

MEETING OF THE FINANCE COMMITTEE  
WAMPEE CONFERENCE CENTER  
PINOPOLIS, SOUTH CAROLINA  
MONDAY, JANUARY 23, 2012 – 8:45 A.M.

Committee Members Present: Chairman Barry D. Wynn, Directors J. Calhoun Land, IV, James R. Sanders, Jr., David F. Singleton, David A. Springs, and Board Chairman O. L. Thompson, III ex officio

Other Directors Present: Kristofer Clark, William A. Finn, W. Leighton Lord, III, Peggy H. Pinnell, and Cecil E. Viverette

Staff Members Present: Lonnie N. Carter, President and Chief Executive Officer; Bill McCall, Jr., Executive Vice President and Chief Operating Officer; Elaine G. Peterson, Executive Vice President and Chief Financial Officer; R. M. Singletary, Executive Vice President, Corporate Services; James E. Brogdon, Executive Vice President & General Counsel; Terry L. Blackwell, Senior Vice President, Power Delivery; L. Phil Pierce, Senior Vice President, Generation; Marc R. Tye, Senior Vice President, Customer Service; Mike C. Brown, Vice President, Wholesale and & Industrial Services; Thomas L. Kierspe, Vice President, Environmental, Property & Water System Management; Richard S. Kizer, Vice President, Government & Community Relations; Suzanne H. Ritter, Vice President, Planning, Rates & Risk; Laura G. Varn, Vice President, Corporate Communications & Media Relations; Pamela J. Williams, Vice President, Administration & Corporate Secretary; Sam Bennett, Manager, Economic Development; Elizabeth H. Warner, Associate General Counsel, Litigation & Environmental Affairs; Stephen C. Spivey, Manager, Renewable Energy; and Pamela M. Gaskins, Assistant Corporate Secretary

Also in attendance were Ronald J. Calcaterra, President & Chief Executive Officer of Central Electric Power Cooperative; James P. Howle, Chief Executive Officer & Executive Vice President of Horry Electric Power Cooperative; and Dennis M. Boyd of Nucor

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website on Thursday, January 19, 2012.

Chairman Wynn presided, and Ms. Gaskins kept the minutes.

Upon motion made by Director Land, seconded by Director Springs, the Committee voted unanimously to waive reading of the minutes of the December 12, 2011, Finance Committee meeting and adopted the minutes as submitted.

Mr. Blackwell reported on a request from Clemson University to provide support for its Grid Simulator Test Facility located in Charleston (Exhibit FIN 1-1-12). The university is proposing to construct and operate a Grid Simulator Test Facility at the former Charleston Navy Base, and is seeking to develop a partnership with the electric industry to assist with funding. The university has received a \$3 million grant from the Department of Energy in support of the project. He noted several benefits of the project such as acceleration of the introduction of new technology to the power system, improved education in power systems, and development of workforce through advanced degrees. He stated that after review, management recommends Santee Cooper provide electrical equipment and technical support not to exceed \$350,000 in cost to Clemson University contingent upon the university first securing sufficient funds to design, construct, and operate the Grid Simulator Test Facility. Santee Cooper will continue to own the electrical equipment during its use by Clemson at the Grid Simulator facility and Clemson will be responsible for operating and maintaining the electrical equipment.

Following discussion and upon motion by Director Land, seconded by Director Springs, the Committee voted unanimously to recommend the attached resolution entitled "Grid Simulator Test Facility" (Exhibit FIN 1-2-12) to the full Board for approval.

Mr. Brogdon presented the results of the 2012 United Way and Santee Cooper Employee Campaigns (Exhibit FIN 1-3-12). He reported that Santee Cooper employees' contributions increased by over \$25,000 to the United Way campaigns. Management's recommendation is to remain consistent in matching employees' contributions dollar-for-dollar and increase our corporate gift to the United Ways to a total of \$486,690, which exceeds the budgeted amount of \$461,614.

Director Finn and Mr. Carter disclosed that they are current board members of the Trident United Way and abstained from discussion.

Following discussion and upon motion by Director Springs seconded by Director Land, the Committee unanimously voted to recommend to the full Board for approval contributions of \$102,795 to Horry United Way; \$53,910 to Georgetown United Way; \$13,815 to Anderson United Way; and \$316,170 to Trident United Way.


Mr. Tye reviewed the report on Santee Cooper's Customer Satisfaction Surveys (Exhibit FIN 1-4-12), which was provided in the meeting materials. His report included summaries of the overall satisfaction of each customer class. Industrial, commercial and residential customers indicate a high level of satisfaction, while Cooperative/municipal customers continue to show concern over the cost implications of environmental regulations, and rising fuel costs.

Ms. Ritter reviewed Santee Cooper's current economic development program and strategy (Exhibit FIN 1-5-12). She reported that consultants and other economic development professionals have been enlisted to assist with developing new programs and initiatives. In an effort to promote economic growth in South Carolina by attracting capital investment and business expansion, management developed a proposed Experimental Large Light and Power Economic Development Service Rider, L-12-ED, ("L-12-ED") as an initiative in its Economic Development Strategic Plan. She stated that Santee Cooper's proposed terms and conditions are similar to and consistent with neighboring utility programs. She reviewed in detail the terms and conditions for L-12-ED. She also noted that input was received from Central Electric Power Cooperative, Inc.


Following discussion and upon motion by Director Land, seconded by Director Springs, the Committee voted unanimously to recommend the attached resolution entitled "Experimental Large Light & Power Economic Development Service Rider L-12-ED" (Exhibit FIN 1-6-12) to the full Board for approval.

There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

  
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Pamela M. Gaskins  
Assistant Corporate Secretary

Approved:

  
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Barry D. Wynn  
Chairman