Atlanta, Georgia 30309 404-572-4600 <u>dbalser@kslaw.com</u> jchally@kslaw.com

Counsel for Defendants South Carolina Electric & Gas Company, SCANA Corporation, and SCANA Services, Inc.

August 23, 2019