

PowerReport

News & Information for Commercial Customers

June 2009



Rate increase needed

Santee Cooper last raised base rates 13 years ago, in 1996. Operating on a 13-year-old rate structure, the cost to produce power has greatly increased. Santee Cooper has nearly doubled our generating capacity, and invested over \$3 billion in new generation, transmission and distribution facilities. Our customer base has grown by 60 percent in that period and we must continue to make sure electricity is there when you turn on the switch.

Board considers new rates

The Santee Cooper Board of Directors voted at their April meeting to consider a two-year rate increase and rate restructuring plan that would raise overall customer bills an average 4.4 percent beginning in November and an additional 5.5 percent in November 2010.

The proposed two-year increase and restructuring plan, to begin in November 2009 if approved by Santee Cooper's board would result in these changes:

- Overall annual charges for commercial customers would rise an average 5.6 percent beginning in Nov. 2009 and 5.3 percent in Nov. 2010.

The rate proposal includes a new structure too, that reflects the higher cost of producing power in the summer months, and the lower cost of producing power in the other months.

Opportunities to provide your input

An information brochure was mailed to you in early May that detailed the need for the increase and the proposed new rates and rate structure. Also listed in the brochure mailed to you were the dates and locations of the Public Meetings being held throughout Santee Cooper's direct service area of Horry, Georgetown and Berkeley counties. This brochure is also available at www.santeecooper.com/rates.

Additional opportunities are planned for you to provide comments to the proposal:

- Visit www.santeecooper.com/rates and provide written input electronically. Simply follow the instructions.
- Mail your comments via the U.S. Postal Service to:

Santee Cooper
Corporate Planning and Bulk Power (M301)
PO Box 2946101
Moncks Corner, SC 29461



Web sites more helpful than ever

As part of our ongoing commitment to excellent customer service, our web sites have been redesigned. You'll find even more helpful information in a fresh and easy to navigate look. Log on today to find out more about Santee Cooper and much more.

Go see our newly redesigned
web sites at
www.santeecooper.com
and
www.santeecoopergreen.com

Challenging times in the energy industry

Part 2 of a continuing series on some of the top concerns for electric utilities

Carbon legislation could devastate our economy

So far, 2009 is turning into one of the most challenging times ever in the energy industry. There are many issues of concern and one of them is the potential federal legislation concerning a carbon tax.

Santee Cooper generates about 80 percent of our power from coal-fired plants. Coal is America's most abundant and affordable fuel source. Carbon dioxide, an emission from burning coal, is not regulated. Our current Congress is considering changing that and also imposing a cap-and-trade system or other form of carbon tax.

Discussions are ongoing, but some numbers being discussed in Washington suggest a tax of \$20 to \$40 per ton of carbon. Simply put, a tax of that magnitude could mean a 30 to 50 percent rate increase for our customers. That would be devastating to our customers and the economy.

Even worse, there is nothing Santee Cooper – or the other fossil fuel-dependent Southeastern utilities – could do to mitigate the impact of this proposed legislation. We can't capture the carbon emissions or somehow reduce them. Santee Cooper is funding clean-coal research at the University of South Carolina even as you read this, but there is no current technology that offers a practical solution to carbon emissions.

A carbon tax of this magnitude could wreck our economy. It would force manufacturers out of business, or cause them to move their plants overseas to less restrictive business environments. It would disproportionately burden the Southeast, which depends heavily on fossil fuels for electricity. It would transfer South Carolina's wealth from our state and our neighboring states to other parts of the country with the geography that supports hydroelectricity and other non-carbon-emitting generation.

Santee Cooper believes the best method to meet our state's needs is through a balanced approach that combines traditional coal-fired generation, new nuclear power, conservation and renewable energy. This is an approach that best protects our environment and our economy, both now and for the future.

To see all of the issues in this series, go to www.santeecooper.com.



*Lonnie N. Carter
President and CEO*

Small changes can mean big savings

There are many changes you can make in your business that can make a significant difference in your bottom line.

Many of the suggestions below cost very little or nothing, yet can save energy and money and increase the comfort for your customers and employees:

- Have a qualified service technician check your HVAC system annually to make sure it is operating at maximum efficiency.
- Set the air conditioning thermostat at the highest comfortable setting, 78-80°F or higher is recommended for maximum efficiency
- Use locking covers on thermostats to prevent employee tampering with temperature settings.
- Turn off equipment during down periods, such as overnight. Keep rarely used equipment turned off until needed.
- Keep all registers and vents clear of drapes, desks, equipment and other objects.
- Avoid placing heat-generating equipment (fax machines, computers, printers, etc) near thermostats.
- Install auto door-closers and strip curtains on walk-in freezers or coolers.
- Make caulking and weather-stripping part of your facility's regular maintenance plan.
- Use compact fluorescent light bulbs instead of standard light bulbs.

Go to www.santeecooper.com for more energy saving tips

