

MEETING OF THE PROPERTY COMMITTEE
WAMPEE CONFERENCE & TRAINING CENTER
PINOPOLIS, SOUTH CAROLINA
MONDAY, AUGUST 22, 2011 – 11:00 A.M.

Committee Members Present: Directors W. Leighton Lord, III, Peggy H. Pinnell, David A. Springs, and Board Chairman O. L. Thompson, III, ex officio

Other Director(s) Present: Kristofer Clark, J. Calhoun Land, IV, James R. Sanders, Jr., David F. Singleton, and Barry D. Wynn

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 and 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; Jeffrey D. Armfield, Vice President and Treasurer; Glenda W. Gillette, Vice President and Controller; Thomas L. Kierspe, Vice President, Environmental, Property & Water System Management; Richard S. Kizer, Vice President, Government & Community Relations; Laura G. Varn, Vice President, Corporate Communications & Media Relations; Pamela J. Williams, Vice President, Administration & Corporate Secretary; Pamela M. Gaskins, Assistant Corporate Secretary; and Sandra R. Starks, Executive Associate

Dave Munday of *The Post and Courier*; Dennis M. Boyd of Nucor; and Mike Rousseau, Phil Wilson and Erin Pabst of Alcoa were in attendance. Numerous members of the Santee Cooper Commercial Leaseholder's Group and other individual commercial leaseholders as indicated on the attached sign-in sheets (Exhibit PC 8-1-11) were also in attendance.

An agenda, including the time, date and location of the meeting, was posted on Santee Cooper's website on Thursday, August 18, 2011.

Director Lord presided, and Ms. Gaskins kept the minutes.

Upon motion by Director Springs, seconded by Director Pinnell, the Committee voted unanimously to waive reading of the minutes of the May 23, 2011, meeting of the Property Committee and adopted the minutes as submitted.

Director Lord thanked the leaseholders for their attendance and explained the meeting process. He also thanked them for their written comments, noting that the Board had reviewed them.

Mr. Singletary reported that there are currently 53 commercial lease sites. The commercial lease program originated in the 1960's and most leases expire between 2012 and 2019. The new commercial lease strategy was approved by the Board on April 25, 2008, and four (4) commercial lessees have renewed under the new program. He stated that after being approached by lessees with concerns, Property Management reevaluated the 2008 Commercial Lease Strategy and as a result is recommending changes in the terms and conditions of commercial leases. He gave a detailed review of the current and proposed commercial lease structure. He stated a letter explaining proposed lease terms and lease rate methodology was mailed to all lessees, and a thirty-day comment period was given to lessees. Property Management personnel met with lessees and other interested parties as requested. A copy of Mr. Singletary's presentation is attached (Exhibit PC 8-2-11).

The following commercial lessees addressed the Committee regarding their concerns with the proposed commercial lease structure as defined in Santee Cooper's letter of notification mailed to the lessees: Nick Lucas, Debra Love-Fralix, Robert Malanuk, Don Blount, Allan Weiss, Mike Huggins and Al Jones.

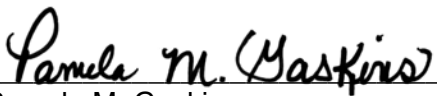
Mr. Singletary stated that management recommends the approval of the Commercial Lease Strategy as presented, with one change. He recommended that the Lake Marion elevation referenced in Item Number 8 on Attachment A of the proposed resolution entitled "Commercial Lease Lots" be changed from "71.5 feet or below" to "72.5 feet or below."

Following discussion and upon motion by Director Springs, seconded by Director Pinnell, the Committee unanimously voted to refer the attached resolution entitled "Commercial Lease Lots" (Exhibit PC 8-3-11) to the full Board for approval with the change requested by Mr. Singletary.


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

Respectfully submitted,

APPROVED:



Pamela M. Gaskins
Assistant Corporate Secretary



W. Leighton Lord, III
Director