

MEETING OF THE EXECUTIVE-CORPORATE PLANNING COMMITTEE
WAMPEE CONFERENCE CENTER
PINOPOLIS, SOUTH CARLINA
MONDAY, DECEMBER 12, 2011 – 8:30 A.M.

Committee Members Present: Chairman O. L. Thompson, III, Directors William A. Finn, J. Calhoun Land, IV, and Barry D. Wynn

Other Directors Present: Kristofer Clark, W. Leighton Lord, III, Peggy H. Pinnell, James R. Sanders, Jr., David F. Singleton, David A. Springs, 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; Terry L. Blackwell, Senior Vice President, Power Delivery; L. Phil Pierce, Senior Vice President, Generation; Marc R. Tye, Senior Vice President, Customer Service; Michael C. Brown, Vice President, Wholesale and Industrial Services; Richard S. Kizer, Vice President, Government & Community Relations; Suzanne H. Ritter, Treasurer & Vice President, Corporate Planning; Laura G. Varn, Vice President, Corporate Communications & Media Relations; Pamela J. Williams, Vice President, Administration and Corporate Secretary; Elizabeth H. Warner, Associate General Counsel, Litigation & Environmental Affairs; Stephen R. Pelcher, Associate General Counsel, Rates Affairs; C. Sam Bennett, Manager, Economic Development; Terry Thompson, General Auditor; Monique L. Washington, Director Financial Planning; and Pamela M. Gaskins, Assistant Corporate Secretary

Also in attendance were David Slade of *The Post and Courier*; Ronald J. Calcaterra of Central Electric Power Cooperative; James P. Howle, of Horry Electric 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 Wednesday, December 7, 2011.

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

Upon motion by Director Wynn, seconded by Director Finn, the Committee unanimously voted to waive reading of the minutes of the October 21, 2011, meeting of the Executive-Corporate Planning Committee and adopted the minutes as submitted.

Mr. Kizer gave a detailed legislative update (Exhibit ECP 12-1-11). He reported on certain state and federal legislative issues of interest, including:

Federal:

- H.R. 910 – Energy Tax Prevention Act
- H. R. 2401 – TRAIN Act of 2011
- H.R. 2273 – Coal Residuals and Reuse Act
- Debt Ceiling Negotiations and the “Super Committee”
- 2012 Election – 33 seats up in the Senate
- Topics of interest in 2012 include Tax Reform, Cyber Security, Energy Efficiency and Clean Energy Standard

State:

- 2012 Election – All Senators and House members up for reelection. No statewide officers up for reelection. All House and Senate district lines will be changed based on the new census figures and redistricting.
- South Carolina Tax Laws – Matthew Bodman Supreme Court case challenging 78 tax exemptions as unconstitutional. Governor and legislature considering general tax reform issues.
- South Carolina Retirement System – Potential policy changes (e.g. years of service, employee contributions, retirement formulas, defined benefit vs. 401K-styled plan, elimination of TERI)

Chairman Thompson requested an Executive Session for the Committee to discuss contract negotiations with regard to industrial and wholesale power contracts and new nuclear generation. Upon motion by Director Finn, seconded by Director Land, the Committee voted unanimously to enter Executive Session for the purposes stated with the Board, Mr. Carter, Mr. McCall, Ms. Peterson, Mr. Singletary, Mr. Blackwell, Mr. Pierce, Mr. Tye, Ms. Ritter, Ms. Warner, Mr. Brown, and Mr. Pelcher in attendance.

The Committee returned to Regular Session. Chairman Thompson noted that no action was taken in Executive Session.

Mr. Slade and Ms. Washington joined the meeting following Executive Session.

Mr. Carter reported that he and Chairman Thompson have been meeting with the various editorial boards to update them on our efforts to keep industry and jobs in the state and to bring some clarity to discussions regarding Alcoa. They explained the worldwide industry trend of aluminum smelters leaving the United States and the impact regulations are having in this country.

Mr. McCall reported that the Board previously approved expenditures up to \$1,900,000,000 relating to the new nuclear facility at V. C. Summer Nuclear Station through December 31, 2011, to complete Phase I with a Nuclear Regulatory Commission (NRC) issued Combined Construction and Operating License (COL). He stated that management anticipates the COL to be issued by the NRC in 2012, and requests approval to extend the date for expending these funds through December 31, 2012.

Following discussion and upon motion by Director Finn, seconded by Director Land, the Committee unanimously voted to recommend the attached resolution entitled “Extending Previous Authorization Relating to the New Nuclear Facility at V. C. Sumer Nuclear Station” (Exhibit ECP 12-2-11) to the full Board for approval.

Mr. Carter explained that the management and Board of Directors of The Energy Authority (TEA) have determined that it is necessary to restate and amend the TEA Amended and Restated Operating Agreement to establish that all TEA members will receive and pay for all TEA core services; to eliminate "new line of business" concept; and to revise and improve various defined terms.

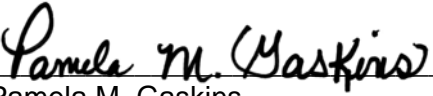
Following discussion and upon motion by Director Wynn, seconded by Director Finn, the Committee unanimously voted to recommend the attached resolution entitled "The Energy Authority Restated and Amended Operating Agreement" (Exhibit ECP 12-3-11) to the full Board for approval.

Mr. Singletary reported that management has acquired the services of a consulting firm and has conducted a review of Santee Cooper's economic development strategy and developed new initiatives that will stimulate investments and jobs. Input was received from Palmetto Economic Development Corporation, Department of Commerce, county economic development professionals and regional alliances. An Economic Development Rate (EDR) was proposed as a result of these discussions. He gave a brief presentation (Exhibit ECP 12-4-11) regarding our Economic Development Program and a proposed structure for the EDR. He stated that management plans to recommend more initiatives in the coming months, but feels that the EDR needs to be expedited; therefore, management will develop an experimental rate for the Board's consideration in January.

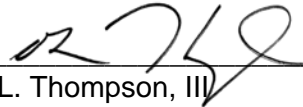
There being no further business and upon motion made and seconded, the meeting was adjourned.

Respectfully submitted,

Approved:



Pamela M. Gaskins
Assistant Corporate Secretary



O. L. Thompson, III
Chairman