

NEWS RELEASE

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Media Contact: Mollie Gore
Corporate Communications
843-761-7093
mrgore@santeecooper.com

Santee Cooper sets comment period on proposed changes to residential leases

MONCKS CORNER, S.C. – The Santee Cooper Board of Directors has authorized a public comment period concerning proposed changes to lease structures for residents in the Thornley, Halls and Overton subdivisions in Berkeley County.

Some 357 lots would be affected by the proposed changes, which the board of directors is expected to vote on in October. The public comment period ends Sept. 30 and comments can be mailed to Santee Cooper, attention Land Department, P.O. Box 2946101, Moncks Corner, SC 29461 or emailed to info@santeecooper.com. Utility representatives are available to meet with resident associations or leaseholders upon request, and the utility is mailing letters outlining the proposed changes to all leaseholders this week.

Santee Cooper is required by federal contract for its operation of the Jefferies Hydroelectric Generating Station to retain ownership of the lots, due to their location inside the dikes of Lake Moultrie. The utility began leasing lots in the early 1960s and leaseholders today are paying rates set with the original lease. Most of those 40-year leases will expire between 2012 and 2021.

The Santee Cooper board is considering a structure for new leases that would set lease rates at 3.5 percent of each lot's appraised value at the time a lease is written and would allow adjustments to the lease amounts every five years. Using that 3.5 percent formula and based on current appraisals, average lease amounts would begin at \$550 a year for an interior lot if the lease were set to expire today. Similarly, average lease amounts for waterfront lots would be about \$2,500 a year in Halls and \$6,000 a year in Overton if set today.

To help leaseholders whose leases expire in 2012 through 2015 adjust to the increased amounts, Santee Cooper has also proposed phasing in those increases over three years.

Santee Cooper is South Carolina's state-owned electric and water utility, and the state's largest power producer. The ultimate source of electricity for 2 million South Carolinians, Santee Cooper is

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