

DOMINION ENERGY SOUTH CAROLINA, INC.

Offer to Purchase for Cash

Up to \$400,000,000 Million Aggregate Principal Amount of Certain Outstanding First Mortgage Bonds of Dominion Energy South Carolina, Inc. as Listed in the Table Below

The Offer (defined below) will expire at 11:59 p.m., New York City time, on September 25, 2019, unless extended or earlier terminated by the Company (defined below) in its sole discretion (such date and time, as the same may be extended, the “Expiration Time”). Holders (defined below) must validly tender and not properly withdraw their Bonds (defined below) at or prior to 5:00 p.m., New York City time, on September 11, 2019, unless extended by the Company in its sole discretion (such date and time, as the same may be extended, the “Early Tender Deadline”), to be eligible to receive, subject to the Offer Cap (defined below), Acceptance Priority Levels (defined below) and proration, as applicable, the applicable Total Consideration, which includes the applicable Early Tender Premium (defined below), plus Accrued Interest (defined below). Bonds tendered after the Early Tender Deadline but prior to or at the Expiration Time will only be eligible to receive, subject to the Offer Cap, the Acceptance Priority Levels, the Early Tender Priority (defined below) and proration, as applicable, the applicable Late Tender Offer Consideration (defined below) plus Accrued Interest. Validly tendered Bonds may be withdrawn at any time at or prior to 5:00 p.m., New York City time, on September 11, 2019, unless extended by the Company in its sole discretion (such date and time, as the same may be extended, the “Withdrawal Deadline”), but not thereafter.

Dominion Energy South Carolina, Inc. (formerly South Carolina Electric & Gas Company) (the “Company” or “Offeror”) hereby offers to purchase for cash (the “Offer”) its outstanding First Mortgage Bonds listed in the table below (the “Bonds”) in a maximum aggregate principal amount of up to \$400,000,000 (the “Offer Cap”), subject to the Acceptance Priority Levels, the Early Tender Priority and proration, as applicable.

Title of Security	CUSIP Number	Principal Amount Outstanding	Acceptance Priority Level	Reference U.S. Treasury Security	Bloomberg Reference Page	Early Tender Premium (per \$1,000)	Fixed Spread (basis points)
4.250% First Mortgage Bonds due 2028	837004CM0	\$400,000,000	1	1.625% due August 15, 2029	FIT1	\$30	65
4.350% First Mortgage Bonds due 2042	837004CF5	\$324,433,000	2	2.875% due May 15, 2049	FIT1	\$30	95
4.600% First Mortgage Bonds due 2043	837004CG3	\$400,000,000	3	2.875% due May 15, 2049	FIT1	\$30	100

The Offer is open to all holders (individually, a “Holder,” and collectively, the “Holders”) of the applicable Bonds. The Offer is being made upon the terms and subject to the conditions set forth in this offer to purchase (as it may be amended or supplemented from time to time, the “Offer to Purchase”). **The Offer to Purchase contains important information that Holders are urged to read before making any decision with respect to the Offer.** The Offer is not conditioned on any minimum amount of Bonds, or series of Bonds, being tendered.

Bonds will be accepted for purchase based on the acceptance priority levels set forth in the table above (such priority levels, the “Acceptance Priority Levels”). If the Offer is not fully subscribed as of the Early Tender Deadline, all Bonds validly tendered prior to or at the Early Tender Deadline will have priority over any Bonds validly tendered after the Early Tender Deadline, regardless of the Acceptance Priority Level of such Bonds (such priority, the “Early Tender Priority”). Furthermore, if the Offer is fully subscribed as of the Early Tender Deadline, Holders who tender their Bonds following the Early Tender Deadline will not have any of their Bonds accepted for purchase. Bonds of a given series may be subject to proration if the aggregate principal amount of such Bonds validly tendered would cause the Offer Cap to be exceeded.

Holders of Bonds validly tendered at or prior to the Early Tender Deadline that are accepted for purchase will receive the applicable Total Consideration (defined below) and Accrued Interest (defined below). Holders of Bonds validly tendered after the Early Tender Deadline but prior to or at the Expiration Time that are accepted for purchase will receive the applicable Total Consideration minus an amount in cash equal to the amount set forth in the table above under the heading “Early Tender Premium” (such amount, the “Early Tender Premium”). The Total Consideration minus the Early Tender Premium is referred to in this Offer to Purchase as the “Late Tender Offer Consideration.”

The applicable consideration (the “Total Consideration”) offered per \$1,000 principal amount of each series of Bonds validly tendered at or prior to the Early Tender Deadline and accepted for purchase pursuant to the Offer will be determined in the manner described in this Offer to Purchase by reference to the applicable fixed spread for such Bonds specified in the table above (such spread, the “Fixed Spread”), which is inclusive of the Early Tender Premium, plus the applicable yield (the “Reference Yield”) based on the bid-side price of the applicable U.S. Treasury Reference Security specified in the table above (the “Reference Security”) as quoted on the applicable page on Bloomberg Bond Trader FIT1 series of pages (with respect to each Reference Security, the “Reference Page”) at 10:00 a.m., New York City Time on September 12, 2019 (the “Price Determination Date”). The sum of the Fixed Spread and the Reference Yield is referred to in this Offer to Purchase as the “Repurchase Yield.” As soon as practicable after the Price Determination Date, the Company will announce publicly the pricing information by press release.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any U.S. state securities commission has approved or disapproved of the Offer, passed upon the merits or fairness of the Offer or passed upon the adequacy or accuracy of the disclosures in this Offer to Purchase (defined below). Any representation to the contrary is a criminal offense.

The Dealer Managers for the Offer are:

BofA Merrill Lynch

US Bancorp

August 28, 2019

In addition to the applicable Total Consideration or Late Tender Offer Consideration, all Holders of Bonds validly tendered and accepted for purchase will also receive accrued and unpaid interest from, and including, the last interest payment date for such Bonds to, but not including, the applicable Settlement Date (defined below), rounded to the nearest cent (such interest being referred to herein as the “Accrued Interest”).

The “Early Settlement Date” is the date that the Company accepts for purchase Bonds validly tendered and not withdrawn at or prior to the Early Tender Deadline, and the “Final Settlement Date” is the date that the Company accepts for purchase Bonds validly tendered after the Early Tender Deadline but prior to or at the Expiration Time, if any, provided, in each case, that all applicable conditions have been satisfied or waived by the Company. The Company currently expects the Early Settlement Date and the Final Settlement Date to be the second business day following the Early Tender Deadline and Expiration Time, respectively. The Early Settlement Date and Final Settlement Date are each referred to as a “Settlement Date.”

The Offer may be terminated or withdrawn in whole or terminated or withdrawn with respect to any series of the Bonds, subject to applicable law. The Company reserves the right, subject to applicable law, to (i) waive any and all conditions to the Offer; (ii) extend or terminate the Offer; (iii) increase the Offer Cap; or (iv) otherwise amend the Offer in any respect.

Holders must make their own decisions as to whether to tender any of their Bonds, and, if so, the principal amount of such Bonds to tender. Holders should consult their own tax, accounting, financial and legal advisors, as appropriate, regarding the consequences of participating in the Offer.

For a discussion of factors Holders should consider in connection with the Offer, see “Risks Relating to the Offer” below. For a discussion of items that all Holders who tender Bonds in the Offer will be deemed to have represented, warranted, undertaken and agreed, see “Terms of the Offer—Representations, Warranties and Undertakings; Acceptance Constitutes an Agreement” below.

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IMPORTANT INFORMATION

The Offer is being made upon the terms and subject to the conditions set forth in this Offer to Purchase. **This Offer to Purchase contains important information that Holders are urged to read before making any decisions with respect to the Offer. In particular, see “Risks Relating to the Offer” beginning on page 17 below for a discussion of certain factors Holders should consider in connection with the Offer.**

All of the Bonds are held in book-entry form through the facilities of The Depository Trust Company (“DTC”). **Because only a Holder may tender Bonds, a beneficial owner of Bonds that wishes to participate in the Offer must instruct the broker, dealer, commercial bank, trust company or other nominee that holds Bonds on its behalf to tender such Bonds on such beneficial owners’ behalf.** DTC has authorized DTC participants that hold Bonds on behalf of beneficial owners of Bonds through DTC to tender their Bonds as if they were Holders. To tender Bonds effectively, DTC participants should electronically transmit their acceptance (and thereby tender Bonds) to the Tender Agent (defined below) through the DTC Automated Tender Offer Program (“ATOP”), for which the Offer will be eligible. See “Terms of the Offer—How to Tender Bonds; Book-Entry Transfer; Tender through ATOP” beginning on page 11 below. A beneficial owner of tendered Bonds will not be obligated to pay brokerage fees or commissions to the Company, BofA Securities, Inc. or U.S. Bancorp Investments, Inc., as dealer managers for the Offer (in such capacity, the “Dealer Managers”), D.F. King & Co., Inc., as the tender agent and the information agent for the Offer (in such respective capacities, the “Tender Agent” or “Information Agent”), or the trustee for such Bonds.

Requests for additional copies of this Offer to Purchase may be directed to the Information Agent using the contact information on the back cover of this Offer to Purchase. Requests for assistance relating to the procedures for tendering Bonds may be directed to the Tender Agent using the contact information on the back cover of this Offer to Purchase. Requests for assistance relating to the terms and conditions of the Offer may be directed to the Dealer Managers using the contact information on the back cover of this Offer to Purchase. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance regarding the Offer.

A Holder who desires to tender Bonds must do so in accordance with the procedures set forth under “Terms of the Offer—How to Tender Bonds; Book-Entry Transfer; Tender through ATOP” beginning on page 11 below.

This Offer to Purchase and any related documents do not constitute an offer to buy or the solicitation of an offer to sell Bonds in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Company by the Dealer Managers or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Neither the delivery of this Offer to Purchase or any related documents nor the purchase of Bonds by the Company will, under any circumstances, create any implication that the information contained in this Offer to Purchase or any related document is current as of any time subsequent to the date of such information.

No dealer, salesperson or other person has been authorized to give any information or to make any representations with respect to the Offer other than the information and representations contained or incorporated by reference in this Offer to Purchase, and, if given or made, such information or representations must not be relied upon.

None of the Company, its affiliates or board of directors, the Dealer Managers, the Tender Agent, the Information Agent or the trustee with respect to each series of Bonds is making any recommendation as to whether Holders should tender, or refrain from tendering, any Bonds in response to the Offer, and neither of the Company nor any such other person has authorized any person to make any such recommendation.

Holders or beneficial owners of Bonds are urged to carefully evaluate all information in this Offer to Purchase, consult their own advisors, as appropriate, and make their own decisions with respect to the Offer.

Any Bonds that are not tendered and accepted for purchase will remain outstanding. If the Company settles the Offer, the trading market for a series of Bonds may be significantly limited as a result.

If the Company makes a material change in the terms of the Offer or waives a material condition of the Offer, the Company will disseminate additional materials related to the Offer and extend the Offer to the extent required by applicable law.

All references to a valid tender of Bonds in this Offer to Purchase mean that such Bonds have been validly tendered and have not been validly withdrawn prior to the Withdrawal Deadline.

IMPORTANT DATES

Holders of Bonds should be aware of the following times and dates in connection with the Offer.
Holders should note that the times and dates noted below are subject to change.

Date	Calendar Date and Time	Event
Launch Date	August 28, 2019.	Commencement of the Offer.
Early Tender Deadline	5:00 p.m., New York City time, on September 11, 2019, unless extended by the Company.	The last time and day to tender Bonds in order to be eligible to receive the applicable Total Consideration. Holders tendering Bonds after the Early Tender Deadline will be eligible to receive only the applicable Late Tender Offer Consideration, which is equal to the applicable Total Consideration, <i>minus</i> the Early Tender Premium.
Withdrawal Deadline	5:00 p.m., New York City time, on September 11, 2019, unless extended by the Company.	The last time and day for you to validly withdraw tenders of Bonds.
Price Determination Date	10:00 a.m., New York City time, on September 12, 2019, unless extended or earlier terminated by the Company.	The date and time that the Dealer Managers will calculate the Total Consideration for the Bonds in the manner described in this Offer to Purchase.
Early Settlement Date	A date promptly after the Early Tender Deadline, currently expected to be September 13, 2019.	The date for payment of the applicable Total Consideration, plus Accrued Interest, for Bonds validly tendered prior to or at the Early Tender Deadline and accepted for purchase.
Expiration Time	11:59 p.m., New York City time, on September 25, 2019, unless extended or earlier terminated by the Company.	The last time and day for you to tender Bonds pursuant to the Offer.
Final Settlement Date	A date promptly after the Expiration Time, currently expected to be September 27, 2019.	The date for payment of the applicable Late Tender Offer Consideration, plus Accrued Interest, for Bonds validly tendered after the Early Tender Deadline but before the Expiration Time and accepted for purchase.

WHERE YOU CAN FIND MORE INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and files with the SEC Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Filings made with the SEC by the Company are available to the public over the Internet at the SEC’s website at www.sec.gov. Except as described below, the information contained on the SEC’s website is expressly not incorporated by reference into this Offer to Purchase.

The Company is incorporating by reference into this Offer to Purchase the information in certain documents that the Company has previously filed with the SEC, which means that the Company is disclosing important information to you by referring you to those documents. The information incorporated by reference is an important part of this Offer to Purchase. Any reports filed by the Company on or after the date of this Offer to Purchase and prior to the Expiration Time will automatically update and, where applicable, supersede any information contained in this Offer to Purchase or incorporated by reference in this Offer to Purchase with respect to the Offer. The Company hereby incorporates by reference in this Offer to Purchase the documents listed below and any filings on or after the date hereof that the Company makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the Expiration Time (excluding all or any portions of such documents that have been “furnished” but not “filed” for purposes of the Exchange Act and applicable SEC rules):

- the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018;
- the Company’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 2019; and
- the Company’s Current Reports on Form 8-K filed on January 2, 2019, February 8, 2019, February 19, 2019, March 26, 2019 and April 29, 2019.

The Information Agent will provide without charge to each person to whom this Offer to Purchase is delivered, upon the request of such person, a copy of any or all of the documents incorporated by reference into this Offer to Purchase, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests for such documents should be directed to the Information Agent at its address or telephone number set forth on the back cover of this Offer to Purchase.

You may also request a copy of any or all of the documents referred to above that have been or will be incorporated by reference into this Offer to Purchase (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by contacting the Company at the following mailing address or email address:

c/o Dominion Energy, Inc.
Attn: Corporate Secretary
120 Tredegar Street, Richmond, VA 23219
Email: Corporate.Secretary@dominionenergy.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase and the information incorporated by reference in this Offer to Purchase include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. These forward-looking statements are subject to risks and uncertainties, and actual results might differ materially from those discussed in, or implied by, the forward-looking statements. Forward-looking statements are based on the current beliefs and assumptions of the management of the Company and can often be identified by terms and phrases that include “anticipate,” “believe,” “intend,” “estimate,” “expect,” “continue,” “should,” “would,” “could,” “may,” “plan,” “project,” “predict,” “will,” “potential,” “forecast,” “target,” “guidance,” “outlook,” or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements. Accordingly, there is no assurance that such results will be realized.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements included or incorporated by reference in this Offer to Purchase might not occur or might occur to a different extent or at a different time than described. Actual results may differ materially from the current expectations of the Company depending on a number of factors affecting its businesses and risks associated with the successful execution of the Offer. In evaluating these forward-looking statements, you should carefully consider the risks described herein and in other reports that the Company files with the SEC. See the sections entitled “Risks Relating to the Offer” beginning on page 17 below and “Where You Can Find More Information” beginning on page v above. Factors which could have a material adverse effect on operations and future prospects or which could cause events or circumstances to differ from the forward-looking statements include, but are not limited to the following:

- the ability of the Company to recover through rates certain costs expended on the project to construct two nuclear units at the V.C. Summer Nuclear Station (the “Nuclear Project”), and a reasonable return on those costs, under the order of the South Carolina Public Service Commission dated December 21, 2018 approving SCANA Corporation’s merger with Dominion Energy, Inc. (“Dominion Energy”) and the abandonment provisions of the Base Load Review Act (the “BLRA”) or through other means;
- uncertainties relating to the bankruptcy filing by contractors involved with the Nuclear Project;
- further changes in tax laws and realization of tax benefits and credits, and the ability to realize or maintain tax credits and deductions, particularly in light of the abandonment of the Nuclear Project;
- legislative and regulatory actions, particularly changes related to electric and gas services, rate regulation, regulations governing electric grid reliability and pipeline integrity, environmental regulations including any imposition of fees or taxes on carbon emitting generating facilities, and any actions involving or arising from the abandonment of the Nuclear Project;
- current and future litigation, including particularly litigation or government investigations or any actions involving or arising from the construction or abandonment of the Nuclear Project, including the possible impacts on liquidity and other financial impacts therefrom;
- the results of short- and long-term financing efforts, including prospects for obtaining access to capital markets and other sources of liquidity and the effect of rating agency actions on the cost of and access to capital and sources of liquidity of the Company and Dominion Energy;

- the ability of suppliers, both domestic and international, to timely provide the labor, secure processes, components, parts, tools, equipment and other supplies needed which may be highly specialized or in short supply, at agreed upon quality and prices, for our construction program, operations and maintenance;
- the results of efforts to ensure the physical and cyber security of key assets and processes;
- changes in the economy, especially in areas served by the Company;
- the impact of competition from other energy suppliers, including competition from alternate fuels in industrial markets;
- the impact of conservation and demand side management efforts and/or technological advances on customer usage;
- the loss of electricity sales to distributed generation, such as solar photovoltaic systems or energy storage systems;
- growth opportunities;
- the effects of weather, especially in areas where the generation and transmission facilities of the Company are located and in areas served by the Company;
- changes in accounting rules and accounting policies;
- payment and performance by counterparties and customers as contracted and when due;
- the results of efforts to license, site, construct and finance facilities, and to receive related rate recovery, for generation and transmission;
- the results of efforts to operate the Company's electric and gas systems and assets in accordance with acceptable performance standards, including the impact of additional distributed generation;
- the availability of fuels such as coal, natural gas and enriched uranium used to produce electricity; the availability of purchased power and natural gas for distribution; the level and volatility of future market prices for such fuels and purchased power; and the ability to recover the costs for such fuels and purchased power;
- the availability and retention of skilled, licensed and experienced human resources to properly manage, operate, and grow the Company's businesses, particularly in light of uncertainties with respect to integration within the combined companies of Dominion Energy;
- labor disputes;
- performance of the Company's pension plan assets and the effect(s) of associated discount rates;
- inflation or deflation;
- changes in interest rates;
- compliance with regulations;

- natural disasters, man-made mishaps and acts of terrorism that directly affect the Company's operations or the regulations governing them; and
- other business, financial operational and legal risks and uncertainties detailed from time to time in the Company's SEC filings, including, but not limited to those discussed under Part I, Item 1A, "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated by reference into this Offer to Purchase.

Except as otherwise required by law, the Company is under no obligation, and expressly disclaims any obligation, to update, alter, or otherwise revise any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events, or otherwise. Persons reading this Offer to Purchase are cautioned not to place undue reliance on any forward-looking statement, which speaks only as of the date such statement is made.

SUMMARY

The following summary contains selected information about the Offer. It may not contain all of the information that is important to you, and it is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere in this Offer to Purchase. Each undefined capitalized term in this summary has the meaning set forth elsewhere in this Offer to Purchase.

Offeror	Dominion Energy South Carolina, Inc.																							
The Offer	<p>The Company is offering to purchase for cash, subject to the terms and conditions set forth in this Offer to Purchase, Bonds in an aggregate principal amount of up to the Offer Cap.</p> <p>The Company reserves the absolute right, but is not obligated, to increase the Offer Cap in its sole discretion, without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights, subject to compliance with applicable law.</p>																							
Purpose of the Offer	The Company is making the Offer as part of a program to reduce its outstanding debt. Bonds purchased in the Offer will be retired and cancelled. See “Purpose of the Offer” on page 5.																							
Bonds	<table> <tr> <th><u>Title of Security</u></th><th><u>CUSIP Number</u></th><th><u>Acceptance Priority Level</u></th><th><u>Principal Amount Outstanding</u></th><th><u>Authorized Denominations</u></th></tr> <tr> <td>4.250% First Mortgage Bonds due 2028</td><td>837004CM0</td><td>1</td><td>\$400,000,000</td><td>\$1,000 and integral multiples of \$1,000 in excess thereof (the “<u>Authorized Denominations</u>”)</td></tr> <tr> <td>4.350% First Mortgage Bonds due 2042</td><td>837004CF5</td><td>2</td><td>\$324,433,000</td><td>The Authorized Denominations</td></tr> <tr> <td>4.600% First Mortgage Bonds due 2043</td><td>837004CG3</td><td>3</td><td>\$400,000,000</td><td>The Authorized Denominations</td></tr> </table>	<u>Title of Security</u>	<u>CUSIP Number</u>	<u>Acceptance Priority Level</u>	<u>Principal Amount Outstanding</u>	<u>Authorized Denominations</u>	4.250% First Mortgage Bonds due 2028	837004CM0	1	\$400,000,000	\$1,000 and integral multiples of \$1,000 in excess thereof (the “ <u>Authorized Denominations</u> ”)	4.350% First Mortgage Bonds due 2042	837004CF5	2	\$324,433,000	The Authorized Denominations	4.600% First Mortgage Bonds due 2043	837004CG3	3	\$400,000,000	The Authorized Denominations			
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Total Consideration	<p>The Total Consideration for each \$1,000 principal amount of Bonds tendered at or prior to the Early Tender Deadline and accepted for purchase pursuant to the Offer will be determined in the manner described in this Offer to Purchase by reference to the applicable Fixed Spread for the Bonds, which is inclusive of the Early Tender Premium, plus the applicable Reference Yield, as quoted on the applicable Reference Page at 10:00 a.m., New York City time, on the Price Determination Date. The formula for determining the Total Consideration per \$1,000 principal amount of each series of Bonds validly tendered at or prior to the Early Tender Deadline and accepted for purchase is set forth on Schedule A.</p> <p>Subject to the terms and conditions described in this Offer to Purchase, if a Holder validly tenders its Bonds pursuant to the Offer prior to or at the Early Tender Deadline, and such Holder’s Bonds are accepted for purchase, such Holder will receive the applicable Total Consideration for each \$1,000 principal amount of its purchased Bonds, plus Accrued Interest thereon.</p> <p>Holders must validly tender their Bonds at or prior to the Early Tender Deadline in order to be eligible to receive the applicable Total Consideration, which includes the applicable Early Tender Premium. Holders validly tendering their Bonds after</p>																							

the Early Tender Deadline and at or prior to the Expiration Time will only be eligible to receive the applicable Late Tender Offer Consideration and will not be eligible to receive the applicable Early Tender Premium.

Early Tender Premium

The Early Tender Premium for each \$1,000 principal amount of each series of Bonds validly tendered at or prior to the Early Tender Deadline and accepted for purchase by the Company will be equal to the amount set forth in the table on the cover of this Offer to Purchase under the heading “Early Tender Premium.”

Late Tender Offer Consideration

The Late Tender Offer Consideration for each \$1,000 principal amount of each series of Bonds validly tendered after the Early Tender Deadline and at or prior to the Expiration Time and accepted for purchase by the Company, will be equal to the applicable Total Consideration minus the applicable Early Tender Premium.

Accrued Interest

In addition to the applicable Total Consideration or the applicable Late Tender Offer Consideration, as applicable, Holders whose Bonds are accepted for purchase by the Company will also be paid Accrued Interest, which is the accrued and unpaid interest with respect to their tendered Bonds from, and including, the last interest payment date for such Bonds to, but not including, the applicable Settlement Date, in each case rounded to the nearest cent. Accrued Interest will be payable on the applicable Settlement Date.

Offer Cap

The maximum amount of Bonds that the Company will accept for purchase is limited to an aggregate principal amount of Bonds that does not exceed the Offer Cap. The Company reserves the absolute right, but is not obligated, to increase the Offer Cap in its sole discretion, without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights, subject to compliance with applicable law.

Acceptance Priority Levels and Proration

Subject to the Offer Cap and proration, the Bonds will be purchased in accordance with the Acceptance Priority Levels (in numerical priority order) set forth in the table on the cover of this Offer to Purchase.

If the Offer is not fully subscribed as of the Early Tender Deadline, all Bonds validly tendered prior to or at the Early Tender Deadline will have priority over any Bonds validly tendered after the Early Tender Deadline, regardless of the Acceptance Priority Level of such Bonds. Furthermore, if the Offer is fully subscribed as of the Early Tender Deadline, Holders who tender their Bonds following the Early Tender Deadline will not have any of their Bonds accepted for purchase.

Bonds of a given series may be subject to proration if the aggregate principal amount of such bonds validly tendered and not properly withdrawn would cause the Offer Cap to be exceeded.

Conditions to the Offer

The Offer is not conditioned on the tender of any minimum principal amount of Bonds. However, any Bonds purchased will be purchased by the Company in accordance with the Acceptance Priority Levels and subject to the Offer Cap. The Company’s obligation to accept for purchase, and to pay for, Bonds validly tendered pursuant to the Offer is subject to and conditioned upon the satisfaction or, where applicable, the Company’s waiver of, the conditions to the Offer specified herein. The Company reserves the right, subject to applicable law, with respect to the Offer, to (i) extend the Withdrawal Deadline and the Expiration Time and

thereby delay acceptance for purchase of any Bonds that are validly tendered with respect to the Offer, (ii) waive any unsatisfied condition or conditions and accept for purchase all Bonds validly tendered with respect to the Offer or (iii) if any of these conditions have not been satisfied or waived, terminate the Offer or otherwise amend the Offer in any respect. See “Terms of the Offer—Conditions to the Offer” beginning on page 9.

Early Tender Deadline

The Early Tender Deadline is 5:00 p.m., New York City time, on September 11, 2019, unless extended by the Company in its sole discretion.

Expiration Time

The Offer will expire at 11:59 p.m., New York City time, on September 25, 2019, unless extended or earlier terminated by the Company in its sole discretion. The Company expressly reserves its right to extend the Offer at any time and may amend or terminate the Offer if, before such time as any Bonds have been accepted for payment pursuant to the Offer, any condition of the Offer is not satisfied or, where applicable, waived by the Company.

Early Settlement Date

The Early Settlement Date is expected to be the second business day following the Early Tender Deadline. Assuming the Early Tender Deadline is not extended and all conditions to the Offer have been satisfied or, where applicable, waived by the Company, the Company currently expects that the Early Settlement Date will be on September 13, 2019.

Final Settlement Date

The Final Settlement Date is expected to be the second business day following the Expiration Time. Assuming the Offer is not extended and all conditions of such Offer have been satisfied or, where applicable, waived by the Company, the Company currently expects that the Final Settlement Date will be on September 27, 2019.

Withdrawal Rights; Withdrawal Deadline

Bonds validly tendered may be properly withdrawn at any time prior to the Withdrawal Deadline of 5:00 p.m., New York City time, on September 11, 2019, unless extended by the Company in its sole discretion. Holders of Bonds that validly tender their Bonds after the Withdrawal Deadline and at or prior to the Expiration Time may not withdraw their tendered Bonds. Tendered Bonds may only be withdrawn in Authorized Denominations. If not all Bonds originally tendered are withdrawn, Bonds that remain tendered must be in the Authorized Denominations, and Holders must continue to hold Bonds in Authorized Denominations. See “Terms of the Offer—Procedures for Tendering—Withdrawal of Tenders” beginning on page 15.

Procedures for Tendering

Any Holder wishing to tender Bonds should (i) request the Holder’s nominee to effect the transaction or (ii) tender Bonds through DTC pursuant to ATOP. A Holder with Bonds held through a nominee must contact that nominee if such Holder wishes to tender those Bonds, and promptly instruct such nominee to tender such Bonds on its behalf.

See “Terms of the Offer—Procedures for Tendering” beginning on page 10. For further information, please contact the Tender Agent or the Dealer Managers or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.

See “Terms of the Offer—Procedures for Tendering—Representations,

Warranties and Undertakings; Acceptance Constitutes an Agreement” beginning on page 12 for a discussion of the items that all Holders who tender Bonds in the Offer will be deemed to have represented, warranted, undertaken and agreed.

Risks Relating to the Offer

In deciding whether to participate in the Offer, Holders should consider certain risks relating to the Offer. See “Risks Relating to the Offer” beginning on page 17 for a discussion of these risks.

Certain United States Federal
Income Tax Considerations

For a discussion of certain United States Federal Income Tax Considerations of the Offer applicable to beneficial owners, see “Certain U.S. Federal Income Tax Considerations” beginning on page 20.

Dealer Managers

BofA Securities, Inc. and U.S. Bancorp Investments, Inc. are serving as Dealer Managers in connection with the Offer. The Dealer Managers’ contact information appears on the back cover of this Offer to Purchase.

Tender Agent and Information
Agent

D.F. King & Co., Inc. is serving as the Tender Agent and the Information Agent in connection with the Offer. Its contact information appears on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase may be directed to the Information Agent, and requests for assistance relating to the procedures for tendering Bonds may be directed to the Tender Agent.

Brokerage Commissions

No brokerage fees or commissions are payable by Holders to the Offeror, the Dealer Managers, the Tender Agent, the Information Agent or the applicable trustee for the Bonds.

CORPORATE INFORMATION

Dominion Energy South Carolina, Inc., a South Carolina corporation organized in 1924, is a public utility and a wholly-owned subsidiary of Dominion Energy, one of the nation's largest producers and transporters of energy. The Company is engaged in the generation, transmission, distribution and sale of electricity to approximately 731,000 customers and the purchase, sale and transportation of natural gas to approximately 379,000 customers. The Company's service territory includes portions of central, southern and southwestern South Carolina (for electric and natural gas) as well as portions of eastern South Carolina (for natural gas only). The Company's transmission system extends over a large part of the central, southern and southwestern portions of South Carolina.

The Company's principal and administrative offices are located at 400 Ottare Parkway, Cayce, South Carolina 29033 and its telephone number at that location is (803) 217-9000.

PURPOSE OF THE OFFER

The Company is making the Offer as part of a program to reduce its outstanding debt. Bonds purchased in the Offer will be retired and cancelled. These actions will improve the Company's debt to capitalization ratio and will reduce interest expense. The Company plans to fund the purchase of Bonds pursuant to the Offer with available cash, including cash received through a capital contribution to the Company and intercompany borrowings from Dominion Energy and its affiliates. Dominion Energy intends to provide funds from its customary sources of liquidity including short-term borrowings. There is no financing condition associated with the Offer.

TERMS OF THE OFFER

General

The Company is offering, subject to the terms and conditions set forth in this Offer to Purchase, to purchase for cash an amount of Bonds in an aggregate principal amount of up to the Offer Cap, which is \$400,000,000.

Bonds that are validly tendered may be subject to proration and will be purchased in accordance with the applicable Acceptance Priority Level assigned to each series of Bonds. In addition, Bonds validly tendered prior to or at the Early Tender Deadline will be accepted for purchase before any Bonds validly tendered after the Early Tender Deadline but before the Expiration Time, regardless of the Acceptance Priority Level. For more information, please see “—Offer Cap; Acceptance Priority Level; Proration” below.

The Company reserves the right, but is not obligated, to increase the Offer Cap, in its sole discretion, without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights, subject to compliance with applicable law. The Company will announce any increase in the Offer Cap by promptly issuing a press release to a nationally recognized news service or by using such other means of announcement as the Company deems appropriate. If the Offer Cap is increased and there are fewer than 10 business days from and including the date of such announcement until the scheduled Expiration Time, the Offer will be extended so that at least 10 business days remain until the Offer’s Expiration Time. In the event of such an extension, the Company does not currently intend to also extend the Withdrawal Deadline or Early Tender Deadline.

The consideration offered for each \$1,000 principal amount of Bonds validly tendered prior to or at the Early Tender Deadline and accepted for purchase will be the applicable Total Consideration plus Accrued Interest. Holders validly tendering Bonds after the applicable Early Tender Deadline and at or prior to the Expiration Time that are accepted for purchase will only receive the applicable Late Tender Offer Consideration, which is equal to the applicable Total Consideration minus the Early Tender Premium, plus Accrued Interest.

The table below sets forth, among other things, the CUSIP numbers, the principal amounts outstanding and the applicable Acceptance Priority Level for each series of Bonds.

Title of Security	CUSIP Number	Principal Amount Outstanding	Acceptance Priority Level	Reference U.S. Treasury Security	Bloomberg Reference Page	Early Tender Premium (per \$1,000)	Fixed Spread (basis points)
4.250% First Mortgage Bonds due 2028	837004CM0	\$400,000,000	1	1.625% due August 15, 2029	FIT1	\$30	65
4.350% First Mortgage Bonds due 2042	837004CF5	\$324,433,000	2	2.875% due May 15, 2049	FIT1	\$30	95
4.600% First Mortgage Bonds due 2043	837004CG3	\$400,000,000	3	2.875% due May 15, 2049	FIT1	\$30	100

Total Consideration; Late Tender Offer Consideration; Accrued Interest

Holders that validly tender their Bonds at or prior to the Early Tender Deadline will be eligible to receive the applicable Total Consideration for each \$1,000 principal amount of Bonds validly tendered and accepted for purchase by the Company. The Total Consideration includes the applicable Early Tender Premium set forth in the table above.

Holders that validly tender their Bonds after the Early Tender Deadline and at or prior to the Expiration Time will only be eligible to receive the applicable Late Tender Offer Consideration for each \$1,000 principal amount of each series of Bonds validly tendered and accepted for purchase by us, which is equal to the applicable Total Consideration minus the applicable Early Tender Premium.

In addition to the applicable Total Consideration or the applicable Late Tender Offer Consideration, Holders whose Bonds are accepted for purchase by the Company will also be paid Accrued Interest, which is the accrued and unpaid interest with respect to their tendered Bonds from, and including, the last interest payment date for such Bonds to, but not including, the applicable Settlement Date, in each case rounded to the nearest cent. Accrued Interest will be payable on the applicable Settlement Date. Under no circumstances will any additional interest be payable to Holders because of any delay on the part of the Tender Agent, DTC or any other party in the transmission of funds to Holders.

The applicable Total Consideration offered per \$1,000 principal amount of each series of Bonds validly tendered and accepted for purchase pursuant to the Offer will be calculated in accordance with standard market practice, as described on Schedule A hereto, so as to result in a price as of the Early Settlement Date based on a yield to the applicable par call or maturity date for a series of Bonds equal to the sum of:

- the yield to the maturity date for the applicable Reference Security, calculated in accordance with standard market practice, based on the bid-side price of the applicable Reference Security set forth for such series of Bonds on the cover of this Offer to Purchase, as quoted on the applicable Reference Page at 10:00 a.m., New York City Time on the Price Determination Date, plus
- the applicable Fixed Spread set forth for such series of Bonds in the table on the cover of this Offer to Purchase.

This sum is referred to in this Offer to Purchase as the applicable Repurchase Yield. Specifically, the Total Consideration offered per \$1,000 principal amount of each series of Bonds validly tendered and accepted for purchase will equal:

- the present value per \$1,000 principal amount of all remaining payments of principal and interest on such series of Bonds to be made to (and including) the applicable par call or maturity date for such series of Bonds, discounted to the Early Settlement Date, in accordance with the formula set forth on Schedule A hereto, at a discount rate equal to the applicable Repurchase Yield, minus
- Accrued Interest up to, but not including, the Early Settlement Date, per \$1,000 principal amount of such series of Bonds.

In calculating the applicable Total Consideration for a series of Bonds, the application of the par call date, if any, will be in accordance with standard market practice. Specifically, if the interest rate on a particular series of Bonds is less than the applicable Repurchase Yield, then the calculation will assume that the payments of such Bonds are through the maturity date of the Bonds, and if the interest rate is greater than the applicable Repurchase Yield, then the calculation will assume that the payments of such Bonds are through the par call date.

Because the consideration applicable to the Offer is based on a fixed spread pricing formula linked to the yield on the applicable Reference Security, the actual amount of consideration that may be received by a tendering Holder pursuant to the Offer will be affected by changes in such yield during the term of the Offer prior to the Price Determination Date. After the Price Determination Date, when the consideration applicable to the Offer is no longer linked to the yield on the applicable Reference Security, the actual amount of cash that may be received by a tendering Holder pursuant to the Offer will be known, and Holders will be able to ascertain the consideration that would be received by all tendering Holders whose Bonds are accepted for purchase pursuant to the Offer in the manner described above.

In the event of any dispute or controversy regarding the (i) applicable Total Consideration or the applicable Late Tender Offer Consideration, (ii) Reference Yield, (iii) Repurchase Yield or (iv) amount of Accrued Interest for Bonds tendered and accepted for purchase pursuant to the Offer, the Company's determination shall be conclusive and binding, absent manifest error.

Prior to 10:00 a.m., New York City Time on the Price Determination Date, Holders may obtain a hypothetical quote of the yield of the applicable Reference Security (calculated as of a then-recent time) and the resulting hypothetical Total Consideration, as applicable, by contacting either of the Dealer Managers at their respective telephone numbers set forth on the back cover of this Offer to Purchase. In addition, as soon as practicable after the Price Determination Date, but in any event no later than 9:00 a.m., New York City time, on the next business day, the Company will announce publicly the pricing information by press release.

Offer Cap; Acceptance Priority Level; Proration

The maximum amount of Bonds that the Company will accept for purchase pursuant to the Offer is limited to an aggregate principal amount of Bonds that does not exceed the Offer Cap. Subject to the Offer Cap and proration, validly tendered Bonds will be purchased in the order of the Acceptance Priority Levels (in numerical priority order) set forth in the table on the cover of this Offer to Purchase. In addition, Bonds validly tendered prior to or at the Early Tender Deadline will be accepted before any Bonds validly tendered after the Early Tender Deadline (but prior to or at the Expiration Time), regardless of such Bonds' Acceptance Priority Levels.

Accordingly, Bonds of a series validly tendered prior to or at the Early Tender Deadline having a higher Acceptance Priority Level will be accepted before any validly tendered Bonds of a series validly tendered prior to or at the Early Tender Deadline having a lower Acceptance Priority Level are accepted. Similarly, any Bonds of a series validly tendered after the Early Tender Deadline but prior to or at the Expiration Time having a higher Acceptance Priority Level will be accepted before any Bonds of a series validly tendered following the Early Tender Deadline but prior to or at the Expiration Time having a lower Acceptance Priority Level are accepted. **If the Offer is not fully subscribed as of the Early Tender Deadline, Bonds validly tendered prior to or at the Early Tender Deadline will be accepted for purchase in priority to all Bonds validly tendered following the Early Tender Deadline, even if such Bonds validly tendered following the Early Tender Deadline have a higher Acceptance Priority Level than those Bonds validly tendered prior to or at the Early Tender Deadline. If the Offer is fully subscribed as of the Early Tender Deadline, Holders who validly tender Bonds after the Early Tender Deadline will not have any of such Bonds accepted for purchase, regardless of the Acceptance Priority Level of such Bonds.**

Bonds of a given series may be subject to proration (rounded down to avoid the purchase of Bonds in a principal amount other than in an integral multiple of \$1,000) if the aggregate principal amount of Bonds of such series validly tendered would cause the Offer Cap to be exceeded.

If proration of the Bonds is required, the Company will make a final proration determination as soon as practicable after the Early Tender Deadline or Expiration Time, as applicable. The Company will announce the results of such proration as promptly as practicable. Holders may obtain such information from the Information Agent and the Dealer Managers, and may be able to obtain such information from their brokers.

Tenders of Bonds that, if subject to proration, would result in returning to Holders a principal amount of Bonds of a given series that is less than the Authorized Denomination, will either be accepted or rejected in whole, at the Company's sole option, and will not be subject to proration.

In the event validly tendered Bonds are not accepted for purchase due to proration, they will be rejected from the Offer and returned or credited promptly to the tendering Holder's account.

Conditions to the Offer

The Offer is subject to the satisfaction or, where applicable, the waiver of certain conditions set forth herein. The Offer is not conditioned on any minimum amount of Bonds, or series of Bonds, being tendered.

Notwithstanding any other provision of the Offer, the Company will not be obligated to accept for purchase, and pay for, validly tendered Bonds pursuant to the Offer if all of the conditions have not been satisfied or, where applicable, waived. For purposes of the foregoing provisions, all of the conditions of the Offer shall be deemed to have been satisfied at the Early Tender Deadline or Expiration Time, as applicable, unless any of the following conditions shall have occurred on or after the date of this Offer to Purchase and before the aforementioned dates:

- (i) any general suspension of trading in, or limitation on prices for, securities in the United States securities or financial markets, (ii) a material impairment in the trading market for debt securities, (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (iv) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, (v) any attack on, outbreak or escalation of hostilities or acts of terrorism involving the United States or state of emergency or war by the United States or (vi) any significant adverse change in the price of the Bonds or the United States securities or financial markets generally or in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof;
- the existence of an action, proceeding, order, statute, rule, regulation, executive order, stay, decree, judgment or injunction (pending or threatened) that shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality or by any other person that, in the Company's reasonable judgment either (a) would or would be reasonably likely to prohibit, prevent or materially restrict or delay consummation of the Offer or (b) is, or is reasonably likely to be, materially adverse to the Company's business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects or those of the Company's affiliates, as applicable;
- the existence of any other actual or threatened legal impediment to the Offer or any other circumstances that would, in the Company's reasonable judgment, materially adversely affect the transactions contemplated by the Offer, or the contemplated benefits of the Offer to the Company or the Company's subsidiaries; or
- the occurrence of an event or events or the likely occurrence of an event or events that would reasonably be expected to prohibit, restrict or delay the consummation of the Offer or, in the Company's reasonable judgment, materially impair the contemplated benefits of the Offer.

These conditions are solely for the benefit of the Company and may be asserted by the Company regardless of the circumstances, including any action or inaction by the Company, giving rise to any such condition, and may be waived by the Company in its sole discretion at any time and from time to time prior to the Expiration Time or Early Tender Deadline.

If any of these conditions to the Offer have not been satisfied, the Company expressly reserves the right, but is not obligated, at any time, subject to applicable law, to (a) extend the Withdrawal Deadline, Early Tender Deadline or Expiration Time and thereby delay acceptance for purchase of any Bonds that are validly tendered in the Offer, (b) waive any unsatisfied condition or conditions and accept for purchase all Bonds validly tendered at or prior to the Expiration Time, subject to the Offer Cap, Acceptance Priority Levels, proration and Early Tender Priority, as applicable, or (c) if any of these conditions have not been satisfied or waived, terminate the Offer or otherwise amend the Offer in any respect. The Company's failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

Any Bonds purchased by the Company pursuant to the Offer will be cancelled by or at the direction of the trustee, pursuant to the terms of the indenture governing such Bonds.

Procedures for Tendering

Early Tender Deadline; Expiration Time; Price Determination Date; Extensions; Amendments; Terminations

The Company expressly reserves the right to extend the Early Tender Deadline, Expiration Time, or Price Determination Date for the Offer at any time and from time to time, or to amend the Offer in any respect, subject to applicable law, including to permit the satisfaction or waiver of the conditions to the Offer or to increase the Offer Cap, in its sole discretion, in each case by giving written notice of such extension or amendment to the Tender Agent and disclosing such information as noted below.

During any extension of the Offer, all Bonds previously tendered with respect to the Offer will remain subject to the Offer, unless properly withdrawn prior to the Withdrawal Deadline. Any extension, amendment or termination will be followed as promptly as practicable by a public announcement thereof, with the announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Time, Price Determination Date, or Early Tender Deadline. Without limiting the manner in which the Company may choose to make any public announcement, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to a nationally recognized news service or using such other means of announcement as the Company deems appropriate. If the Company makes a material change in the terms of the Offer or the information concerning the Offer or waives a condition of the Offer that results in a material change to the circumstances of the Offer, in the Company's reasonable judgment, the Company will disseminate additional tender offer materials and extend the Offer to the extent required by applicable law.

The minimum period during which the Offer will remain open following material changes in the terms thereof or in the information concerning the Offer will depend upon the facts and circumstances of such change, including the relative materiality of the changes. If any of the terms of the Offer are amended in a manner determined by the Company to constitute a material change adversely affecting any Holder that has previously tendered Bonds in the Offer, the Company will promptly disclose any such amendment in a manner reasonably calculated to inform Holders of such amendment, and will extend the Offer and grant withdrawal rights for a time period that the Company, in its reasonable discretion, deems appropriate, depending upon the significance of the amendment and the manner of disclosure to Holders, if the Offer would otherwise expire during such time period.

If the Offer Cap is increased and there are fewer than 10 business days from and including the date of such announcement until the scheduled Expiration Time, the Company will extend the Offer so that at least 10 business days remain until the Expiration Time. In the event of such extension, the Company currently does not intend to also extend the Withdrawal Deadline or the Early Tender Deadline.

If the Company terminates the Offer without purchasing any Bonds tendered pursuant to the Offer, it will promptly give notice to the Tender Agent and all of the Bonds tendered pursuant to the Offer will be returned promptly to the tendering Holders. Bonds tendered through DTC will be credited to the Holder through DTC and such Holder's DTC participant.

How to Tender Bonds; Book-Entry Transfer; Tender Through ATOP

All Bonds are held in book-entry form through the facilities of DTC. Any Holder wishing to tender Bonds in response to the Offer should (a) request the Holder's nominee to effect the transaction or (b) tender such Bonds through DTC pursuant to ATOP. A separate tender instruction must be submitted on behalf of each beneficial owner of the Bonds due to the possibility of proration. Bonds may be tendered only in the Authorized Denominations.

Any beneficial owner whose Bonds are held in book-entry form through a broker, dealer, commercial bank, trust company or other nominee that wishes to tender Bonds in response to the Offer should contact such broker, dealer, commercial bank, trust company or other nominee promptly and instruct such nominee to submit instructions on such beneficial owner's behalf. In some cases, the broker, dealer, commercial bank, trust company or other nominee may request submission of such instructions on a Beneficial Owner's Instruction Form. Please check with your nominee to determine the procedures for such nominee. Holders should note that if Bonds are held by a broker, dealer, commercial bank, trust company or other nominee, such broker, dealer, commercial bank, trust company or other nominee may have an earlier deadline for tendering Bonds pursuant to the Offer than the Expiration Time or Early Tender Deadline.

Delivery of Bonds will be deemed made only after receipt by the Tender Agent of (a) timely confirmation of a book-entry transfer of such Bonds into the Tender Agent's account at DTC pursuant to the procedures set forth in this section and (b) a properly transmitted Agent's Message through ATOP. Except as otherwise provided herein, delivery of Bonds will be deemed made only when the Agent's Message is actually received by the Tender Agent. **If you desire to tender your Bonds on the date of the Expiration Time or Early Tender Deadline through ATOP, you must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date.**

Notwithstanding any other provision in this Offer to Purchase, payment of the applicable Total Consideration or the applicable Late Tender Offer Consideration, as applicable, plus Accrued Interest in exchange for Bonds tendered and accepted for purchase pursuant to the Offer will occur only after timely receipt by the Tender Agent of a Book-Entry Confirmation with respect to such Bonds, together with a properly transmitted Agent's Message through ATOP. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders of Bonds will be determined by the Company in its sole discretion, the determination of which shall be final and binding. **Alternative, conditional or contingent tenders in the Offer will not be considered valid.** The Company reserves the absolute right to reject any or all tenders of Bonds that are not in proper form or the acceptance of which would, in the Company's opinion, be unlawful. The Company also reserves the right to waive any defects, irregularities or conditions of tender as to particular Bonds. The Company's interpretations, as applicable, of the terms and conditions of the Offer will be final and binding. Any defect or irregularity in connection with tenders of Bonds must be cured within such time as the Company determines, unless waived by the Company. Tenders of Bonds shall not be deemed to have been made until all defects and irregularities have been waived by the Company or cured. **None of the Company, the Tender Agent, the Information Agent, the Dealer Managers or any other person will be under any duty to give notice of any defects or irregularities in tenders of Bonds pursuant to the Offer or will incur any liability to Holders for failure to give any such notice.**

The Tender Agent will establish one or more accounts with respect to the Bonds at DTC for purposes of the Offer, and any financial institution that is a participant in DTC may make book-entry delivery of tendered Bonds by causing DTC to transfer such Bonds into the Tender Agent's account in accordance with DTC's procedures for such transfer. The Tender Agent and DTC have confirmed that the book-entry issues to be tendered in the Offer are eligible for ATOP. To effectively tender Bonds eligible for ATOP that are held through DTC, DTC participants must electronically transmit their acceptance through ATOP. DTC will then verify the acceptance of the Offer, execute a book-entry delivery to the Tender Agent's account at DTC and send an Agent's Message to the Tender Agent. Delivery of an Agent's Message by DTC will satisfy the terms of the Offer. The confirmation of a book-entry transfer into the Tender Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." **Delivery of documents to DTC does not constitute delivery to the Tender Agent.**

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message, stating (a) the aggregate principal amount of Bonds that have been tendered by such participant pursuant to the Offer, (b) that such participant has received the Offer to Purchase and agrees to be bound by the terms and conditions of the Offer as described in the Offer to Purchase and (c) that the Offeror may enforce such agreement against such participant.

Tenders of Bonds held in Physical Form

There are no Bonds held in physical form. Accordingly, there is no letter of transmittal in connection with the Offer. If you believe that you hold Bonds in physical form, please contact the Tender Agent regarding procedures for participating in the Offer.

No Guaranteed Delivery for Bonds

We have not provided guaranteed delivery provisions in conjunction with the Offer. Holders must tender their Bonds in accordance with the procedures set forth above under "—Procedures for Tendering."

Representations, Warranties and Undertakings; Acceptance Constitutes an Agreement

Tenders of Bonds pursuant to the procedures described above, and acceptance thereof by the Company, will constitute a binding agreement between the tendering Holder and the Offeror upon the terms and subject to the conditions set forth in this Offer to Purchase.

Subject to, and effective upon, the acceptance for purchase of, and payment for, the principal amount of Bonds tendered in accordance with the terms and subject to the conditions of the Offer, a tendering Holder (a) will be deemed to have agreed to sell, assign and transfer to, or upon the order of, the Offeror, all right, title and interest in and to all of such Bonds tendered and accepted for purchase pursuant to the applicable terms of this Offer to Purchase; (b) waives any and all other rights with respect to such Bonds (including, without limitation, any existing or past defaults and their consequences in respect of such Bonds under the related indenture under which such Bonds were issued); and (c) releases and discharges the Offeror and the trustee from any and all claims the Holder may have now, or may have in the future, arising out of, or related to, the Bonds, including, without limitation, any claims that the Holder is entitled to receive additional principal or interest payments with respect to such Bonds or to participate in any repurchase, redemption or defeasance of the Bonds.

By tendering Bonds pursuant to the Offer, each Holder or, in the case of Bonds tendered by DTC participants, each applicable beneficial owner, will be deemed to have represented, warranted and agreed that:

- it has received and reviewed the Offer to Purchase and has undertaken an appropriate analysis of the implications of the Offer without reliance on the Offeror, the Dealer Managers, the Tender Agent or Information Agent or the trustee for the applicable series of Bonds;
- it (i) owns such Bonds tendered and is entitled to tender such Bonds and (ii) has full power and authority to tender, sell, assign and transfer such Bonds and that, when the same are accepted for purchase by the Offeror, the Offeror will acquire good, marketable and unencumbered title thereon, free and clear of all liens, restrictions, charges and encumbrances, and the same will not be subject to any adverse claim or right;
- if such Bonds are accepted for purchase, it acknowledges that (i) the applicable Total Consideration or applicable Late Tender Offer Consideration, as applicable, and the Accrued Interest in respect of such Bonds validly tendered and accepted for purchase will be calculated by the Dealer Managers on behalf of the Offeror and such calculation will, absent manifest error, be conclusive and binding; (ii) the applicable Total Consideration or applicable Late Tender Offer Consideration, as applicable, and the Accrued Interest will be paid in U.S. dollar; (iii) such cash amounts will be deposited by or on behalf of the Offeror with the Tender Agent or, upon instruction from the Tender Agent, to DTC on the applicable Settlement Date; and (iv) upon receipt of such cash amounts, the Tender Agent or DTC, as applicable, will make payments promptly to the accounts of the applicable DTC participants;
- it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Offeror to be desirable, in each case to complete the transfer of the relevant Bonds to the Offeror or its nominee against payment to it of the applicable Total Consideration or applicable Late Tender Offer Consideration, as applicable, and the Accrued Interest for such Bonds and/or to perfect any of the authorities expressed to be given under this Offer to Purchase;
- all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertaking hereunder shall be binding upon its successor, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity;
- it accepts that the Offeror is under no obligation to accept tenders of Bonds for purchase pursuant to the Offer, and accordingly such tender may be accepted or rejected by the Offeror in its sole discretion;
- none of the Company, its affiliates or board of directors, the Dealer Managers, the Tender Agent and Information Agent or the trustee with respect to each series of Bonds is making any recommendation as to whether it should tender, or refrain from tendering, any Bonds in response to the Offer, and it has made its own decision with regard to tendering Bonds pursuant to the Offer based on any tax, accounting, financial legal or other advice it has deemed necessary to seek;
- it acknowledges that all questions as to the validity (including time of receipt) and acceptance of tenders and withdrawals of Bonds will be determined by the Offeror, in its sole discretion, which determination shall be final and binding;
- it agrees that delivery and surrender of Bonds is not effective, and the risk of loss of the Bonds does not pass, until receipt by the Tender Agent of a properly transmitted Agent's Message, and any other required documents in form satisfactory to the Offeror; and

- it has complied with the short tendering rule described under “—Compliance with ‘Short Tendering’ Rule” below.

In addition, by tendering Bonds pursuant to the Offer, a Holder will be deemed to have irrevocably constituted and appointed the Tender Agent the true and lawful agent and attorney-in-fact of such Holder (with full knowledge that the Tender Agent also acts as the agent of the Offeror) with respect to any tendered Bonds, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) transfer ownership of such Bonds on the account books maintained by DTC together with all accompanying evidences of transfer and authenticity, to or upon the order of the Offeror, and (b) receive all benefits or otherwise exercise all rights of beneficial ownership of such Bonds, including receipt of funds from the Offeror for the consideration paid for any Bonds tendered pursuant to the Offer that are purchased by the Offeror and transfer such funds to the Holder, all in accordance with the terms of the Offer.

Acceptance of Bonds for Purchase; Payment for Bonds

Upon the terms of the Offer and upon the satisfaction or, where applicable, the Company’s waiver of the applicable Conditions to such Offer specified herein under “—Conditions to the Offer,” the Company will (a) in accordance with the Acceptance Priority Levels, accept for purchase Bonds validly tendered (or defectively tendered, if the Company has waived such defect) and not properly withdrawn up to the amount of Bonds such that the aggregate principal amount of such bonds is equal to the Offer Cap, subject to possible proration as described elsewhere in this Offer to Purchase, and subject also to the Company’s intention as described in this Offer to Purchase to accept for purchase Bonds validly tendered and not properly withdrawn at or prior to the Early Tender Deadline before accepting for purchase any Bonds validly tendered following the Early Tender Deadline, regardless of Acceptance Priority Level, and (b) promptly pay the Total Consideration or the Late Tender Offer Consideration, as applicable, plus Accrued Interest, on the applicable Settlement Date for all Bonds accepted for purchase.

Payment for Bonds accepted for purchase pursuant to the Offer will be made only after confirmation of book-entry transfer thereof. Under no circumstances will any interest be payable to Holders because of any delay on the part of the Tender Agent, DTC or any other party in the transmission of funds to Holders.

The Company will be deemed to have accepted for payment pursuant to the Offer and thereby have purchased Bonds validly tendered and not properly withdrawn if, as and when it gives oral (promptly confirmed in writing) or written notice thereof to the Tender Agent of its acceptance of the Bonds in the Offer. The Tender Agent will act as agent for the tendering Holders for the purpose of receiving payments from the Company and transmitting such payments to the tendering Holders. With respect to tendered Bonds that are to be returned to Holders, such Bonds will be credited to the account maintained at DTC from which such Bonds were delivered promptly after the Expiration Time or termination of the Offer.

The Company will pay for Bonds accepted for purchase in the Offer by depositing such payment in cash with DTC on the applicable Settlement Date. If the Company is delayed in its acceptance of, purchase of, or payment for, validly tendered Bonds or is unable to accept for purchase or pay for validly tendered Bonds pursuant to the Offer for any reason, then, without prejudice to its rights hereunder, but subject to applicable law, tendered Bonds may be retained by the Tender Agent on the Company’s behalf and may not be properly withdrawn, subject to Rule 14e-1 under the Exchange Act (which requires that the Company pay the consideration offered or return the Bonds deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Offer).

The Company expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act to delay acceptance for payment of or payment for the Bonds if any of the conditions to

the Offer shall not have been satisfied or, where applicable, waived, or in order to comply, in whole or in part, with any applicable law. The Company also expressly reserves its right to terminate the Offer at any time, subject to applicable law.

If any tendered Bonds are not accepted for payment for any reason pursuant to the terms and conditions of the Offer, such Bonds will be credited to an account maintained at DTC, designated by the participant therein that so delivered such Bonds promptly following the Expiration Time or the termination of the Offer.

The Company may transfer or assign, in whole or from time to time in part, to one or more of its affiliates or any third party the right to purchase all or any of the Bonds tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Company of its obligations under the Offer and will in no way prejudice the rights of tendering Holders to receive payment for Bonds validly tendered and accepted for payment pursuant to the Offer.

Holders of Bonds tendered and accepted for payment pursuant to the Offer will be entitled to Accrued Interest, which is the accrued and unpaid interest with respect to their tendered Bonds from, and including, the last interest payment date for the Bonds to, but not including, the applicable Settlement Date, in each case rounded to the nearest cent. Under no circumstances will any additional interest be payable because of any delay by the Tender Agent in the transmission of funds to the Holders of purchased Bonds or otherwise.

Tendering Holders of Bonds purchased in the Offer will not be obligated to pay brokerage fees or commissions to any of the Company, the Dealer Managers, the Tender Agent, the Information Agent, or the trustee, or to pay transfer taxes with respect to the purchase of their Bonds. If, however, the applicable Total Consideration or the Late Tender Offer Consideration is to be paid to, or if Bonds not tendered or not accepted for payment are to be registered in the name of, any person other than a Holder, the amount of any transfer taxes (whether imposed on the Holder or such other person) payable on account of the transfer to such person will be deducted from the applicable Total Consideration or the Late Tender Offer Consideration unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted. The Offeror will pay all other charges and expenses in connection with Offer.

Withdrawal of Tenders

Bonds validly tendered prior to the Withdrawal Deadline may be validly withdrawn at any time at or prior to the Withdrawal Deadline, but not thereafter, except in certain limited circumstances where additional withdrawal rights are granted by the Offeror or are required by law.

For a withdrawal of a tender of Bonds to be effective, the Tender Agent must receive a properly transmitted "Request Message" through ATOP at or prior to the Withdrawal Deadline. Any such notice of withdrawal must:

- specify the name of the participant for whose account such Bonds were tendered and such participant's account number at DTC to be credited with the withdrawn Bonds;
- contain a description of the Bonds to be withdrawn and the aggregate principal amount represented by such Bonds;
- specify the account number to be credited with such Bonds; and
- be signed by such DTC participant in the same manner as the participant's name is listed on the applicable Agent's Message.

Withdrawal of tenders of Bonds may only be accomplished in accordance with the foregoing procedures. Withdrawal of tenders of Bonds may not be rescinded, and any Bonds properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer; provided, however, that properly withdrawn Bonds may be re-tendered by following one of the appropriate procedures described in this Offer to Purchase at any time at or prior to the Expiration Time. Any Bonds re-tendered after the Early Tender Deadline will only be eligible to receive the applicable Late Tender Offer Consideration. Tendered Bonds may only be withdrawn in Authorized Denominations. If not all Bonds originally tendered are withdrawn, Bonds that remain tendered must be in Authorized Denominations, and Holders must continue to hold Bonds in Authorized Denominations.

The Company will determine all questions as to the form, validity and eligibility (including time of receipt) of any notice of withdrawal, in its sole discretion, which determination shall be final and binding absent a finding to the contrary by a court of competent jurisdiction. The Company reserves the absolute right to reject any and all withdrawals that it determines are not in proper form or the acceptance of which may, in the opinion of its counsel, be unlawful. The Company also reserves the absolute right, in its sole discretion, to waive any defect or irregularity in the withdrawal of Bonds of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. A waiver of any defect or irregularity with respect to the withdrawal with respect to one Bond will not constitute a waiver of the same or any other defect or irregularity with respect to the withdrawal of any other Bonds unless the Company expressly provides otherwise. Any defect or irregularity in connection with withdrawals must be cured within such time as the Company may determine, unless waived by it. Withdrawals of Bonds will not be deemed to have been made until all defects and irregularities have been waived by the Company or cured. None of the Company, the Dealer Managers, the Tender Agent and the Information Agent or any of the Company's or their affiliates, or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

If the Company is delayed in its acceptance for purchase of, or payment for, validly tendered Bonds or is unable to accept for purchase or pay for validly tendered Bonds pursuant to the Offer for any reason, then, without prejudice to its rights hereunder, but subject to applicable law, tendered Bonds may be retained by the Tender Agent on the Company's behalf and may not be properly withdrawn, subject to Rule 14e-1 under the Exchange Act (which requires that the Company pay the consideration offered or return the Bonds deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Offer).

The Bonds are debt obligations of the Offeror as indicated in the table on the cover of this Offer to Purchase and are governed by the indenture under which they were issued. There are no appraisal or other similar statutory rights available to Holders in connection with the Offer.

Compliance with "Short Tendering" Rule

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender Bonds for such person's own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal or liquidation amount of the securities being tendered and (b) will cause such securities to be delivered in accordance with the terms of the applicable Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Bonds in response to the Offer under any of the procedures described above will constitute a binding agreement between the tendering Holder and the Company with respect to the Offer upon the terms and subject to the conditions of the Offer, including the tendering Holder's acceptance of the terms and conditions of the Offer, as well as the tendering Holder's representation and warranty that (a) such Holder has a net long position in the Bonds being tendered pursuant to the Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Bonds complies with Rule 14e-4.

RISKS RELATING TO THE OFFER

In deciding whether to participate in the Offer, each Holder should consider carefully, in addition to the other information contained in and incorporated by reference into this Offer to Purchase, the following risks:

There may be a more limited trading market for the Bonds following the consummation of the Offer.

Quotations for securities that are not widely traded, such as the Bonds, may differ from actual trading prices and should be viewed only as approximations. Holders are urged to contact their brokers with respect to current information regarding the Bonds. To the extent that Bonds of a given series are tendered and accepted in the Offer, any existing trading market for the remaining Bonds of that series may become more limited. The Company currently intends to retire and cancel the Bonds it purchases in the Offer. Consequently, the liquidity, market value and price volatility of Bonds of a given series that remain outstanding following the consummation of the Offer may be adversely affected. Holders of unpurchased Bonds may attempt to obtain quotations for the Bonds from their brokers. However, there can be no assurance that any trading market will exist for a given series of Bonds following consummation of the Offer. The extent of the market for a given series of Bonds following consummation of the Offer will depend upon the number of holders remaining at such time, the interest in maintaining a market in such Bonds on the part of securities firms and other factors.

Some, or even all, of the Bonds you tender may not be purchased.

The Company will only accept for purchase Bonds in an aggregate principal amount that will not exceed the Offer Cap. In addition, if the Offer is oversubscribed, the amount of Bonds purchased by the Company will be subject to the Acceptance Priority Levels, the Early Tender Priority and proration, as applicable. See “The Terms of the Offer—Offer Cap; Acceptance Priority Level; Proration” for more information.

There are limits on your ability to withdraw tendered Bonds.

Tendered Bonds may be withdrawn at any time at or prior to the Withdrawal Deadline but not thereafter. Holders of Bonds who tender their Bonds after the Withdrawal Deadline may not withdraw their tendered Bonds.

No recommendation is being made with respect to the Offer.

None of the Company, its affiliates or board of directors, the Dealer Managers, the Tender Agent, the Information Agent or the trustee with respect to each series of the Bonds is making any recommendation to any Holder whether to tender or refrain from tendering any or all of such Holder’s Bonds or how much they should tender, and none of them has authorized any person to make any such recommendation. Holders are urged to evaluate carefully all information in this Offer to Purchase, consult with their own tax, accounting, financial and legal advisors, as appropriate, and make their own decisions with respect to the Offer.

The consideration offered for the Bonds does not reflect any independent valuation of the Bonds. The Company has not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration offered for the Bonds. If you tender Bonds, you may or may not receive as much value or more value than if you choose to keep them.

Bonds not purchased in the Offer will remain outstanding.

Bonds not purchased in the Offer will remain outstanding. The terms and conditions governing the Bonds, including any covenants or other protective provisions contained in the instruments governing the Bonds, will remain unchanged. No amendments to these documents are being sought.

The Company or its affiliates may from time to time, after completion of the Offer, purchase additional Bonds in the open market, in privately negotiated transactions, through tender or exchange offers or otherwise, or the applicable issuer may redeem Bonds that are redeemable pursuant to their terms. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Bonds than the terms of the Offer. Any future purchases by the Company or its affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) the Company or its affiliates may choose to pursue in the future.

Holders should consult their own tax, accounting, financial and legal advisors before participating in the Offer.

Holders are liable for their own taxes (other than certain transfer taxes) and have no recourse to the Company, its affiliates, the Dealer Managers, the Tender Agent, the Information Agent or the trustees for the Bonds with respect to taxes (other than certain transfer taxes) arising in connection with the Offer. Holders should consult their own tax, accounting, financial and legal advisors as they may deem appropriate regarding the suitability to themselves of the tax, accounting, financial and legal consequences of participating or declining to participate in the Offer. In particular, due to the number of different jurisdictions where tax laws may apply to a Holder, this Offer to Purchase does not discuss all tax consequences for Holders arising from the purchase by the Company of the Bonds. Holders are urged to consult their own professional advisors regarding the possible tax consequences under the laws of the jurisdictions that apply to them.

MARKET AND TRADING INFORMATION

The Bonds are neither listed on any national or regional securities exchange nor reported on a national quotation system. To the extent that the Bonds are traded, prices and trading volumes of the Bonds can be difficult to monitor. Quotations for securities that are not widely traded, such as the Bonds, may differ from actual trading prices and should be viewed as approximations. Holders are urged to obtain current information with respect to market prices for the Bonds.

OTHER PURCHASES OF BONDS

From time to time after completion of the Offer, the Company or its affiliates may purchase additional Bonds in the open market, in privately negotiated transactions, through one or more additional tender or exchange offers, or otherwise, or the Company may redeem Bonds that the Company is permitted to redeem pursuant to their terms. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of the Bonds than the terms of the Offer. Any future purchases by the Company will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) the Company or its affiliates may choose to pursue in the future.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations of the Offer that may be relevant to a beneficial owner of Bonds. The summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect. This discussion does not describe all of the U.S. federal income tax considerations that may be relevant to beneficial owners in light of their particular circumstances or to beneficial owners subject to special rules, such as, traders in securities that have elected the mark-to-market method of accounting for their securities holdings, banks, financial institutions, insurance companies, thrifts, mutual funds, regulated investment companies, real estate investment trusts, tax-exempt organizations, personal holding companies, controlled foreign corporations, passive foreign investment companies, investors in pass-through entities (including partnerships and Subchapter S corporations) that invest in Bonds, U.S. expatriates (or former citizens or residents of the United States), persons holding Bonds as part of a hedge, straddle, conversion or other “synthetic security” or integrated financial transaction, individual retirement accounts or qualified pension plans, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Bonds being taken into account in an applicable financial statement, or U.S. Holders (defined below) that have a functional currency other than the U.S. dollar. Such beneficial owners should consult their tax advisors regarding the tax consequences to them of participating in the Offer.

This discussion assumes that the Bonds are held as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). This summary does not address any U.S. federal alternative minimum tax or estate and gift tax consequences, the Medicare tax on net investment income or tax consequences arising under the laws of any state, local or non-U.S. government. No ruling has been or will be obtained from the Internal Revenue Service (the “IRS”) with respect to the matters discussed below. As a result, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to the conclusions set forth below.

The U.S. federal income tax treatment of a partner in a partnership or an entity treated as a partnership for U.S. federal income tax purposes that holds Bonds will depend on the status of the partner and the activities of the partnership. Partnerships or entities treated as partnerships for U.S. federal income tax purposes holding the Bonds should consult their tax advisors concerning the U.S. federal income tax considerations of the Offer to them and their partners.

INVESTORS CONSIDERING THE SALE OF BONDS PURSUANT TO THE OFFER ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF SUCH SALE UNDER OTHER U.S. FEDERAL TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

This summary assumes that our position, as discussed in the prospectus supplement with respect to the 4.250% First Mortgage Bonds due 2028 dated August 15, 2018, under “UNITED STATES FEDERAL INCOME TAX CONSEQUENCES,” that such Bonds should not be classified as contingent payment debt instruments for U.S. federal income tax purposes will be respected. If this assumption is incorrect as to the 4.250% First Mortgage Bonds due 2028, the disposition of such outstanding Bonds pursuant to the Offer could be subject to the special rules governing the sale of contingent payment debt instruments.

Early Tender Premium

The U.S. federal income tax treatment of the receipt of an Early Tender Premium by a Holder whose Bonds are purchased pursuant to the Offer is uncertain. The Early Tender Premium may be treated as a separate fee that would be subject to tax as ordinary income. Alternatively, the Early Tender Premium

may be treated as part of the amount paid to such Holder in respect of its tendered Bonds, as provided in the discussion below under the captions “—U.S. Holders—Sale of the Bonds” and “—Non-U.S. Holders—Sale of the Bonds.” We intend to take the position that an Early Tender Premium is additional consideration for the Bonds. There can be no assurance, however, that the IRS will not successfully challenge this position. Holders are urged to consult their own tax advisors regarding the U.S. federal income tax treatment of their receipt of an Early Tender Premium.

U.S. Holders

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of the Bonds that is, for U.S. federal income tax purposes, (a) an individual citizen or resident of the United States, (b) a corporation (or other business entity treated as a corporation) formed in or under the laws of the United States, any state of the United States or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust if (i) a court within the United States is able to exercise primary supervision over its administration, and one or more “United States persons” (within the meaning of the Code) have the authority to control all substantial decisions of that trust or (ii) the trust has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

Sale of the Bonds

The sale of a Bond by a U.S. Holder pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. Subject to the discussion of the market discount rules below, a U.S. Holder selling a Bond will recognize capital gain or loss in an amount equal to the difference between the amount of cash received (other than amounts received attributable to accrued interest, which, to the extent not previously included in taxable income, will be taxed as described below under “—Accrued But Unpaid Interest” and subject to the discussion above regarding the Early Tender Premium being treated as a separate fee under “—Early Tender Premium”) and the U.S. Holder’s adjusted tax basis in the Bond at the time of sale. A U.S. Holder’s adjusted tax basis in a Bond generally will equal the amount paid for such Bond, (i) increased by the amount of any market discount previously taken into account by the U.S. Holder and (ii) reduced (but not below zero) by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Bond. Amortizable bond premium is generally defined as the excess of a U.S. Holder’s tax basis in a Bond immediately after its acquisition over the sum of all amounts payable on the Bond after the purchase date other than payments of stated interest. Given that a portion of the Bonds tendered by a Holder may not be accepted as a result of proration of these Bonds, U.S. Holders that purchased Bonds of a particular series at different prices or times should consult their tax advisors in order to ascertain their adjusted tax basis in such Bonds sold pursuant to the Offer. Subject to the discussion of the market discount rules below, any such gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period for a Bond on the date of sale was more than one year. For certain non-corporate U.S. Holders (including individuals), net long-term capital gain is currently subject to tax at a reduced rate. The ability of a U.S. Holder to offset capital losses against ordinary income is limited.

If a U.S. Holder acquired the Bond with market discount, any gain realized by a U.S. Holder on the sale of the Bond generally will be treated as ordinary income to the extent of the portion of the market discount that has accrued (on a straight-line basis or, at the election of the U.S. Holder, on a constant-yield basis) while such Bond was held by the U.S. Holder, unless the U.S. Holder has elected to include market discount in income currently as it accrues. In general, market discount is the excess, if any, of the principal amount of a Bond over the U.S. Holder’s tax basis in the Bond at the time of the acquisition, unless the amount of such excess is less than a specified de minimis amount, in which case market discount is considered zero.

Accrued But Unpaid Interest

To the extent that the amount paid for the Bonds is attributable to accrued but unpaid interest, it will constitute ordinary income to the U.S. Holder unless previously included in taxable income.

Information Reporting and Backup Withholding

Generally, a U.S. Holder who tenders its Bonds will be subject to backup withholding and related information reporting unless such U.S. Holder is a corporation or falls within certain other exempt categories and demonstrates this fact, except that a tendering U.S. Holder will not be subject to backup withholding if such U.S. Holder provides a correct taxpayer identification number, certifies that it is not subject to backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The amount of any backup withholding on proceeds from the Offer will be allowed as a credit against such U.S. Holder's federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders

For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of Bonds that is neither a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) nor a U.S. Holder.

Sale of the Bonds

Except as described below, including under "—Accrued But Unpaid Interest," "—Information Reporting and Backup Withholding," and "—FATCA," a Non-U.S. Holder generally will not be subject to U.S. federal income tax or any withholding thereof on gain realized on the sale of a Bond pursuant to the Offer unless one of the following exceptions applies:

- the gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if an applicable income tax treaty requires, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States) or
- the Non-U.S. Holder is an individual who is present in the United States for periods aggregating 183 or more days in the taxable year of the sale and certain other conditions are met.

If the exception described in the first bullet applies, gain on the sale of Bonds that is effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States (and, if an applicable income tax treaty requires, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax on a net income basis in the same manner as a U.S. Holder at the rates applicable to "United States persons" (within the meaning of the Code) and, with respect to corporate Non-U.S. Holders, may also be subject to a 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty). If the exception described in the second bullet applies, a Non-U.S. Holder generally will be subject to tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on such Non-U.S. Holder's net U.S.-source capital gain, which gain may be offset by certain U.S.-source capital losses, provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses, even though the individual is not considered a resident of the United States.

Accrued But Unpaid Interest

Subject to the discussion below, including under “—Information Reporting and Backup Withholding” and “—FATCA,” amounts paid to a Non-U.S. Holder pursuant to the Offer attributable to accrued interest on the Bonds will not be subject to U.S. federal income tax or any withholding thereof, provided that such interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States and the Non-U.S. Holder:

- does not actually or constructively own 10% or more of the total combined voting power of all classes of the Company’s stock that are entitled to vote;
- is not a “controlled foreign corporation” (within the meaning of the Code) related to the Company, actually or constructively, through stock ownership; and
- certifies under penalties of perjury on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or on an applicable successor form), that it is not a “United States person” (within the meaning of the Code), and otherwise properly completes such form (or a securities clearing organization, bank or other financial institution that holds customers’ securities in the ordinary course of its trade or business and holds the Bonds on behalf of the Non-U.S. Holder certifies under penalties of perjury that such a statement has been received from the Non-U.S. Holder (or from an intermediate securities clearing organization, bank or institution) and furnishes a copy to the Company or withholding agent).

A Non-U.S. Holder that does not qualify for exemption from U.S. federal income tax and withholding tax as described above generally will be subject to the withholding of U.S. federal tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) on payments of accrued interest pursuant to the Offer, unless the interest is effectively connected with the conduct of a trade or business within the United States (and, if an applicable income tax treaty requires, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States). If the interest is effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States and, if an applicable income tax treaty requires, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States, such interest (1) generally will be subject to U.S. federal income tax on a net income basis in the same manner as a U.S. Holder at the rates applicable to “United States persons” (within the meaning of the Code) and, with respect to corporate Non-U.S. Holders, may under certain circumstances also be subject to a 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty), and (2) generally will not be subject to U.S. federal withholding tax so long as the relevant Non-U.S. Holder provides the Company or withholding agent with the appropriate documentation (generally on IRS Form W-8ECI).

Information Reporting and Backup Withholding

If a Non-U.S. Holder receives cash for Bonds pursuant to the Offer through a U.S. broker (including certain brokers owned or controlled by United States persons or engaged in the conduct of a trade or business in the United States) or payments attributable to accrued but unpaid interest, such payments to the Non-U.S. Holder may be subject to information reporting and backup withholding. A Non-U.S. Holder generally will not be subject to information reporting or backup withholding, however, if it certifies its foreign status, generally on IRS Form W-8BEN or W-8BEN-E, as applicable (or on an applicable successor form). Backup withholding is not an additional tax; any amount so withheld may be credited against the Non-U.S. Holder’s U.S. federal income tax liability. If backup withholding results in an overpayment of U.S. federal income taxes, a refund may be obtained from the IRS, provided that the required information is timely furnished to the IRS.

FATCA

Under the Foreign Account Tax Compliance Act (commonly referred to as “*FATCA*”), a 30% U.S. federal withholding tax may apply to amounts of gross proceeds attributable to accrued but unpaid interest on Bonds that were originally issued subsequent to July 1, 2014 (or issued prior to or on July 1, 2014 and significantly modified subsequent to July 1, 2014) and that are paid to (i) a “foreign financial institution” (as specifically defined in the Code), whether such foreign financial institution is the beneficial owner or an intermediary, unless such foreign financial institution agrees to verify, report and disclose its “United States account holders” (as specifically defined in the Code) and meets certain other specified requirements or (ii) a “non-financial foreign entity” (as specifically defined in the Code), whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such non-financial foreign entity provides a certification that the beneficial owner of the payment does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and certain other specified requirements are met. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. Further, foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. While withholding under FATCA would have applied on or after January 1, 2019 to payments of gross proceeds from the taxable disposition of the Bonds that were originally issued subsequent to July 1, 2014 (or issued prior to or on July 1, 2014 and significantly modified subsequent to July 1, 2014), recently proposed Treasury regulations eliminate FATCA withholding on payments of gross proceeds. The preamble to these proposed regulations state that taxpayers may rely on them until final Treasury regulations are issued. If amounts attributable to accrued but unpaid interest on Bonds are subject both to withholding under FATCA and to the U.S. federal withholding tax discussed above under “Non-U.S. Holders—Accrued But Unpaid Interest,” the U.S. federal withholding under FATCA may be credited against, and therefore reduce, such other U.S. federal withholding tax. Investors should consult their own tax advisors regarding these rules.

DEALER MANAGERS, TENDER AGENT AND INFORMATION AGENT

The Company has retained BofA Securities, Inc. and U.S. Bancorp Investments, Inc. to act as Dealer Managers in connection with the Offer. The Dealer Managers' contact information appears on the back cover of this Offer to Purchase. Each of the Dealer Managers may contact beneficial owners regarding the Offer and may request brokers, dealers and other nominees to forward this Offer to Purchase and any related materials to beneficial owners of the Bonds.

The Company has agreed to pay the Dealer Managers a fee for their services as dealer managers in connection with the Offer. In addition, the Company will reimburse the Dealer Managers for certain agreed upon reasonable out-of-pocket expenses. The Company also has agreed to indemnify the Dealer Managers against certain liabilities in connection with their services, including liabilities under the federal securities laws. Subject to applicable law, at any given time, the Dealer Managers may trade the Bonds or other securities of the Company and its affiliates for their own accounts or for the accounts of their respective customers and, accordingly, may hold a long or short position in the Bonds.

Each of the Dealer Managers and/or its affiliates, in the ordinary course of its business, makes markets in securities of the Company, including the Bonds. As a result, from time to time, the Dealer Managers and/or their affiliates may own certain of the securities of the Company, including the Bonds. In addition, the Dealer Managers may tender Bonds into the Offer for their own accounts. In the ordinary course of business, the Dealer Managers and their respective affiliates have in the past provided, currently provide, and may in the future from time to time provide, investment banking and other financial services to the Company and its affiliates, for which they have received and will receive, customary compensation. The Dealer Managers are not obligated to make a market in the Bonds.

D.F. King & Co., Inc. has been appointed the Tender Agent and the Information Agent for the Offer. All deliveries and correspondence sent to the Tender Agent or the Information Agent should be directed to the address set forth on the back cover of this Offer to Purchase. Requests for additional copies of documentation may be directed to the Information Agent pursuant to the contact information set forth on the back cover of this Offer to Purchase. Requests for assistance relating to the procedures for tendering Bonds may be directed to the Tender Agent pursuant to the contact information set forth on the back cover of this Offer to Purchase. The Company has agreed to pay the Tender Agent and the Information Agent reasonable and customary fees for its services and reimburse the Tender Agent and the Information Agent for its reasonable out-of-pocket expenses in connection therewith. The Company has agreed to indemnify the Tender Agent and the Information Agent for certain liabilities, including liabilities under the federal securities laws.

NONE OF THE COMPANY, ITS AFFILIATES OR BOARD OF DIRECTORS, THE DEALER MANAGERS, THE TENDER AGENT AND INFORMATION AGENT OR THE TRUSTEE WITH RESPECT TO ANY SERIES OF BONDS IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER, OR REFRAIN FROM TENDERING, ANY BONDS IN RESPONSE TO THE OFFER, AND NEITHER THE COMPANY NOR ANY SUCH OTHER PERSON HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISIONS AS TO WHETHER TO TENDER ANY OF THEIR BONDS AND, IF SO, THE PRINCIPAL AMOUNT OF SUCH BONDS TO TENDER.

MISCELLANEOUS

The Company is not aware of any jurisdiction where the making of the Offer is not in compliance with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction where the making of the Offer would not be in compliance with such laws, the Company will make a good faith effort to comply with any such laws or may seek to have such laws declared inapplicable to the Offer. If, after such good faith effort, the Company cannot comply with any such applicable laws, the Offer will not be made to the Holders of Bonds residing in any such jurisdiction.

None of the Dealer Managers, the Tender Agent and Information Agent, the clearing systems or any of their respective directors, employees or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Offer or the Company contained or incorporated by reference herein or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information.

SCHEDULE A

FORMULA FOR DETERMINING TOTAL CONSIDERATION

Definitions

Total Consideration	=	The Total Consideration per \$1,000 principal amount of the Bonds (excluding Accrued Interest). A tendering Holder that meets the requirements to receive the Total Consideration will receive a total amount per \$1,000 principal amount (rounded to the nearest \$0.01) equal to the Total Consideration plus Accrued Interest for any Bonds we purchase in the Offer.
N	=	The number of remaining cash payment dates for the Bonds from, but excluding, the Early Settlement Date, to and including their par call or maturity date, as applicable. The application of the par call date will be in accordance with standard market practice.
CF _i	=	The aggregate amount of cash per \$1,000 principal amount scheduled to be paid on the Bonds on the “i-th” out of the N remaining cash payment dates for the Bonds. Scheduled payments of cash include interest and, on the par call or maturity date, as applicable, principal.
YLD	=	The Repurchase Yield for the Bonds (expressed as a decimal number).
Di	=	The number of days from and including the applicable Settlement Date to, but not including, the “i-th” cash payment date out of the N remaining cash payment dates for the Bonds being priced. The number of days is computed using the 30/360 day count method in accordance with market convention.
Accrued Interest	=	Accrued and unpaid interest per \$1,000 principal amount of the Bonds from and including the last interest payment date for the Bonds to, but excluding, the applicable Settlement Date.
/	=	Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any other addition or subtraction operations are performed.
exp	=	Exponentiate. The term to the left of the exponentiation symbol is raised to the power indicated by the term to the right of the exponentiation symbol.
$\sum_{i=1}^N$	=	Summate. The term to the right of the summation symbol is separately calculated “N” times (substituting for the “i” in that term each whole number between 1 and N, inclusive) and the separate calculations are then added together.

Formulas

Late Tender Offer Consideration	=	Total Consideration minus the Early Tender Premium.
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$$\text{Total Consideration} = \sum_{i=1}^N \left[\frac{CF_i}{\left(1 + \frac{YLD}{2}\right)^{\exp\left(\frac{D_i}{180}\right)}} \right] - \text{Accrued Interest}$$

Note: For the avoidance of doubt, if the Total Consideration as determined in accordance with the formula above is less than \$1,000 per \$1,000 principal amount of Bonds as of the par call date for such Bonds, then the Total Consideration will be based on the maturity date and not the par call date for such Bonds.

Any questions regarding procedures for tendering Bonds or requests for additional copies of this Offer to Purchase should be directed to the Tender Agent and Information Agent, respectively, as follows:

The Tender Agent and Information Agent for the Offer is:

D.F. King & Co., Inc.

Banks and Brokers call: (212) 269-5550

All others call Toll-free: (866) 388-7535

Email: dominion@dfking.com

*By Regular, Registered or Certified Mail, Hand
or Overnight Delivery:*

48 Wall Street, 22nd Floor
New York, New York 10005

*By Facsimile Transmission
(for eligible institutions only):*

(212) 709-3328
Attn: Andrew Beck

To confirm receipt of facsimile by telephone:

(212) 269-5522

Any questions regarding the terms of the Offer should be directed to the Dealer Managers at the addresses and telephone numbers set forth below:

The Dealer Managers for the Offer are:

BofA Merrill Lynch

214 North Tryon Street, 14th Floor
Charlotte, North Carolina 28255
Attn: Liability Management Group
Toll-Free: (888) 292-0070
Collect: (980) 387-3907

US Bancorp

214 N. Tryon St., 26th Floor
Charlotte, North Carolina 28202
Attn: Liability Management Group
Toll-Free: (877) 558-2607
Collect: (612) 336-7604