

Protection and
improvement of
our environment are
equal in importance to
providing affordable
electric energy.

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Santee Cooper 1990 Annual Report

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Santee Cooper is South Carolina's publicly owned electric utility. Construction on the utility project began in 1939 with the first electricity generated in 1942 from Jefferson Hydro Station in Moncks Corner.

Santee Cooper generates the power distributed by 45 of the state's 20 electric cooperatives to more than 325,000 customers located in 35 counties, and it supplies power to about 30 large industries, the cities of Bamberg and Georgetown, and three military installations at Charleston and Myrtle Beach.

The utility has four generating stations in South Carolina: Jefferson Station in Moncks Corner, Cross Station in Cross, Whynah Station in Georgetown, and G'Manger Station in Crowder. Santee Cooper also has combustion turbine peaking units at Myrtle Beach and Hilton Head Island and a spillway unit at the North Santee Dam. And the public utility has a one-third ownership in VC Summer Nuclear Station near Jenkinsville.

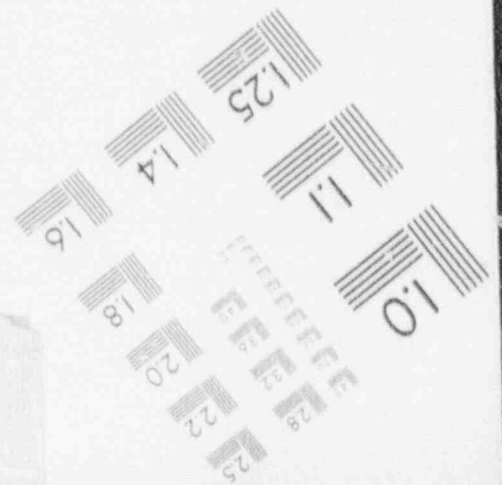
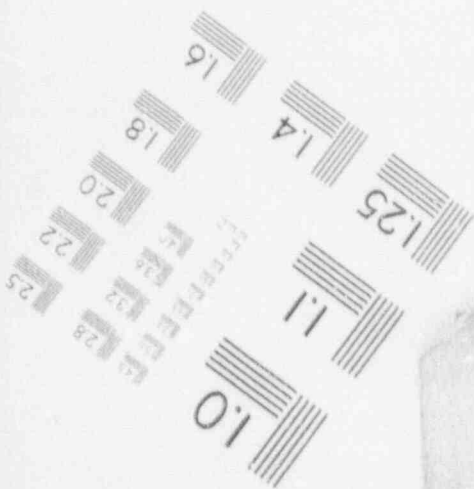
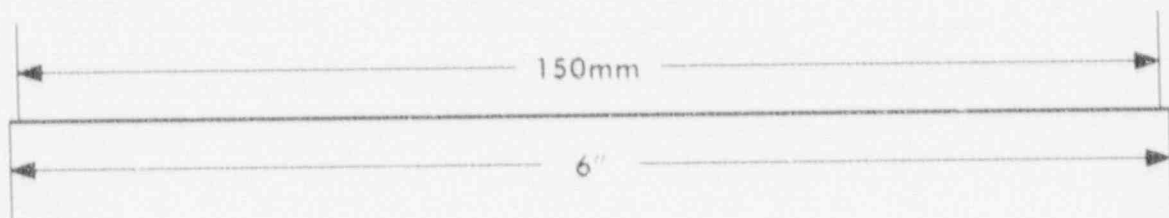
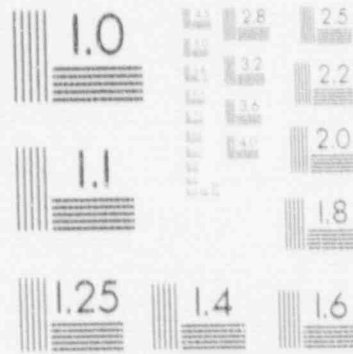
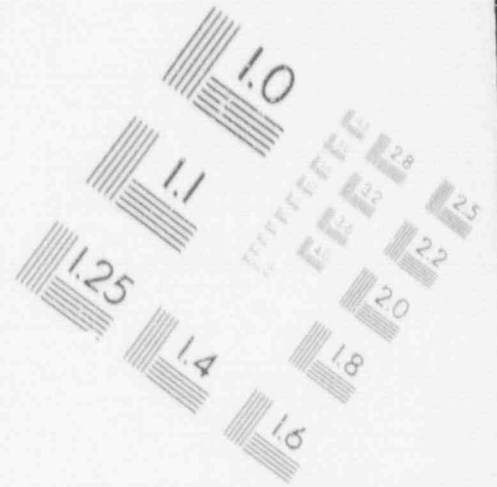
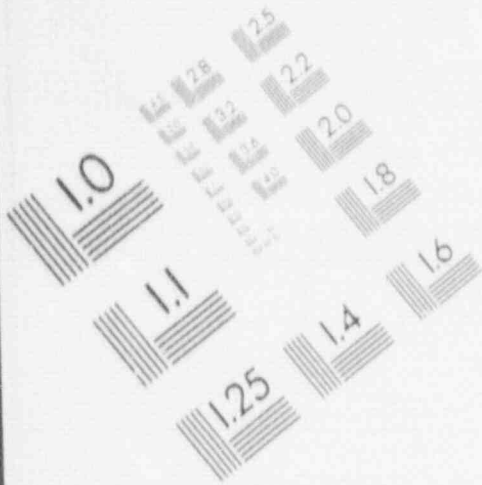
Santee Cooper promotes energy conservation through marketing programs and provides some of the lowest electric rates in South Carolina.

Corporate Statistics

Calendar Year	1990	1989	1988	1987	1986
Total Utility Plant-Net Including Nuclear Fuel (at year end) (in thousands of dollars)	1,786,059	1,761,109	1,747,021	1,743,672	1,733,788
Bonded Indebtedness (at year end) (in thousands of dollars)	1,937,721	1,950,665	1,966,307	1,964,110	1,965,955
Operating Revenues (in thousands of dollars)					
Residential	54,356	55,236	53,760	54,242	50,186
Commercial	56,156	55,039	53,931	52,489	50,043
Public Street Lighting & Other	1,904	2,001	1,914	1,694	1,804
Industrial	182,662	182,453	178,340	161,003	155,342
Wholesale	252,988	254,849	212,363	211,671	211,592
Miscellaneous	5,914	5,216	4,640	4,430	4,556
Total	553,980	554,794	504,948	485,529	473,523
Operating & Maintenance Expenses Charged to Operations (in thousands of dollars)	341,743	342,000	295,109	279,927	266,266
Payments in Lieu of Taxes Charged to Operations (in thousands of dollars)	3,426	3,449	3,196	2,690	2,310
Payments to the State Charged to Reinvested Earnings (in thousands of dollars)	5,629	5,366	4,091	2,506	1,951
Net Operating Revenues Available for Debt Service (in thousands of dollars)	233,179	235,147	233,136	228,680	230,193
Reinvested Earnings (in thousands of dollars)	40,001	43,492	43,259	40,773	39,475
Debt Service Coverage:					
Priority Obligation & Expansion Bonds	1.60	1.62	1.60	1.56	1.53
Kilowatt-hour Sales (in thousands)					
Residential	900,626	863,026	840,387	821,247	775,593
Commercial	1,027,319	976,504	959,489	917,885	863,871
Public Street Lighting & Other	34,939	35,180	32,318	29,077	29,956
Industrial	5,533,130	5,196,853	5,399,795	5,283,726	5,070,756
Wholesale	6,052,241	6,249,916	5,058,358	4,751,694	4,432,702
Total	13,548,255	13,321,459	12,290,347	11,803,639	11,170,878
Number of Customers (at year end)					
Residential	74,922	70,497	70,881	67,998	64,946
Commercial	14,950	14,759	14,688	14,304	13,988
Public Street Lighting & Other	298	286	305	305	304
Industrial	32	34	30	30	29
Wholesale	6	6	5	4	4
Total	90,208	85,582	85,909	82,641	79,271
Residential Statistics (average) Kilowatthour					
Consumption/ Customer	12,071	11,885	11,918	12,138	12,100
Cents/Kilowatthour	6.04	6.40	6.40	6.60	6.49
Generating Capability (at year end) (megawatts)	2,780	2,780	2,780	2,780	2,780
Power Requirements and Supply (kilowatthours in millions)					
Generation:					
Hydro	548	545	280	511	328
Steam	11,006	11,152	10,592	9,988	8,629
Combustion Turbine	3	22	9	(1)	-
Nuclear	2,031	1,801	1,680	1,713	2,382
Total	13,588	13,520	12,561	12,211	11,339
Purchases, Net Interchanges, Etc.	485	373	199	86	195
Total	14,073	13,893	12,760	12,297	11,534
Territorial Peak Demand (megawatts)	2,508	2,707	2,263	2,160	2,123

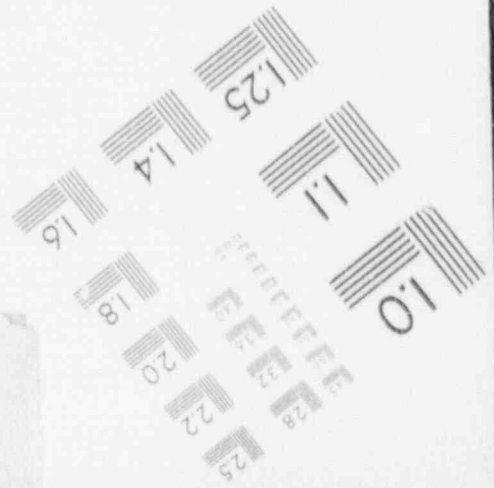
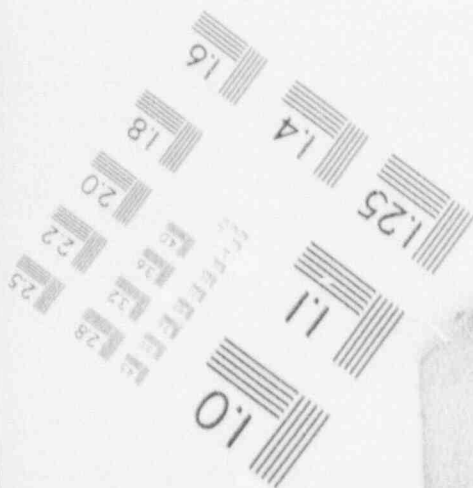
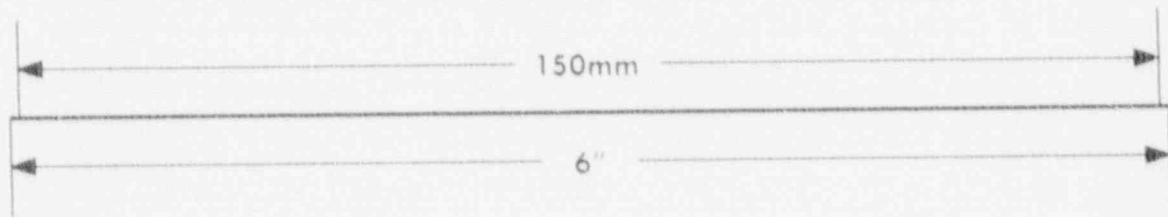
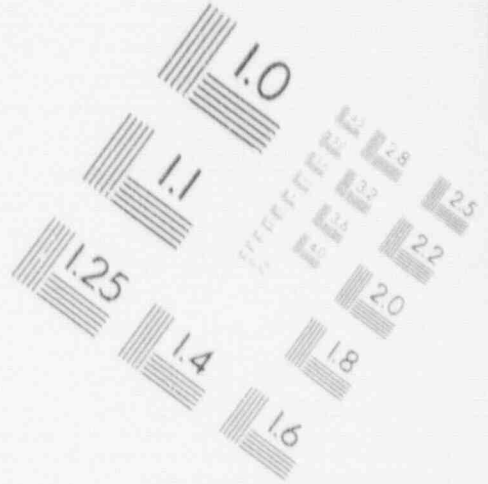
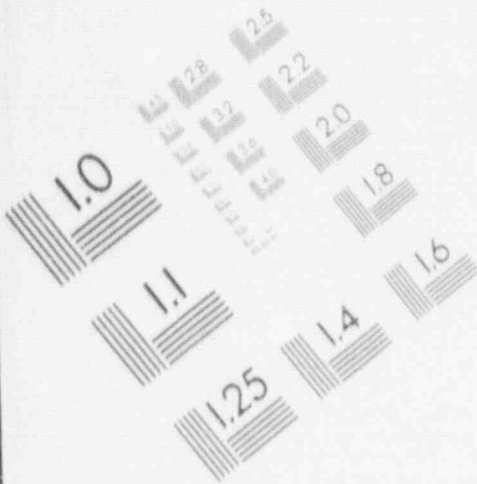
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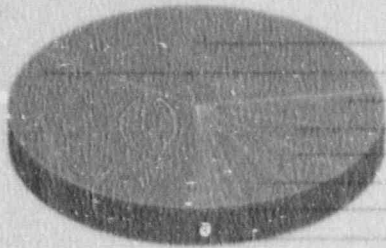
IMAGE EVALUATION TEST TARGET (MT-3)



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IMAGE EVALUATION TEST TARGET (MT-3)

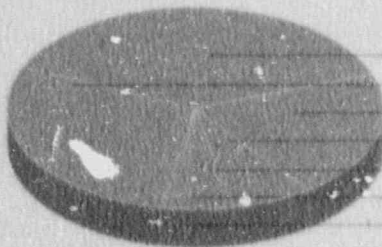




Sales to Electric Co-ops	\$225,200	59.04%
Industrial Sales	182,662	31.67%
Commercial Sales	56,156	9.73%
Residential Sales	54,356	9.42%
Other Sales for Resale	27,788	4.82%
Other Income	22,872	3.96%
Other Electric Revenue	5,914	1.03%
Public Street Lighting & Other	1,904	0.33%

Source of Income

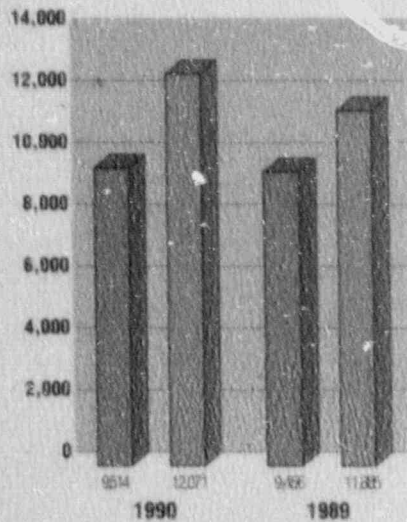
In thousands



Fuel and Purchased Power	\$215,188	37.30%
Interest	140,519	24.36%
Operation and Maintenance	126,555	21.94%
Additions to Plant, Inventories, etc.	49,653	8.61%
Retirement of Debt	37,378	6.48%
Payment to State	5,629	0.98%
Sums in Lieu	1,930	0.33%

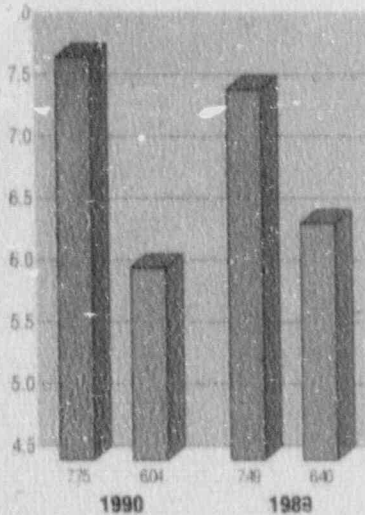
Distribution of Income

In thousands



Average Residential Consumption

In Kilowatthours



Average Residential Cost

Cents/Kilowatthour

■ National Average ■ Santee Cooper

Comparative Highlights

Calendar Year	1990	1989	% Change
FINANCIAL (Thousands of dollars)			
Total Revenues & Income	\$576,852	\$579,214	-0.4
Total Expenses & Interest Charges	563,378	564,515	-0.2
Costs to be Recovered from Future Revenue	26,527	28,793	-7.9
Reinvested Earnings	\$ 40,001	\$ 43,492	-8.0
Debt Service Coverage - Priority & Expansion Bonds	1.60 times	1.62 times	-1.2
Debt / Equity Ratio	77/23	78/22	—
STATISTICAL			
Retail Customers Served	90,170	85,542	5.4
Average Annual Residential Consumption (KWH)	12,071	11,885	1.6
Average Residential Cost (cents per KWH)	6.04	6.40	-5.6
Energy Sales (MWH)	13,548,255	13,321,459	1.7
Territorial Peak Demand (MW)	2,508	2,707	-7.4

Executive Report

1990 will be remembered as a year that brought dramatic changes and challenges relating to energy, economics, and the environment. Armed forces from around the world were poised in the Middle East, prepared to lay their lives on the line to battle tyranny and unprovoked aggression.

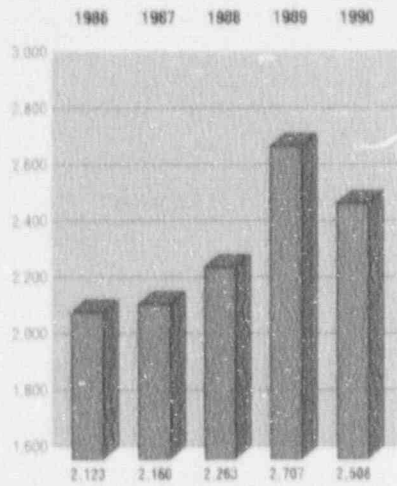
Overextended financial institutions continued to struggle and falter. Unemployment increased, federal funding for state and local programs shriveled, and recession became an economic reality. All the while, environmental concern escalated over issues such as global warming, acid rain, and electromagnetic fields.

Santee Cooper did not go unscathed. We entered the final decade of the 20th century still recovering from wounds delivered by Hurricane Hugo. However, we retained our economic strength and personal optimism which enabled us to continue our growth, maintain our rate of stability, and improve our service. This forward momentum was energized by major corporate commitments to continually improve management effectiveness, operating efficiency and customer service, as well as to increase public awareness of Santee Cooper on a statewide basis. Implicit within these commitments was our dedication to accomplish our mission with a strong sense of environmental awareness, sensibility and responsibility.

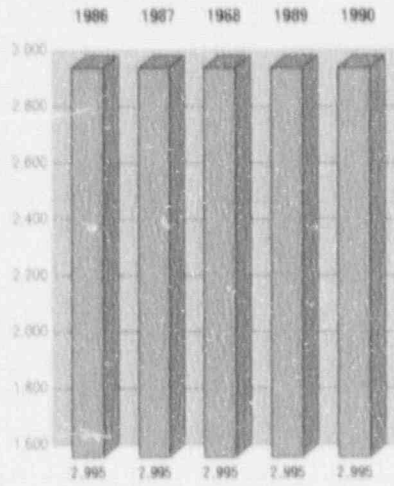
While South Carolina is experiencing some of the nation's economic woes, growth and relative economic stability have continued throughout the Santee Cooper service area. Industrial development and expansion have brought new jobs. Tourism has maintained its healthy position as the state's second largest industry. Business has remained stable.



John S. Galloway, left
Kenneth R. Ford, right



Peak Demand
in Megawatts



Capacity
in Megawatts

Despite what was perceived as the first ripples of an economic recession and unseasonably mild weather during summer and winter peak demand periods, new records were achieved in power generated and sold and customers served. Although gross revenues declined due to a number of factors, kilowatt-hour (KWH) sales of electricity increased 1.7 percent. Peak demand for power, on the other hand, dropped 7.4 percent, as a mild December 1990 was no match for the very cold period of late December 1989.

These records and trends of 1990 further validated the recommendation in Santee Cooper's 1989 load forecast by Stone and Webster. This recommendation called for construction of a second unit at the Cross Generating Station that they and Santee Cooper concluded would be the most cost-efficient method of meeting the projected increased power demands by 1995.

Many of the decisions made in 1990 by the board of directors, upon management's recommendations, will drive this utility into the next century. These decisions are embodied in board resolutions not only authorizing new generating construction, but also a new bond indenture to provide financial support to this construction program. The selection of Gilbert/Commonwealth as the architect, engineer, and construction manager, as well as the awarding of major contracts to Foster Wheeler Energy Corporation for construction of the steam generator and to General Electric Environmental Systems for the flue gas desulfurization system were also major corporate decisions made during the year.

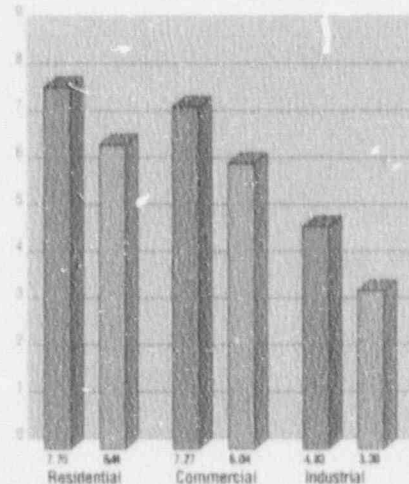
OPERATIONS

Trying hard to forget the experiences and aftermath of Hurricane Hugo, Santee Cooper personnel responded with an energy and determination that is a compliment to their character and spirit of teamwork. Considerable work remained to be done. Lines had to be rebuilt and reinforced. Buildings had to be patched and repaired. Thousands of acres of forest lands had to be cleared of debris. Permanent fixes had to be made. The impact of drastic environmental changes had to be addressed. We are proud of the iron-like resolve of employees, whose efforts in putting and working together following the aftermath of Hurricane Hugo have carried forward in making this an outstanding year. Employees have also done an excellent job in holding operating costs to a minimum while providing the high reliability of service to our customers.

ENERGY

Net energy sales totalled approximately 13.5 billion kilowatthours (KWH) of electricity, an increase of only 226.8 million more KWH than last year. Peak demand for the year reached 2,508,000 KW, compared to 2,707,000 KW in 1989. Heating degree days for the year were down 34.5 percent from 1989 and cooling degree days increased 7.8 percent.

In terms of energy consumption, this represents increases of 4.4 percent by residential customers, 5.2 percent by commercial customers, and 6.5 percent by industrial customers. Usage for resale which includes Central Electric Power Cooperative, Inc. and the municipalities of Bamberg and Georgetown and off-system sales to North Carolina Eastern Municipal Power Agency and Virginia Power Company declined 3.2 percent. Growth in our number of customers was steady. A total of 4,425 residential and 191 commercial customers was added, which represents increases of 6.3 and 1.3 percent, respectively.



Rates

Cents/kilowatthour
Compared with utilities based
on the national average.

■ National Average
■ Santee Cooper

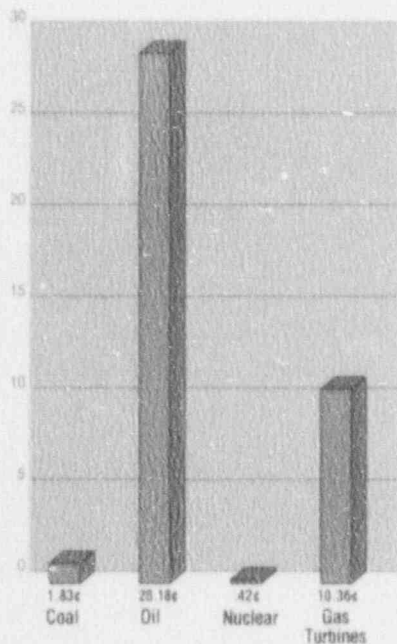
ECONOMIC DEVELOPMENT

These continue to be exciting times for economic development in the areas of South Carolina served by Santee Cooper power. Our major success in industrial growth is occurring primarily through the efforts of Palmetto Economic Development Corporation (PEDC), the joint marketing organization which represents Santee Cooper and Central Electric Power Cooperative, Inc. Central is Santee Cooper's largest customer and is made up of 15 of the state's 20 electric cooperatives, serving more than 325,000 customers.

Operating costs of PEDC are shared by both organizations. In addition, Santee Cooper provides \$2 million per year through its economic development investment fund to help the organization develop industrial parks and infrastructures in the electric cooperative service areas.

During the past year, 12 industrial firms announced new facilities within the electric cooperative service area, and two began operations. Those announcements represent future capital investments in excess of \$214 million and 1,660 new job opportunities. In addition, several major commercial

enterprises with significant investments and job creation potential began operations or announced plans for locating in the electric cooperative service areas.



Fuel Generating Cost
Cents/Kilowatt-hour

FINANCE

This has been a good year but not a record-setting year financially. Santee Cooper's lower than projected bottom line was affected more than anything else by the excellent weather experienced throughout our service area during the past 12 months. Total revenues were \$576,352,000, about four-tenths of one percent less than last year.

Total expenses and interest charges were \$563,378,000, a decrease of about two-tenths of one percent compared to 1989. Fuel and purchased power expenses declined 4 percent from 1989 as a result of a more favorable generation mix and

because of some contingencies recorded in 1989 as a result of contract disputes. This decline was offset by a 3 percent increase in other functional areas.

In addition, depreciation expense decreased due to a change in the service life of V. C. Summer Nuclear Station from 30 to 40 years. Interest expenses increased about eight-tenths of one percent because of the issuance of \$70 million in additional commercial paper and the issuance of \$21 million of 1990 A1 bonds in September 1990.

Costs to be recovered from future revenue totaled \$26,527,000, an 8 percent decline compared to 1989. This decline was a result of additional principal maturities and changes in depreciation expense. As a result reinvested earnings were \$40,001,000, down 8 percent from last year.

Santee Cooper's financial stability was validated with A bond ratings under the new bond resolution from both Moody's and Standard & Poor's. Our ratings of A-1/A+ on our expansion bonds were maintained. In addition, the company's ratings for commercial paper was maintained at P-1/A-1, which are the highest for any utility in the nation.

Santee Cooper mini-bonds were in high demand by customers and South Carolina citizens, who invested in more than \$21 million of the 1990 issues. Over the three year period from 1988 through 1990, the total investment in mini-bonds has been more than \$55 million.

The Authority expects to finance the construction of the second unit at Cross Generating Station, and its general improvement program over the next seven years through revenues from the Authority's system, revenue bonds issued pursuant to the provisions of the Revenue Bond Resolution and notes junior to the revenue bonds. Financing for the second unit at Cross is to begin in the spring of 1991.

While costs have increased in many areas, Santee Cooper continues to provide the lowest cost electricity in the state and does not anticipate any rate adjustments until the debt service begins on Cross Unit 1 in 1994 or 1995.

ENVIRONMENT

"Protection and improvement of our environment are equal in importance to providing affordable electric energy." That is the commitment made by our board of directors in a resolution passed on Earth Day in support of some major environmental initiatives.



On Earth Day Santee Cooper joined with millions of Americans to pay recognition to our environment and the necessity to help protect it. GOFER, Give Oil For Energy Recovery, is a major environmental project which was launched on that day. It was developed by employees through our Program for Employee Participation.

But Earth Day was just the beginning of an environmental outreach program approved by the board and announced in ceremonies during Public Power Week. The values and advantages of public power were highlighted in the event.

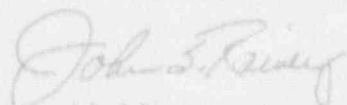
The Santee Cooper Environmental Scholarship Program led the list of environmentally-oriented activities which will involve customers, students, and citizens of South Carolina. One \$1,000 scholarship will be presented to a student at each of 29 four-year accredited colleges and universities throughout the state. Other environmental initiatives include a statewide environmental essay contest for 7th graders.

an environmental recognition program for scout troops, support for the 4-H Planet Earth Camp at Camp Bob Cooper, and a series of 10 summer internships which will emphasize environmental programs and activities.

Shortly after Public Power Week, Dr. Jay Hair, president and chief executive officer of the National Wildlife Federation, was joined by South Carolina Governor Carroll A. Campbell Jr. to announce Santee Cooper's joint sponsorship with the National Wildlife Federation and the College of Charleston of the annual South Carolina Environmental Symposium, which will begin in the fall of 1991.

These environmental initiatives are just as important to Santee Cooper as our commitment to provide reliable, low-cost electric power. Earth Day at Santee Cooper has to be every day. The next 10 to 15 years are going to be critical. We didn't get on the cutting edge of being environmentally responsive any too soon. We must dedicate the power, prestige, and influence of Santee Cooper toward accomplishing that mission. This includes not only cleaning up, but also improving the environment. The right thing to do is to be environmentally responsible. It's the ethical thing and also the smart thing, because if we don't maintain this environment, we won't have anywhere to go.

This report is dedicated to the commitment to help increase environmental awareness, understanding, and responsibility. We share with you an environmental perspective of our overall operations and service. We also present some assessments on environmental challenges, problems, and opportunities by some distinguished leaders in that field. We hope that as you read this material, you will realize that it will take the combined efforts of all of us - individuals, corporations, institutions, and government - to protect our most precious resource, the world in which we live.



John S. Rainey
Chairman, Board of Directors



Kenneth R. Ford
President and Chief Executive Officer

Energy Sales

At the end of 1990, Santee Cooper was serving 90,170 residential, commercial, and other retail customers located in Berkeley, Horry, and Georgetown counties. This was an increase of 4,628 or 5.4 percent over 1989. Of this increase, 4,425 were residential, 12 were public street lights and other, and there was an increase in commercial customers of 191.

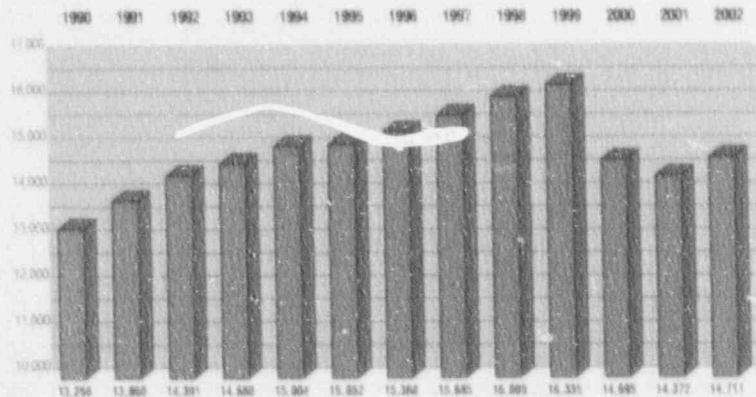
Sales to these retail customers were 1,963 gigawatthours, up 4.7 percent over the previous period.

The average annual consumption of electricity by Santee Cooper residential customers increased to 12,071 kilowatthours, 1.6 percent less than in 1989.

Industrial's were 5,533 gigawatthours, up 6.5 percent over the previous year. The average cost of power to industrial customers was 3.30 cents per kilowatthour, 6.0 percent less than in 1989 and 31.9 percent lower than the national average.

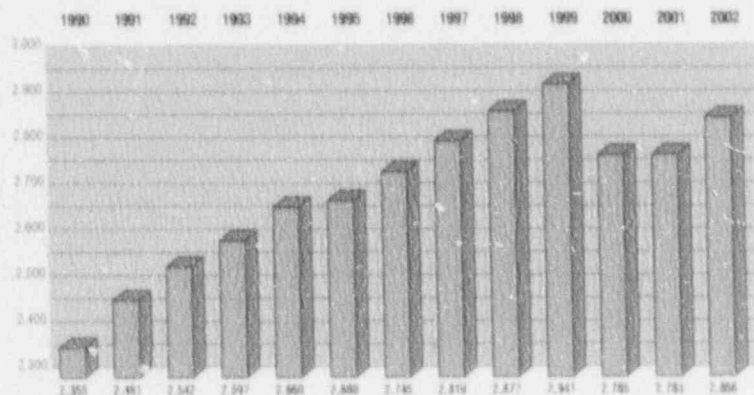
Sales to Central Electric Power Cooperative, Inc. to its 15 member co-ops increased .5 percent to 5,286 gigawatthours. Central is Santee Cooper's largest single customer. The electric cooperatives distribute power to more than 325,000 customers in 35 counties.

Sales to the municipalities of Bamberg and Georgetown increased .7 percent.



Total Energy Forecast

In Gigawatts



Total Peak Demand

In Megawatts

Santee Cooper's Mission

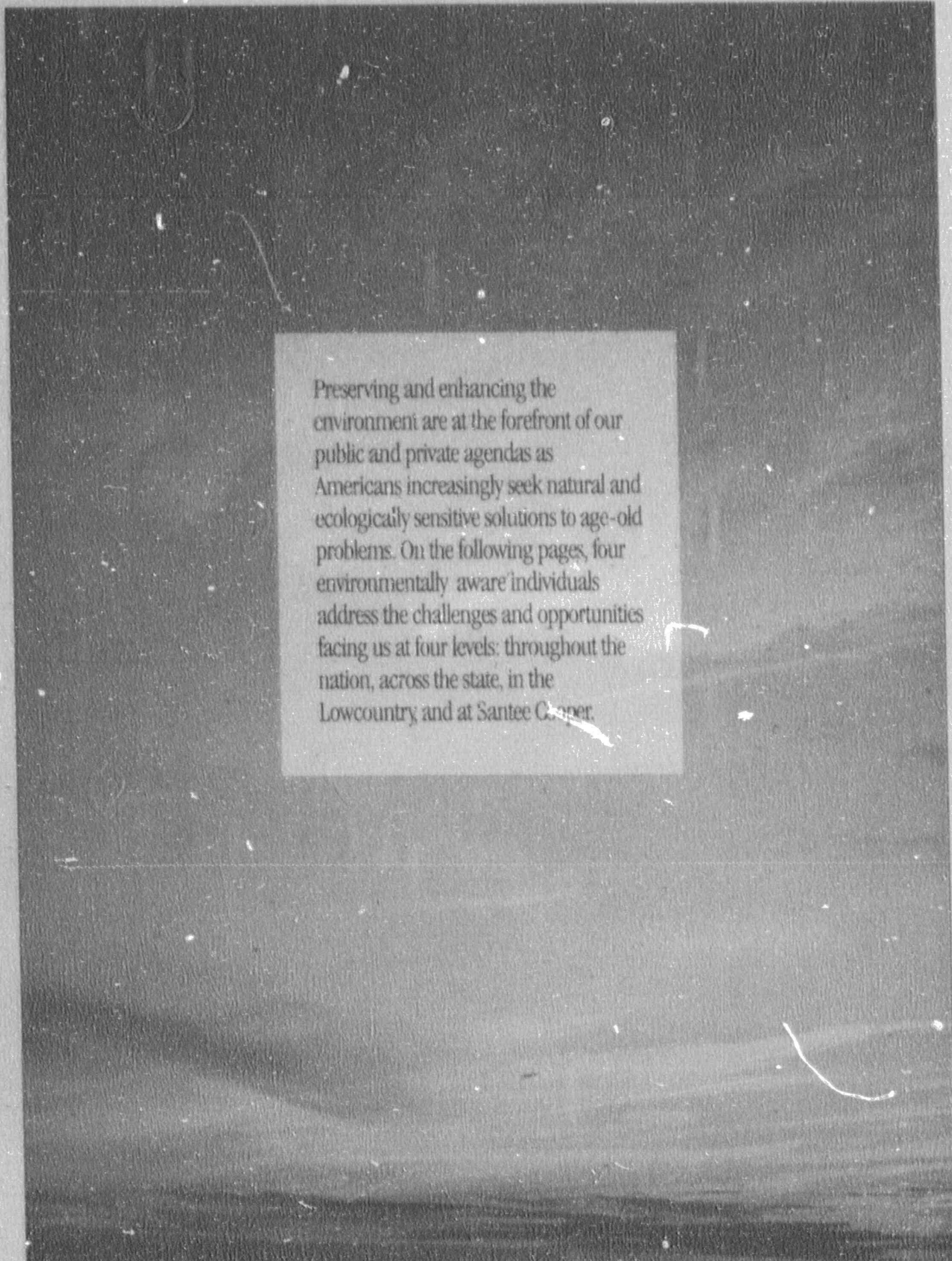


The mission of Santee Cooper is to be the state's leading resource for improving the quality of life for the people of South Carolina.

This shall be accomplished by providing reliable and affordable energy, water, waste utilization, and economic development services.

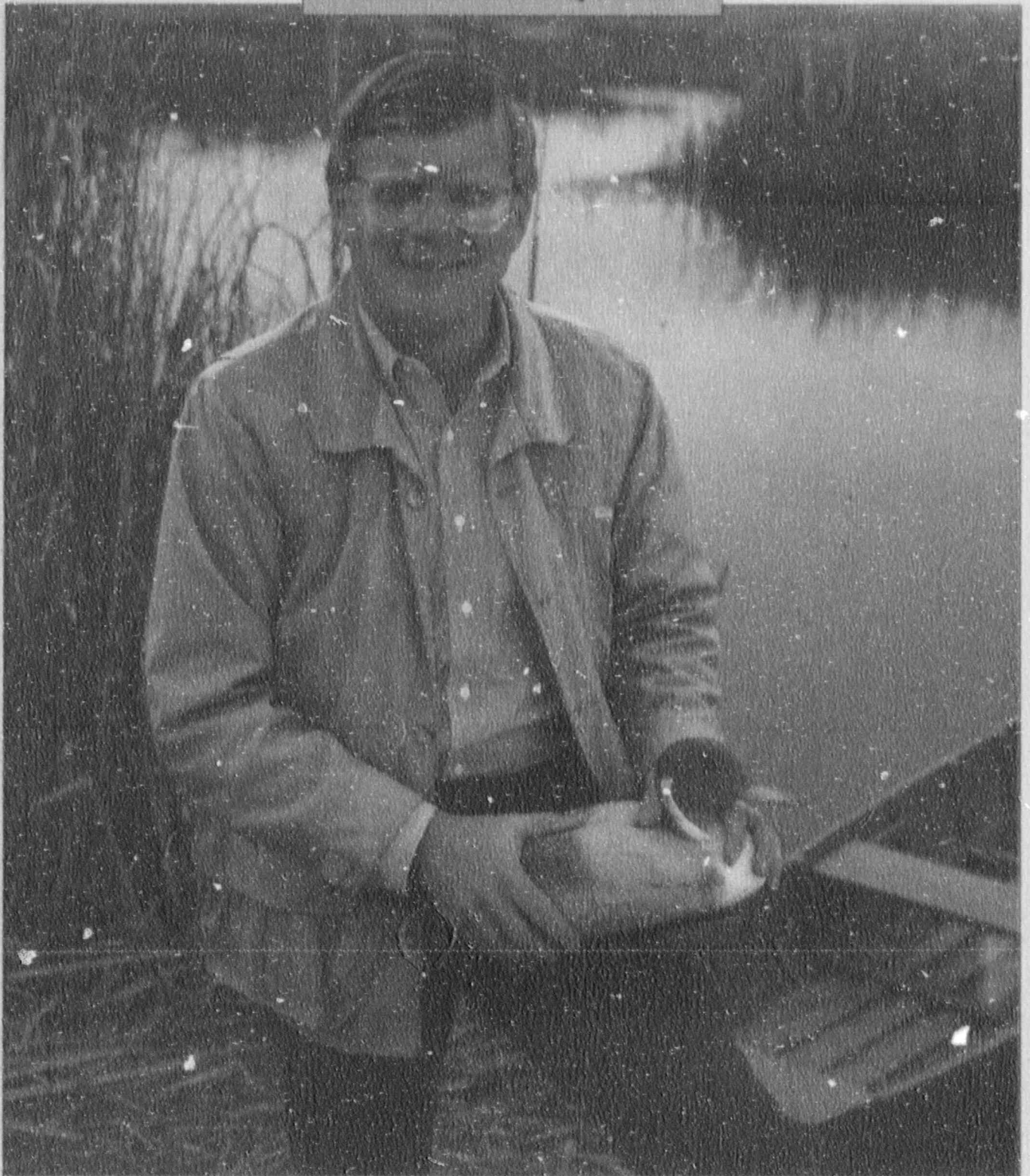
It must be achieved in a manner which protects our environment and is economically beneficial to Santee Cooper and the people of South Carolina.

Our success depends on operating according to the highest ethical standards, providing excellent customer service and maintaining effective employee involvement.



Preserving and enhancing the environment are at the forefront of our public and private agendas as Americans increasingly seek natural and ecologically sensitive solutions to age-old problems. On the following pages, four environmentally aware individuals address the challenges and opportunities facing us at four levels: throughout the nation, across the state, in the Lowcountry and at Santee Cooper.

The National Perspective



Dr. Jay Hair is executive director for the National Wildlife Federation, based in Washington, D.C. He is the former executive director of the South Carolina Wildlife Federation and a graduate of Clemson University.

The National Perspective

What is your assessment of the global environment in terms of the major challenges and opportunities?

There is no question in my mind that there are three major challenges concerning the environmental point of view. First, we have to stabilize human population growth. Secondly, we have to deal with atmospheric pollution, particularly as it pertains to global warming. And last, the loss of biological diversity is perhaps the greatest insult we humans are now inflicting on the earth.

What are the three opportunities you think we have?

As we go into the year 1991 and approach the year 2000, people have never been more concerned. The real challenge is how do we make people understand that Earth Day is every day. The individual can make a difference. The challenge is to educate people, get people involved, and to have good responsive action on the part of citizens all across the nation.

Besides global warming, the greenhouse effect, and pollution of our air and water, what are the major long-term threats to our environment?

If you look from a global point of view, a national point of view, or here in



South Carolina, we have to realize that we are depleting the resource base. It may be from over development in the coastal zone or the loss of land base through soil or wind erosion. It's the land which is the productive unit that needs protection, and we have to maintain it in a productive state in order to be able to provide the needs of humans.

What needs are necessary to sustain a proper relationship between energy and the environment?

First, we have to have affordable energy. On the other hand, we have to have safe energy both from the way it is produced and from the environmental point of view. Clearly this nation needs to have a national energy policy in which the heart must be the conservation of energy. From there we must look at new ways in developing fuels, alternative fuels, for a variety of sources. We must do a better job of burning coal cleanly by

using the kinds of scrubbers and other devices that make coal a useful hydrocarbon product for the future.

What role should government maintain in protecting and preserving the environment?

Government has a role in environmental protection at the national, state, and local levels. But I would prefer that the government set the standards and then allow the marketplaces to decide how those standards are going to be met. It becomes inefficient and expensive when the government mandates fixes to environmental problems. Government clearly has a role in establishing the standards we're trying to achieve for environmental protection.

Education and the environment, describe how these should interact?

A more educated and informed citizenry has a greater concern about how we achieve the twin goals of sustainable economic development and responsible environmental protection. I am an advo-



The National Perspective

cate of that point of view which says we ought to look to the future of having the four R's, instead of the traditional reading, writing, and arithmetic. We need a fourth "r," and the fourth "r" is resources. And that's trying to understand that the environment and natural resources play such a critical role in our lives. When people become concerned about those, they'll then protect both the environment and natural resources. They'll also assure that society as a whole does that.

Do you advocate a universal environmental ethic. If so, how could it best be achieved?

You can't have a standard environmental ethic for all societies and cultures. It's important that we realize, even though we're Americans, native South Carolinians very proud of where we live, we are all dependent upon one earth. All societies need to have a resolve to protect the environment.

What is your perspective on how hunting, as a part of game management, benefits our environment?

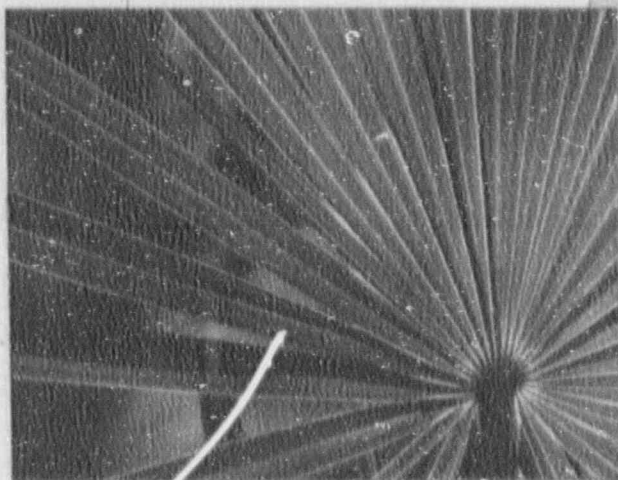
Historically in the United States, sportsmen, that's both men and women,

have been this nation's greatest conservationists. That's both in terms of the money they spend on it, the excise taxes they pay on it, as well as their concern about protecting something very valuable to them. The most fundamental resource that you have to protect when you're concerned about hunting and fishing, or enjoyment of wildlife in general, is the habitat.

So people who are outdoors have always been fundamental to the conservation of natural resources. Hunters and fishermen are certainly a very key part of that process.

What do you like about Santee Cooper's approach to the environment?

I commend Santee Cooper for putting at the forefront of its corporate policy and orientation the need to provide economical electricity but also in a way that protects the environment of South Carolina. That is a responsible point of view, and the people of South Carolina expect that. I'm impressed with what I see, the



commitment of the board of directors and employees of Santee Cooper for providing energy in an environmentally sound way. I am impressed with the kinds of programs I see, such as the blending of timber knocked down by Hurricane Hugo into industrial boilers, and the collection of used motor oil from do-it-yourselfers for recycling. Those are the kinds of things that we all have to do. I commend Santee Cooper for taking a leadership role by providing that kind of activity in South Carolina.

What are some of the things you would like Santee Cooper to get into or maybe some other electric utility?

I would like to see electric utilities nationwide, Santee Cooper as one of those key leaders, really advocating the need for a responsible national energy policy. We're driving into the 20th century with our headlights off when it comes to energy policy. We need to have a national energy policy that says that we're going to make a commitment to conservation, we're going to make a commitment to alternative fuels, and we're going to transition into the 20th century in a way that we will be able to meet our energy demands. Right now we're not positioned to do that,



The National Perspective

and I know of no better sector that provides leadership for these other sources of energy than public utilities like Santee Cooper.

Many companies have been criticized for marketing products labeled environmentally friendly but really aren't. How should consumers act towards companies that do this?

There has been an enormous amount of what I call "greenwashing" happening in the last year. Greenwashing is when companies try to position themselves in the marketplace as having a product that is more environmentally responsible than another. The public is confused about what is and what is not an environmentally responsible product. There needs to be at a national level a certification process. There are a couple of initiatives that have started to provide a good housekeeping seal for the environment. I predict that process will come on-line in the next year. One of the most

important forces in our society in the 1990s will be the responsible role of the environmental consumer. Because each and every one of us can go into the marketplace and say "I want to buy products I need for my life-style that are produced in an environmentally responsible way." When we make that kind of commitment, we make that kind of request to the marketplace. It will respond, and it will produce those products.

In any great movement there is a wide spectrum of thought and action. There is also a fringe element in the environmental arena. How should someone who really cares about the environment view those who may advocate extreme measures?

There are extremists in every phase of our society. What you have to look at, when you are involved in trying to identify leadership in the environmental community is what kinds of things can you do from an environmental point of view that will move society forward. The greatest

challenge we have is how do we achieve an environmentally sustainable society? This means one that is economically sustainable, and where people want to participate responsibly. The more people we have who feel they are committed environmentalists, the sooner we will solve the problems with which we are dealing.

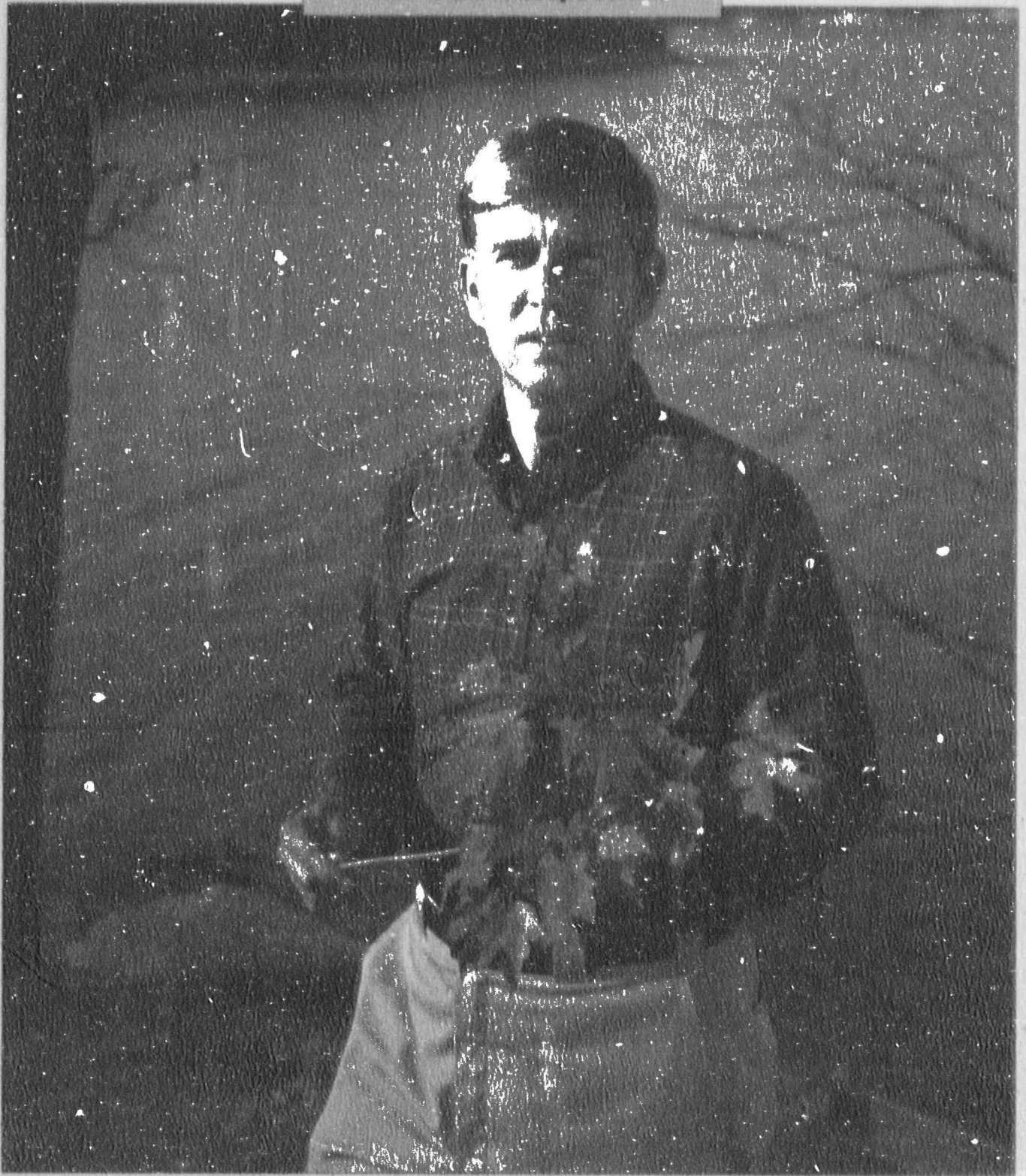
The term "recycle" is on many labels. It's on the lips of many people. Is this something that should be mandated by government at the local, state, and federal levels?

When you talk about recycling, you are talking about a variety of products. Clearly government needs to provide leadership by creating a marketplace. I'm a very strong advocate of reducing, reusing, and recycling products. We Americans have traditionally been throwing away some of this nation's most important natural resources. We need to recycle, both from a point of view of the environment and from an economical point of view. Government definitely has a role. Certainly the private sector has a strong role. If Santee Cooper took the leadership role by saying they were only going to produce products on recycled paper, that would have a very strong effect on the production of that kind of marketplace.

One of the most important challenges of the 1990s is to make everybody understand that Earth Day is every day. You can make a difference. Earth Day every day, working together we can make a different world.



The State Perspective



Rudy Manke is a noted naturalist in South Carolina and hosts *NatureScene*, produced by the South Carolina Educational Television Network. The program is carried weekly by over 200 television stations nationwide.

The State Perspective

As a naturalist, what is your assessment of South Carolina's state of the environment?

The natural heritage in South Carolina is still in pretty good shape. It's a combination of good news and bad news. One of the things that is very important is to protect the diversity not only of plants and animals, but communities of plants and animals. In South Carolina, since we've got a little bit of everything from the mountains to the sea, we're stronger in certain areas than we are in others.

The beach is one area that we need to be looking at a little more closely than any other. Once these areas are gone, you can't make them back very quickly. Compared to other states in the Southeast, South Carolina is in good shape. The diversity is still here in South Carolina.

Relative to other states in other sections of the country, how serious is the threat to South Carolina's environment?



South Carolina is the smallest Southeastern state, so there is only so much land. We read and know that people are moving into the Southeast much more than before. That's going to put environmental stress on South Carolina in a variety of ways. One of the things that I see happening is that South Carolina is one of those areas in the United States where

hazardous waste disposal seems to be very common. That means we're having environmental problems here that other states may not have.

I think a lot of people are now getting worried for the first time about water resources, especially along the coast, where a lot of the wells that used to give us freshwater now give us saltwater.

Acid rain is beginning to affect us to a degree in this state.

What are the major challenges facing South Carolina in terms of protecting and preserving the state's environmental resources?

We need to look at South Carolina's natural diversity and find out how much of each of the diverse communities we have left and take steps to protect them.

We ought to make sure that what we've already protected continues to be protected. I think it's time to stop the amount of hazardous waste that South Carolina allows into the state. We are just creating more problems for ourselves. I also think we're going to have to take a little better control about what industries come in and where people live in the state of South Carolina. It's time again in South Carolina to become conservationists and wisely use natural resources.

What can and should the average citizen, average corporation, or community do in an effort to preserve our state's environmental heritage and its integrity?

This world is connected beautifully together. Plants and animals are connected to each other and to the rest of



their environment. One of the things you learn from those connections is that nature takes one thing and changes it into something else all the time.

With regard to recycling, it's now time for everyone to just get in their mind set that let's do what nature does. It works so well in the world of nature. We're a part of that natural world too, and recycling is just basic.

Where it has been lost or damaged, what can be done to restore the beauty and value of South Carolina's unique environment?

The problem in this natural world is that when you modify things greatly, it's very hard to put things back the way they were. That's why it's so important for special natural areas to be protected. Man really doesn't have the capability to do some of the magic that he sometimes thinks he can. When a lake is built and the mountains and the valley are gone, there's no way to put that valley back in our lifetime. So I don't know that we can do a lot to put things back the way they

The State Perspective

were. It's very important though to protect those special areas now and to try to live so that when we use a resource we don't modify it so greatly that nature cannot come back in our lifetime.

It's like unringing a bell?

It's like unraveling a finely woven tapestry. Who would want to go pull out a thread? When you start pulling them out, a few don't matter. But eventually the whole thing falls apart. It's very hard to improve on the natural world.

What are the beneficial things that you see state government doing to preserve and protect our environment?

State government is aiming toward recycling. They are protecting natural areas in parks, recreation, and tourism, in the Heritage Trust Program, along with nature conservatory acts. The state and the federal government are doing a lot now to protect natural areas.

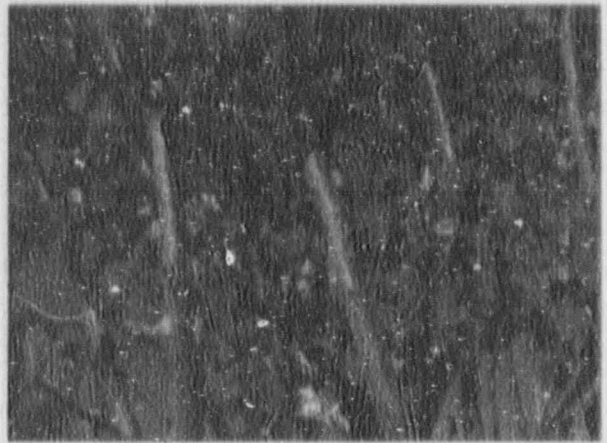
What should state government be doing that they are not doing?

Besides recycling, state government

should be working in the direction of energy conservation and controlling the amount of hazardous waste allowed into the state. It is time to make tough decisions on where we put people along the coast. We tried that, we've done a fairly good job, but there is a lot of work we can do along the coast. If I could give one thing to everyone who makes decisions in South Carolina, really two things, I'd give them a broad view of the world and a long-term view. And if we make decisions based on these views, I think we'll be in great shape.

Energy and the environment, how do we attain and how do we maintain a proper balance?

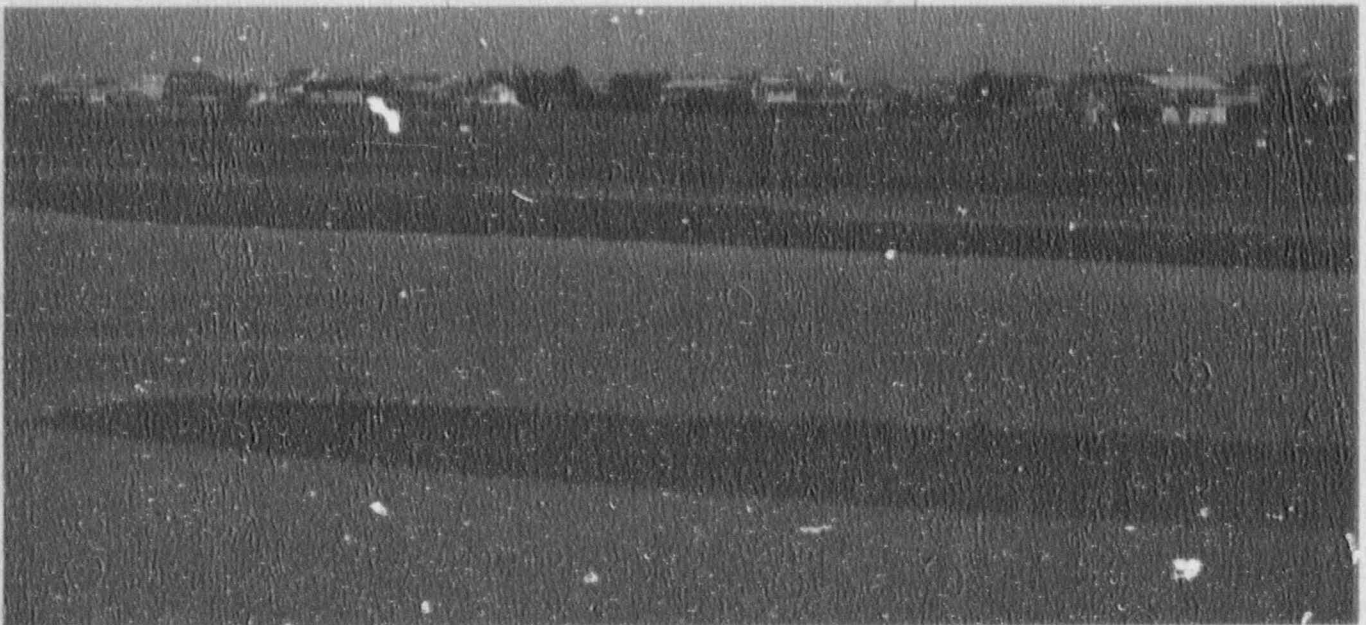
I believe firmly that we could conserve our energy enough so that we would not have to go out and modify the world to supply those energy needs. The people in this state are willing to conserve and take care of the world in which they live.



They know more about it than they did, and they've got a greater respect for it.

We are a part of the system, just like the snakes and butterflies and the wild flowers. We're all in this together. Let's take care of this natural heritage because it's ours. Our lives are at stake just like the lives of trees and plants and other things. We're all in the same boat.

We must develop an interest in something other than ourselves. We must realize that we are a part of a natural system that is so beautifully and wonderfully made that it is indescribable. We're the only creatures who can mess it up.



The Lowcountry Perspective



Dana Beach is the executive director of the South Carolina Coastal Conservation League, based in Charleston, S.C. He is well-known for his expertise in wetlands management and marine biology.



How is South Carolina's wetlands environment important to the state's overall ecological well-being?

The wetlands in this state are more extensive than almost any other state in the country. Other than Louisiana and Florida, South Carolina has more wetlands per acre than any other state. And we derive a number of benefits from those wetlands, from the value of breeding grounds for our near-shore fisheries to waterfowl habitat during the winter. South Carolina is defined by its wetlands resources.

When we think of the South Carolina coast, we think of the expanses of salt marsh and the great flood plains along the tidal rivers in the coastal plain. We have been fortunate over the past two centuries to have maintained most of the stock of wetlands that we originally had in South Carolina, unlike many other states. North Carolina, for example, has lost almost 50 percent of their wetlands. We have a relatively large stock of wetlands, over four million acres, including one-

half million acres of salt marsh and extensive freshwater wetlands. The culture and economy of this state have always been tied to the productivity of the wetlands resources.

How do you think the public can best contribute to protecting the delicate Lowcountry environment?

The public has to participate in the process of protecting, not only through supporting regulatory programs, but by developing new approaches to wetlands protection including private sector initiatives. Of course, there is a need for financial commitment on the part of the state as a whole, and for individuals. The public needs to understand the importance of wetlands and support the state legislature and the private conservation organizations working to perform the kinds of long-term planning

needed to protect wetland resources.

What are the major environmental challenges and opportunities that you feel are unique to the Lowcountry of South Carolina?

* One of the most important and least understood threats to the Lowcountry environment is urban sprawl. That's the lack of land-use planning that is apparent in the Lowcountry. It's not unique to the Lowcountry, but probably more severely destructive because of the delicate ecology of this area. We need to look very seriously at using land more efficiently and paying more attention to the sensitive parts of the Lowcountry, the river edges, the marsh corridors, and the view corridors. We need to be more concerned about runoff which comes from poor land-use planning. But fundamentally, we need to look at the Lowcountry as a whole, as an ecological unit, and make sure as we grow that we don't grow in an inefficient pattern, a pattern that is wasteful of energy and land.

Our opportunity is that we do have a great amount of beautiful, natural areas still left intact. And if we can make an effort, beginning now and going through this decade, we will be able to tighten our growth patterns to become more efficient



The Lowcountry Perspective

in the way we live, travel, and work. And in doing so, we will comprehensively begin to protect the unique productive environment of which the Lowcountry can be proud.

What must a utility do to operate as a responsible member of the environmental community?

Obviously energy is probably the biggest issue that we have to address in the next decade. The utilities need to begin selling to the customers conservation as a source of energy. We need to realize that conservation actually produces energy. The more we save, the more we have. By educating the public and making it financially attractive to the public to conserve, the utility can play a critical role in providing sustainable energy for the future. The way we live often determines the way we use energy. County planning boards need to acknowledge the way our counties are



zoned and our cities developed. The challenge is going to be increasing the level of awareness of the importance of doing these types of things on the local level and the values they provide to the global environment.

How does energy and the environment best coexist at the local level?

Businesses are getting more into the mode of marketing environmental consciousness. They are marketing environmentally benign products.

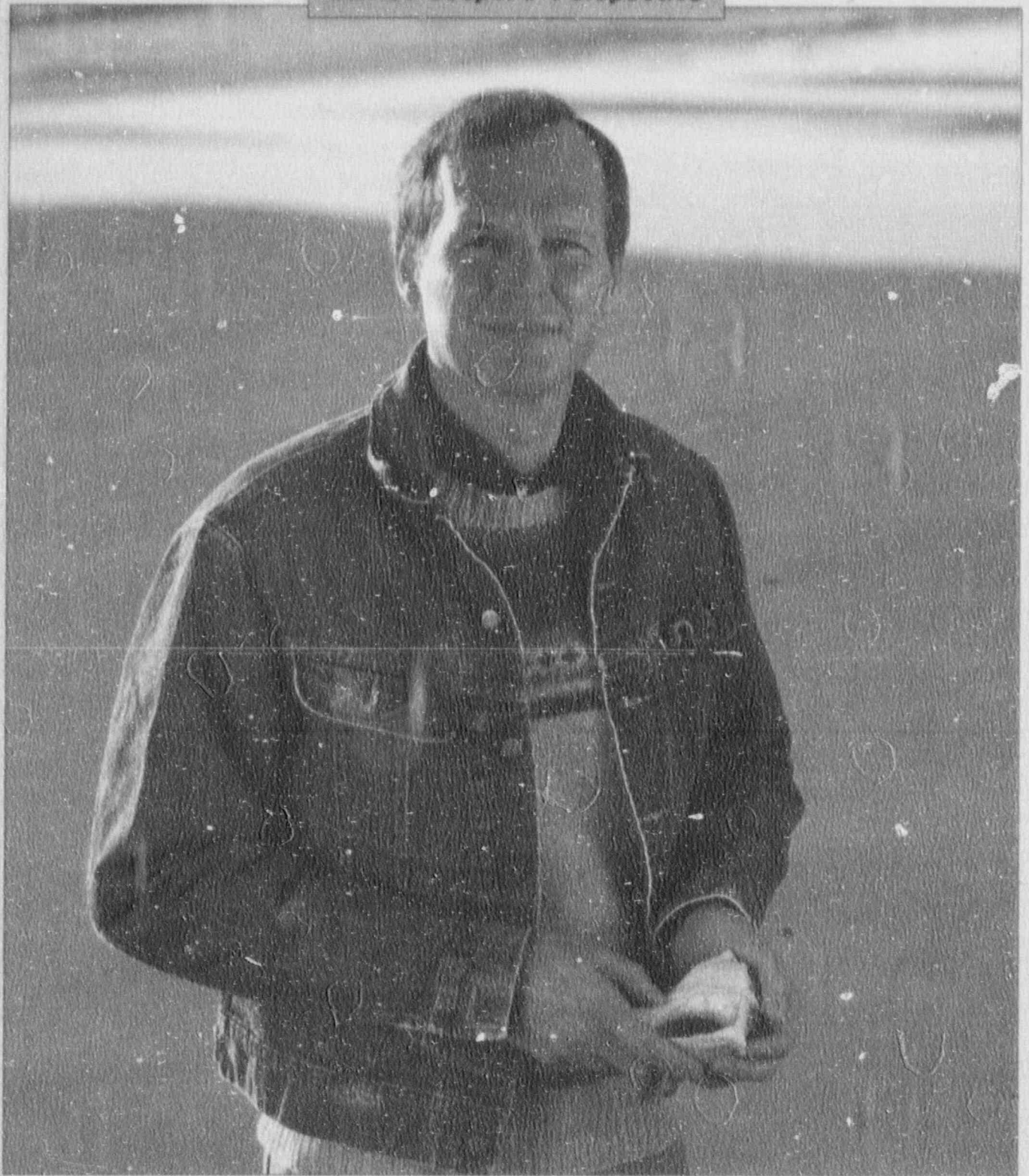
Businesses that are willing to make a long-term commitment to sell products that are not destructive to the environment are building corporate images that will serve them well in terms of profitability.

What can local businesses, industries, and residents do to enhance the environment?

Local businesses are more enthusiastically participating in private conservation efforts than they have in the past. South Carolina has traditionally not had a very well-developed conservation movement. Now we have a variety of people doing a variety of things, ranging from land trust to providing opportunities to protect land through simple donations. The public needs to realize how much power it has and to get involved on the local level in local zoning ordinances and local recycling programs.



Santee Cooper's Perspective



John Rainey is chairman of the Santee Cooper Board of Directors. Due to his outspoken concern for the environment, he has been dubbed Santee Cooper's "environmental chairman."

Santee Cooper's Perspective



Beyond being Chairman of Santee Cooper, why is a successful attorney and businessman so concerned about the environment?

I'm concerned about the environment because I live here. That's the basis of my concern. The word environment means surroundings, and unless we maintain surroundings that also are conducive to a good quality of life in addition to merely sustaining life, we have very little here.

What difference in the environment do you believe Santee Cooper can make, and what should its role be in respect to the environment?

That's a two-part question. In terms of a difference, we manage some 178,000 acres of timberland, wetlands, and lakes. By managing those assets properly, we can make a statement not only to this state, but the rest of the nation. We also have some \$3 billion in assets, man-made assets, that generate electric power. We need to manage these assets in an environmentally responsible and sensitive fashion. Once we do that, we can stake out our role, which is to be a leader in the utility industry, in doing things that not

only produces efficient and economic electric power, but also responsive to the needs of our environment.

How does Santee Cooper justify spending more money to protect and improve the environment if doing that results in increased operating costs?

We can justify the expenditure because we really have two aspects of our corporate mission. One is quantitative. The other is qualitative. We must keep these in balance. It's not enough just to produce the energy that increases our short-term quality of life. We've also got to address the qualitative aspects. If we produce the energy and in the same time destroy our only natural habitat, we've achieved nothing that has any long-term beneficial affect on our society.

What impact will the passage of the 1990 Clean Air Act have on Santee Cooper's operation and service?

The act will have very little impact on Santee Cooper. We've been doing it right

environmentally for a long time. We were the first utility in the Southeast to put scrubbers on our coal-fired generating units in Georgetown County. We did that in the 1970s. We are now in compliance with all the current regulations both locally and nationally and with the current state of the Clean Air Act. It will not be until the year 2000 that we will need to spend any monies not currently budgeted to be in compliance with the next phase of the Clean Air Act.

What environmental goals would you like to see Santee Cooper accomplish before the turn of the century?

Let's take the word "goals" and make it "goal." There are going to be a lot of goals that are embodied in the term goal as I wish to define it. My term as chairman expires in 1997, three years before the turn of the century. By that time it will be my objective that Santee Cooper will be a recognized leader in the United States, number one in its responsiveness to environmental concern. We will have a





record by that time that has staked out our position as the undisputed leader in environmental matters in the United States.

What would you like to see employees do to protect the environment?

Get involved. We saw what one woman did with Mothers Against Drunk Driving. One woman set in motion a national program that has reversed a trend that was tragic. We have 1,603 employees. There is no end to what they can accomplish if we take that power, that unharnessed power within Santee Cooper, and focus it on a series of environmentally important objectives, both company-wide and locally in the communities in which our employees live.

You have been dubbed the "environmental chairman." Do you like that?

Well, that and I'm not sure that I didn't hang that on myself first. I've told my children that I've learned in life that the right thing is also the smart thing. The right thing is to be environmentally re-

sponsive. It's the ethical thing to do. It's also the smart thing to do because if we don't maintain this environment, we don't have anywhere to go. As the song in the 1960s said, "Nowhere to go and nowhere to hide." That's where we are today.

You sit on the boards of businesses. Do you see a new awareness among corporate America about the environment?

You see it in industry and it's not because they have to stay in compliance with regulations of the environmental regulatory authorities. It's corporate peer pressure you're seeing today. It's not cool to be environmentally irresponsible. It puts you on the outside, it makes you an outlaw among your peer group. Peer pressure in the end is what gets things accomplished, and you're going to see it in the industry.



What follows are descriptions of the many ways Santee Cooper is putting a corporate philosophy of environmental responsibility into everyday practice.



At Santee Cooper, we're expanding our service to meet the needs of our growing communities.

EXPANDING TO BETTER SERVE

Santee Cooper provided retail service to 90,170 customers in Berkeley, Georgetown, and Horry counties, an increase of 5.4 percent over 1989.

The number of customers in Santee Cooper's service territory is expanding daily because the area is attractive to industry, large and small businesses, and retirees.

One of the faster growth areas is the Waccamaw Neck region in Georgetown County. Along with the new customers in this area comes the need for increased electric service.

Safety, system reliability, environmental considerations, and costs are the key elements at Santee Cooper when planning, designing, and building transmission lines and substations.

In the fall of 1990, construction began on the Campfield Substation and the Campfield to Arcadia 115 KV line. Of particular environmental significance is the two-mile section of this line which will cross Jericho Creek, the Great Pee Dee and Waccamaw rivers, and the Intracoastal Waterway. Because of the potential for adverse visual and environmental impact created by an overhead crossing with steel towers and foundations, an underwater crossing was selected. This portion of the project, endorsed by the U.S. Army Corps of Engineers, will cost \$6 million.

Negotiations for rights-of-way in this \$20 million project with landowners, regional planning councils, and environmental agencies required four years to complete.

On another portion of this project, the Arcadia Substation will be constructed with low-profile steel



Underwater cables deliver power to Waccamaw Neck region with minimal disturbance to the environment.

structures. A specially designed entrance road and an extensive landscaping plan have been developed. These measures will reduce the visual impact of the substation.

Also, to minimize damage and disturbance of customer-owned landscaping and to maintain attractive distribution facilities, underground exits for distribution feeders from all new substations will be used. Special equipment for repair and replacement of underground facilities will be used when needed.

IMPROVING THE SYSTEM

Throughout 1990, Santee Cooper continued to rebuild the damage left by Hurricane Hugo on September 21 and 22, 1989. After making functional repairs to restore power to all customers, it was decided to rebuild the damaged portion of the system to a quality consistent with state-of-the-art operational and aesthetic standards. Much of the damaged materials were either refurbished for reuse or recycled.

OFFERING CUSTOMER PROGRAMS

Another demand-side management program has been added to the list at Santee Cooper. This program is structured to reduce peak demands which help minimize generation costs.

The H₂O Advantage Off-Peak Water Heating Program, developed in conjunction with Central

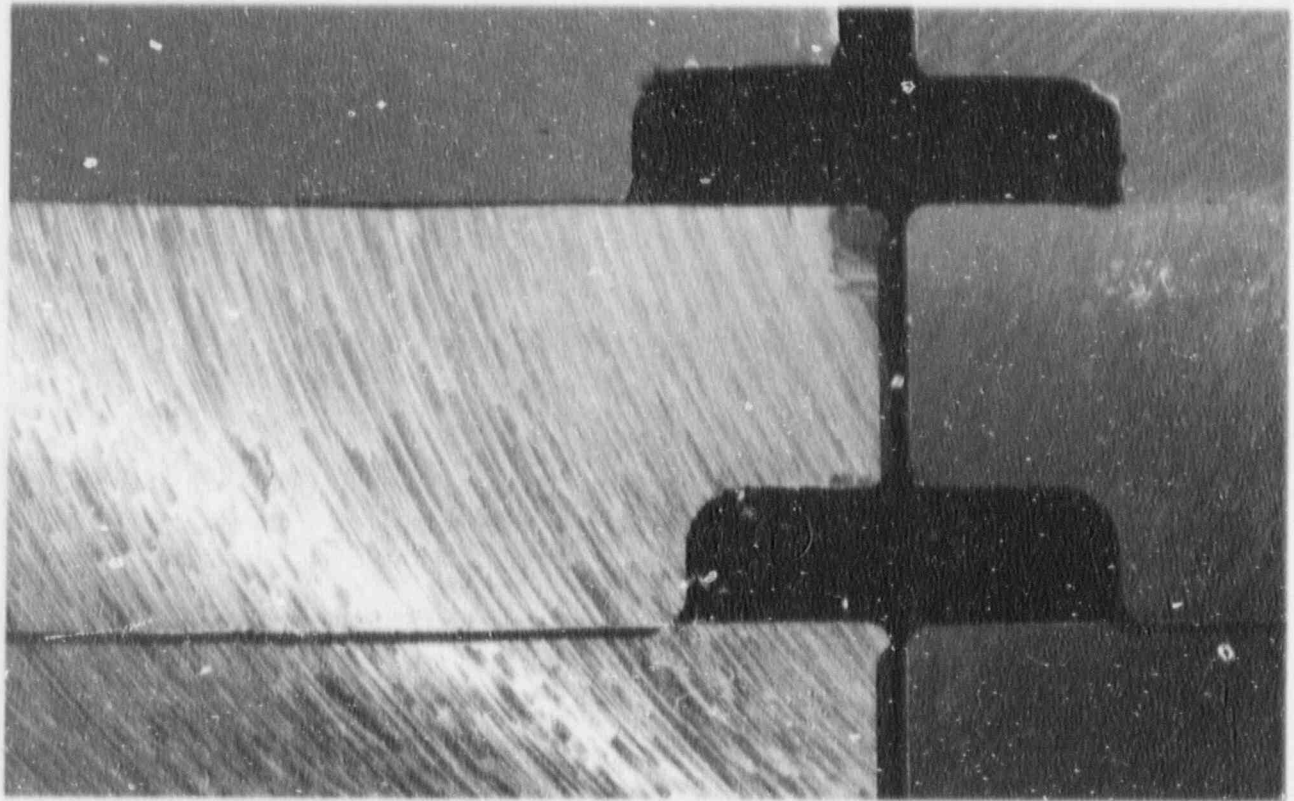
Electric Power Cooperative, Inc., uses an electronic timing device that prevents residential water heaters from operating during peak hours in the highest peak demand periods.

From load analyses, the winter peak season is between mid-December and the end of February, while the summer peak season is between mid-June and the end of August.

The program's incentives include an initial rebate toward the purchase of a new high-efficiency electric water heater and a monthly credit on the customer's electric bill. The monthly incentive is guaranteed for 10 years if the electronic timer remains in place.

Water heated off-peak
does its washing just
as well.





WORKING WITH INDUSTRIAL CUSTOMERS

Santee Cooper and Alumax of South Carolina, its largest industrial customer, reached an agreement in 1990 which assures that the aluminum company will continue its operations at its Mount Holly plant at least until the year 2000. Alumax agreed to maintain its current power requirements until 1994, and then keep at least one potline in operation until April 2000.

As part of the agreement, a new curtailable industrial rate was developed. Alumax and Santee Cooper's other large industrial customers can benefit from reduced power demand charges under the new rate schedule if they maintain an equal amount of power under the standard industrial rate schedule.

Santee Cooper provides power to 29 large industrial customers and three military bases.

Aluminum, like that produced by Alumax, is an energy saver and important to the environment because it can be recycled many times.



At Santee Cooper, we're producing power for today while protecting the environment for tomorrow.

DISPOSING OF PCBs AND CONTAMINANTS

Polychlorinated biphenyls, or PCBs, were removed from all major equipment on the transmission system to a level below 50 parts per million, reducing the potential for public exposure to this carcinogenic substance.

The design and construction of a new PCB storage facility for company-wide use was completed. The new building allows for safe storage of PCB-contaminated transformers and capacitors.

A new environmentally safe wash-down bay will be used to clean oil and other contaminants from both distribution and transmission vehicles and equipment. The wash water is circulated through a separator where contaminants are filtered. The oil is accumulated in a salvage tank for disposal, and the water is channeled to a sanitary sewer.

LOOKING OUT FOR THE WILDLIFE

As a result of a newly passed Georgetown County ordinance that calls for the minimization of

beachfront lighting to protect loggerhead sea turtles, Santee

Cooper began working with the county to shield outdoor lighting in the Waccamaw Neck area. Artificial lighting from oceanfront development has made the coast unsuitable as a nesting area for the loggerheads. South Carolina's state reptile and a threatened species. The female turtles avoid nesting near lighted beaches. Even worse, emerging hatchlings easily become disoriented and often fail to make their way to the ocean.

Special shields were installed on lights designated as being

potentially harmful. To further support the county ordinance and protect the loggerheads, a public awareness campaign was launched. The Lights Out For Turtles campaign was endorsed by the South

TV spots using local students helped promote protection of endangered loggerhead sea turtles from the distractions of beachfront lighting.





Carolina Wildlife and Marine Resources Department and included distribution of bumper stickers, light switch plate stickers, and brochures. Santee Cooper's turtle protection project will continue next year. Interest in the program has spread to neighboring Horry County.

Approximately 18,900 acres of wildlife and waterfowl habitat are leased to the South Carolina Wildlife and Marine Resources Department on a gratis basis for use as part of the state's wildlife management program. Included in this acreage is a 350-acre waterfowl impoundment adjacent to Lake Moultrie in Berkeley County. This provides an intensive waterfowl management area for use and hunting opportunities by the general public.

In cooperation with the South Carolina Waterfowl Association, Santee Cooper has been involved in joint ventures to enhance the quality and values of public wetlands for waterfowl through the association's Wetland Wildlife Enhancement Program. The installation of more than 500 wood duck nest boxes throughout Santee Cooper's water and wetland areas will allow the general public to benefit through the greater abundance and appreciation of wildlife.

Wetland homes for thousands of wood ducks are provided through cooperation with the South Carolina Waterfowl Association.

The wood duck nest boxes should sustain total annual production of 4,000 to 5,000 wood ducks once the breeding populations are established in each area.

Not only does Santee Cooper provide new places for nesting, but old nests are returned to their proper place. A transmission crew replaced a displaced osprey nest on a steel lattice transmission tower.

General Construction was also instrumental in protecting the environment with the completion of the West Pinopolis Dam Seismic Mitigation Project in October. The Federal Energy Regulatory Commission had mandated that support be added to the dam so that it could withstand an earthquake measuring 7.5 on the Richter scale, the estimated intensity of the Charleston Earthquake of 1886.

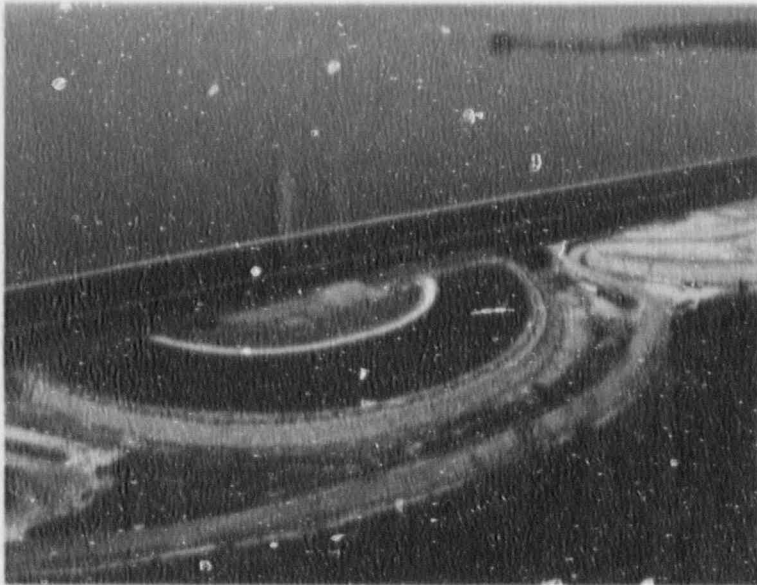
DESIGNING ENVIRONMENTALLY COMPATIBLE FACILITIES

Design Engineering keeps environmental issues in the forefront in the design of transmission, substation, and distribution facilities. Careful attention is being given to selecting new substation sites

and transmission line routes to preserve wetlands.

These efforts aid in the protection and preservation of water supply and natural marshland habitats.

Design Engineering conducted studies into the use of wood laminated structural members in place of wooden poles and solid sawn crossarms. These materials would reduce the number of trees required to produce wood products for the installation of transmission and distribution lines. The use of new wood preservatives is also being studied.



Reinforcing the West Pinopolis Dam increased its strength to withstand severe seismic disturbances.



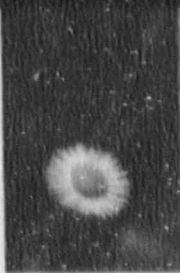
KEEPING THE LAKES CLEAN

For the second year, Santee Cooper worked with the South Carolina Water Resources Commission and the South Carolina Aquatic Plant Management Council in stocking 100,000 sterile triploid Chinese grass carp in Lake Marion. This is a biological control effort for the noxious aquatic plant, Hydrilla.

During the three-year program, 300,000 fish will be released on an estimated 12,000 acres of Hydrilla in the upper portion of Lake Marion.

Operational costs for the stocking program will total about \$1.2 million.

The Chinese grass carp released into the Santee Cooper lakes are helping control the growth of noxious aquatic weeds.



At Santee Cooper, we're lighting up the lives of our neighbors as well as their homes.

SERVING BY PROTECTING THE ENVIRONMENT

On Earth Day, April 22, 1990, employees from Environmental Services celebrated the event by conducting a do-it-yourself used oil collection day. "Do-it-yourselfers" were encouraged to bring their used motor oil to the Santee Cooper collection sites instead of pouring oil on the ground or into sewers

and ditches. The oil was transported for disposal in the boilers at Winyah Station and burned cleanly and efficiently at 2,500 degrees Fahrenheit, generating electricity.

Two temporary used motor oil collection sites were set up, one in Moncks Corner and one in Myrtle Beach. Over 700 gallons of used oil were collected in a two-day period.

The Earth Day program was such a success, a statewide used motor oil collection program was developed. The program, known as GOPER (Give Oil For Energy Recovery), started with two 275-gallon tanks, one

at Winyah Station and one in Moncks Corner. In September, additional sites were opened at Grainger Station in Conway and at Santee Cooper's 10th Avenue North facilities in Myrtle Beach.

Santee Cooper worked with several cooperatives across the state to open sites in their service territories. Collection centers were opened at Berkeley Electric Cooperative's Goose Creek office, in Hilton Head Island in cooperation with Palmetto Electric Cooperative, and with the help of Mid-Carolina Electric Cooperative, two tanks were located at Lexington County Recycling Centers. One additional tank was installed in Columbia at the South Carolina Department of Health and Environmental Control's main office on Bull Street.

This pilot program is designed to expand statewide and offers "do-it-yourselfers" the proper alternative to dispose of used motor oil in an environmentally safe manner. It also helps Santee Cooper



The Give Oil For Energy project, GOPER, has become an environmentally correct solution for do-it-yourselfers who change their own oil.

save on the cost of generation, using the waste oil as an economical supplemental fuel.

Not only does waste oil damage the environment, so does Freon, an odorless, colorless coolant used by automotive air conditioners. Much of the Freon never cools anyone. It is vented when units are serviced. Lost Freon, a chlorofluorocarbon, accounts for an estimated 16 percent of the destruction to the earth's ozone shield. This shield prevents harmful ultraviolet rays from reaching the earth's surface.

For more than 600 vehicles in Santee Cooper's fleet, the "vampire machine" is the answer. The "vampire machine," located at Transportation Services in Moncks Corner, sucks up and recovers air conditioner Freon that would otherwise be vented in the atmosphere when air conditioners are serviced.



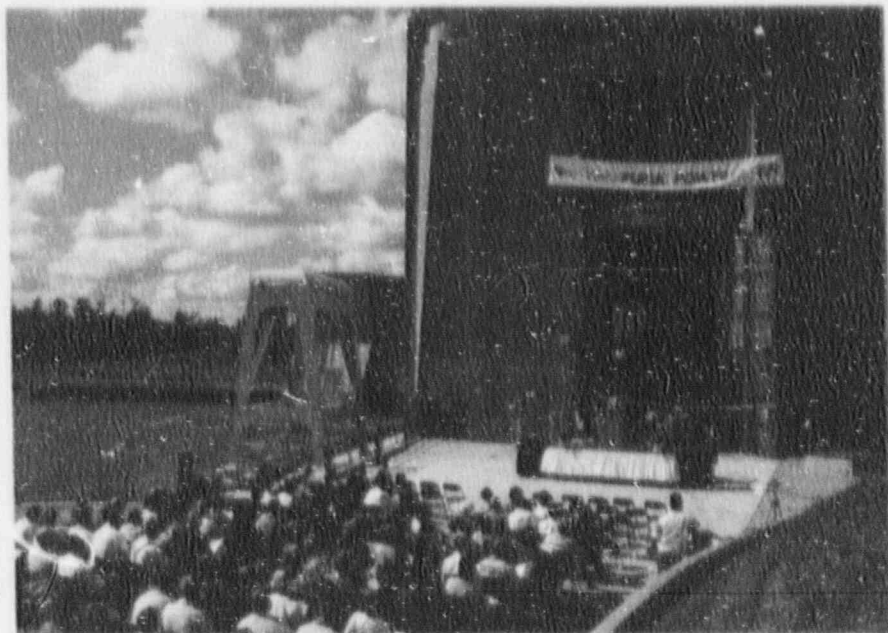
The "vampire machine" prevents the release of Freon into the atmosphere when automotive air conditioners are serviced.

EDUCATING BY INFORMING

An expanded corporate information program was initiated to increase public awareness, understanding, and support of Santee Cooper on a statewide basis. The major emphasis includes communicating the value of Santee Cooper as a state-owned energy and economic resource, coordinating greater community and civic involvement by employees, and supporting new and expanded environmental initiatives.

Many of these programs and activities were announced at a Public Power Week

Public Power Week ceremonies at the Jefferson Hydro Plant focused attention on the value and benefits of Santee Cooper to South Carolinians.



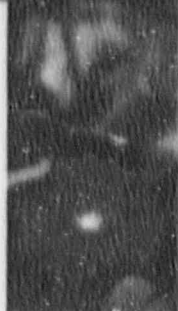


During October ceremonies held at the Old Santee Canal State Park, Santee Cooper announced its sponsorship of the South Carolina Environmental Symposium.

Ceremony in October, conducted at the Jefferies Hydro Station in Moncks Corner, where Santee Cooper's first power was generated in 1942. Included are:

- The Powerhouse Tours Program, available to school groups and visitors at all generating stations. "Making Electricity," a new video presentation produced in conjunction with the tours program, shows youngsters and adults how electricity is made.
- Environmental scholarships to be awarded annually at 29 of the state's accredited colleges and universities.
- Summer internships for 10 selected college students.
- Promoting environmental achievement and recognition for Scouting units.
- Promotion and recognition of increased employee outreach and volunteerism.
- Conducting environmental essay contests for 7th grade students in South Carolina.
- Sponsorship of the South Carolina Environmental Symposium in conjunction with the National Wildlife Federation, the South Carolina Wildlife Federation, and the College of Charleston.

Santee Cooper received recognition from the American Public Power Association for its 1989 annual report which was judged best among the nation's largest publicly-owned electric utilities.



At Santee Cooper, we're providing service that extends beyond the power delivered to more than one million South Carolinians.

MONITORING EMISSIONS

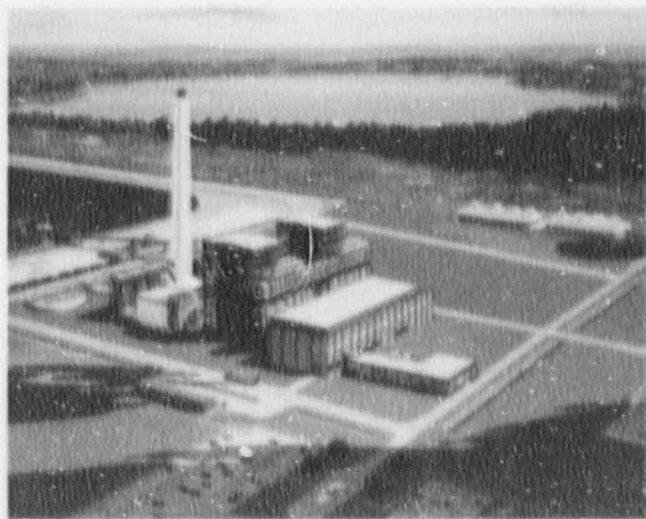
Throughout Santee Cooper's history, a strong commitment to environmental control has been demonstrated. This is shown in the construction and operation of the generating stations.

The most recent example of this commitment is shown in the future Unit 1 at Cross Station. This unit is being designed with state of the art environmental protection equipment. The equipment accounts for 33 cents of each dollar being spent to build the unit. The projected list of environmental equipment includes: electrostatic precipitators to remove particulate matter, a flue gas desulfurization system to remove sulfur dioxide, special burners to reduce nitrates of oxygen, a solid waste fixation system to render combustion by-products inert, and dry fly ash silos to capture ash for resale. The existing Unit 2 at Cross Station has essentially the same environmental protection equipment.

Emissions are continually monitored and controlled at Santee Cooper. A recent survey shows the average sulfur dioxide emission rate for the state is two pounds per million BTU. This includes all utility boilers in South Carolina. Santee Cooper's sulfur dioxide emission rate is one pound per million BTU. Sulfur dioxide is suspected to be one of the major causes of acid rain.

BUILDING TO SERVE

Construction of Unit 1 at Cross Station began in the fall of 1990 under the direction of Production Engineering and Construction Management employees and Gilbert/Commonwealth Inc., an architectural and engineering firm from Reading, Pennsylvania. The construction is expected to be complete in May 1994, and the unit will be on-line in November 1994.



Artist's rendering of Cross 1, scheduled for completion by late 1994.

MAKING USE OF BYPRODUCTS

A byproduct of generating electricity is fly ash. This dusty material is currently marketed to several concrete producers as an additive in manufacturing concrete. Through efforts of an ash marketing agent, Santee Cooper sold 45,000 tons of the product in 1990.

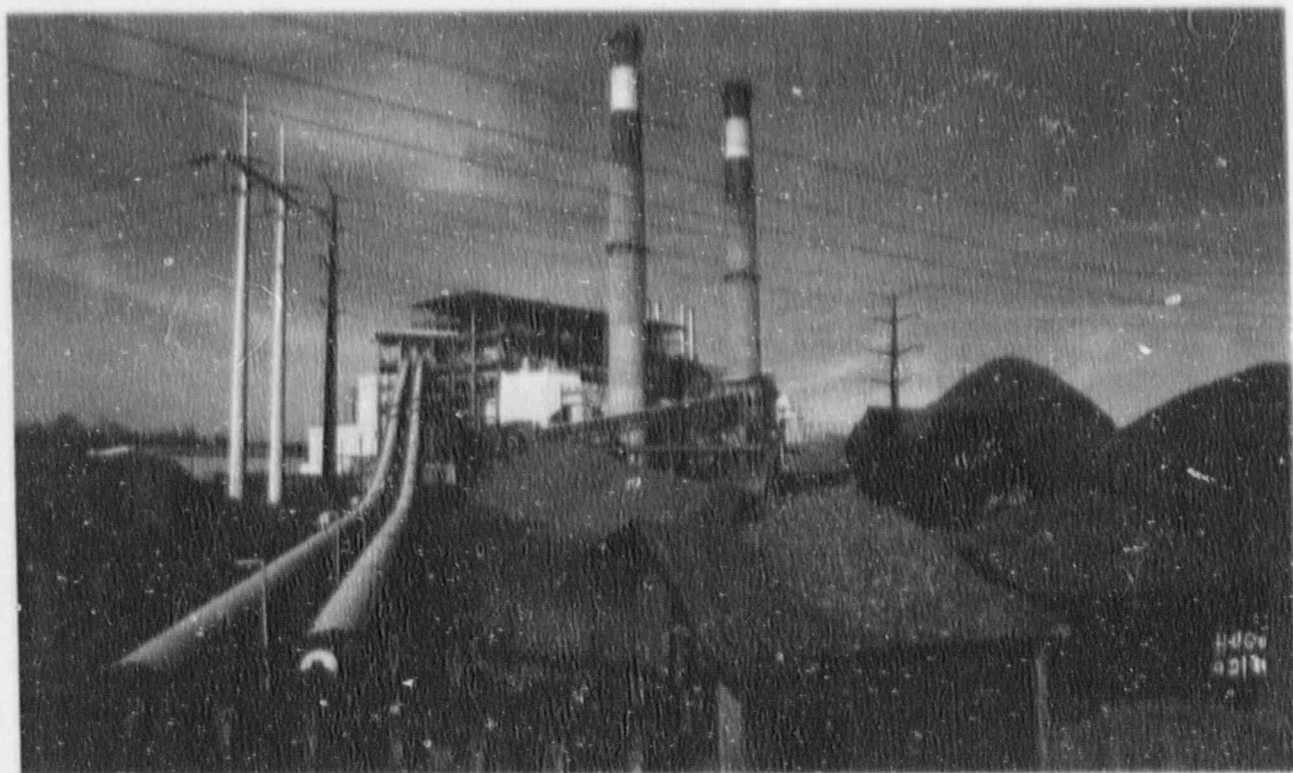
Efforts to market pond ash have increased recently to allow use of the material as a stabilizer for roadbeds. A test project was established in Horry County in 1988 to check the suitability of the ash for this purpose. If it proves to be a viable roadbed material, the pond ash, which now has no use, will become a valuable asset to the construction industry.

GENERATING ELECTRICITY

Santee Cooper uses several sources to generate electricity. Of the total energy generated, 80.9 percent was produced by using coal, 14.9 percent by nuclear, 2.2 percent by oil, and 0.2 percent by hydroelectric.

Santee Cooper is a member of the Southeastern Electric Reliability Council (SERC) and Virginia-Carolinas Reliability Group (VACAR). These two organizations help safeguard the reliability of electric service.

Burning wood chips
derived from timber
disposed by Hurricane
Hugo has saved on fuel
costs and helped clean
up thousands of acres
of woodland debris.



In 1990, Santee Cooper experimented by mixing wood chips with coal to generate electricity at Jefferies Station, located near Moncks Corner. The wood chips came from timber downed by Hurricane Hugo. The experiment proved successful and resulted in a full-time wood chip fuel program.

Approximately 20,000 tons of wood chips were burned during 1990. By using wood chips for fuel, Santee Cooper saved approximately \$14,000 per month, which was passed on to the customers. This project also enabled Santee Cooper to provide a viable market for wood which would have otherwise created an uncontrollable fire hazard.

The burning of wood chips in lieu of coal resulted in reductions in ambient air emissions because wood burns much cleaner than coal.

The peak hourly demand for 1990 was 2,508 megawatts, which occurred on July 10, 1990. This was 7.3 percent less than 1989.

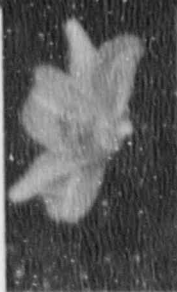
A total of 613,830 megawatthours of energy was sold to Virginia Power and North Carolina Eastern Municipal Power Agency during the calendar year under the off-system sales contracts, for a total of \$21,710,000. System controllers purchased 99,859 megawatthours of energy from the interconnected utilities to displace higher cost generation, for a savings of \$286,017. Also, 60,990 megawatthours of energy were sold to the interconnected utilities, for a total of \$1,887,480.

FINANCING SANTEE COOPER POWER

1990 marked the third consecutive year Santee Cooper has marketed and sold mini-bonds. Bond sales in 1990 set a record with over 4,800 bonds sold, totalling \$21,068,100, an increase of 21 percent over the 1989 issue.

These bonds are used primarily for ongoing capital improvements for Santee Cooper and to provide customers, electric cooperative members, and small investors in South Carolina an opportunity to buy tax-exempt bonds.

Through the mini-bond program, Santee Cooper has been able to raise capital at competitive rates. Another benefit of the program has been the education of South Carolina residents about Santee Cooper.



At Santee Cooper, we're helping our neighbors with one of our greatest community resources . . . our dedicated employees.

Santee Cooper employees devote countless hours to bettering the communities in which they live and work. Employees participate in career days and serve on advisory boards and committees.

The United Way program, which supports local efforts such as the YMCA, alcohol and drug abuse prevention, the Berkeley County Rescue Squad, and Habitat for Humanity is strongly supported by Santee Cooper.



Employees pitched in to help build new homes for residents displaced by Hurricane Hugo.

Through Santee Cooper's ongoing commitment to employees, benefits such as yearly physical examinations, smoking cessation courses, and CPR and first aid classes are given. By increasing awareness of potential health problems, employees can learn the importance of a healthy diet and exercise.

Safety is always considered not only on the job, but off the job as well. Noise monitoring, issuing personal protective equipment, and dealing with hazardous situations are all part of the safety plan at Santee Cooper.

Santee Cooper employees, which totaled 1,603 as of December 31, 1990, continued educational improvement activities in 1990. Fifteen employees received associate, bachelor, or graduate degrees with the assistance of the company's Tuition Aid Program. More than 150 employees are enrolled at local colleges and universities. Also, 677 internal and external training programs were completed by about 1,200 employees.

Santee Cooper has made a firm commitment to equal opportunity employment. Emphasis is placed on expanding local community contacts through civic organizations, increasing area and

regional school contacts, improving vendor relations, and striving to place minorities in the utility's summer job program. Santee Cooper is not only a leader in the electric utility industry, but is also committed to being an example in affirmative action progress.

The quality of Santee Cooper's electric service is being improved by increasing employee involvement. The Program for Employee Participation, PEP, promotes teamwork, improves communications, and identifies improvement opportunities.

The 1990 financial benefits from the 162 PEP teams are estimated at \$617,826. The savings help keep customer rates among the lowest in the Southeast.



Santee Cooper's fleet vehicles are painted under conditions that protect the environment as well as the employee.

Financial Statements

South Carolina Public Service Authority
Calendar Year 1990

REPORT OF INDEPENDENT AUDITORS

The Advisory Board and Board of Directors
South Carolina Public Service Authority

We have audited the accompanying balance sheets of the South Carolina Public Service Authority as of December 31, 1990 and 1989, and the related statements of accumulated earnings reinvested in the business, reinvested earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The financial statements of the South Carolina Public Service Authority are intended to present the financial position, results of operations and cash flows of proprietary fund types of only that portion of the funds and account groups of the State of South Carolina that is attributable to the transactions of the South Carolina Public Service Authority.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the South Carolina Public Service Authority at December 31, 1990 and 1989, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ernst & Young

Charleston, South Carolina
February 28, 1991

Balance Sheets

South Carolina Public Service Authority
December 31, 1990 and 1989

ASSETS	1990	1989
	(Thousands)	
Utility Plant - At Cost:		
Electric plant in service	\$ 2,276,257	\$ 2,184,092
Construction in Progress	120,100	124,400
Total	2,396,357	2,308,492
Less accumulated depreciation	630,155	573,785
Electric plant - net	1,766,182	1,734,707
Nuclear fuel - net	19,877	26,462
Utility plant - net	1,786,059	1,761,169
Other Physical Property (Net of Accumulated Depreciation)	897	1,350
Cash and Investments Held by Trustee (Designated)	282,522	255,955
Current Assets:		
Cash and investments held by trustee	53,960	40,869
Accounts receivable, less allowance for doubtful accounts of \$1,224,000 in 1990 and \$1,232,000 in 1989	52,446	61,887
Accrued interest receivable	3,794	5,622
Inventories, at average cost:		
Fuel (coal and oil)	36,515	42,119
Materials and supplies	28,510	23,638
Prepaid expenses	1,075	943
Total current assets	176,500	172,078
Deferred Debits:		
Unamortized debt expense	13,992	14,879
Unamortized loss on refunded debt	223,271	241,385
Costs to be recovered from future revenue	292,865	266,598
Other	28,491	30,327
Total deferred debits	558,619	553,929
Total	\$ 2,804,597	\$ 2,721,421

The accompanying notes are an integral part of the financial statements.

LIABILITIES AND CAPITALIZATION	1990	1989
	(Thousands)	
Long-Term Debt:		
Electric Revenue Bonds - Priority Obligations	\$ 52,095	\$ 54,415
Electric System Expansion Revenue Bonds	1,762,295	1,780,835
Subtotal	1,814,390	1,835,250
Electric System Revenue Bonds	67,500	81,000
Capitalized lease obligations	61,832	64,709
Total long-term debt	1,943,722	1,980,959
Less:		
Reacquired debt	4,546	3,345
Unamortized debt discount and premium - net	21,317	22,526
Long-term debt - net	1,917,849	1,955,088
Accrued Interest on Long-Term Debt	64,056	65,257
Construction Fund Liabilities - Accounts Payable	73	3,283
Other Non-Current Liabilities	18,851	15,290
Current Liabilities:		
Commercial paper notes	120,000	50,000
Muni Bonds	34,657	34,415
Revenue Bonds	21,174	
Accounts payable	36,327	33,370
Customer deposits	5,111	4,877
Accrued sums in lieu of taxes	1,857	1,761
Accrued nuclear fuel reload	5,274	8,517
Customer's credits	2,452	6,623
Other	3,252	3,081
Total current liabilities	230,064	142,843
Commitments and Contingencies Deferred Credits:		
Unamortized gain on reacquired debt	822	676
Nuclear fuel settlement	4,395	8,069
Total deferred credits	5,217	8,745
Capital Contributions - U.S. Government Grants	34,438	34,438
Accumulated Earnings Reinvested in the Business	530,869	496,497
Total	\$ 2,804,597	\$ 2,721,421

Statements of Accumulated Earnings Reinvested in the Business

South Carolina Public Service Authority

Years Ended December 31, 1990 and 1989

	1990	1989
	(Thousands)	
Accumulated earnings reinvested in the business - beginning of year	\$ 496,497	\$ 458,371
Reinvested earnings for the year	40,001	45,492
Total	\$ 536,498	\$ 503,863
Distribution to the State of South Carolina (See note below)	5,629	5,366
Accumulated earnings reinvested in the business - end of year	\$ 530,869	\$ 498,497

Note: The distribution to the State of South Carolina is determined utilizing a calculation formula required under the Indenture which is based essentially on operating cash flows and mandatory reserve requirements. Such calculation varies substantially from reinvested earnings for the year principally due to costs to be recovered from future revenue and working capital requirements.

The accompanying notes are an integral part of the financial statements.

Statements of Reinvested Earnings

South Carolina Public Service Authority
 Years Ended December 31, 1990 and 1989

	1990	1989
	(Thousands)	
Operating Revenues:		
Sales of electricity	\$ 548,066	\$ 549,578
Other operating revenues	5,914	5,216
Total operating revenues	553,980	554,794
Operating Expenses:		
Operation expense:		
Production	241,682	248,251
Purchased and interchanged power - net	5,170	8,007
Transmission	2,708	2,375
Distribution	3,048	2,696
Customer accounts	4,690	5,551
Sales	1,263	735
Administrative and general	40,711	38,873
Maintenance expense	42,511	37,561
Total operation and maintenance expense	341,743	342,009
Depreciation	67,538	69,570
Sums in lieu of taxes	3,426	3,449
Total operating expenses	412,707	415,028
Operating Income:	141,273	139,766
Other Income:		
Interest income	22,858	24,461
Other - net	14	(41)
Total other income:	22,872	24,420
Subtotal	164,145	164,186
Interest Charges:		
Interest on long-term debt	131,197	133,606
Other	19,474	15,881
Total interest charges	150,671	149,487
Subtotal	15,474	14,699
Other:		
Costs to be recovered from future revenue	26,527	28,793
Reinvested Earnings	\$ 40,001	\$ 45,492

The accompanying notes are an integral part of the financial statements.

Statements of Cash Flows

South Carolina Public Service Authority

Years Ended December 31, 1990 and 1989

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1990	1989
	(Thousands)	
Cash Flows From Operating Activities:		
Reinvested earnings	\$ 40,001	\$ 45,492
Adjustments to reconcile reinvested earnings to net cash provided by operating activities:		
Depreciation and amortization	67,538	69,570
Amortization of bond-related expenses	9,957	10,145
Net interest expense	119,439	117,804
Costs to be recovered from future revenue	(26,527)	(28,793)
Nuclear fuel settlement	(3,654)	201
Changes in assets and liabilities:		
Accounts receivable	9,441	(13,299)
Inventories	(268)	(20,608)
Prepaid expenses	(132)	192
Other deferred debits	613	(5,896)
Accounts payable	511	3,969
Other current liabilities	(8,036)	14,616
Other non-current liabilities	3,539	4,796
Net cash provided by operating activities	212,422	197,903
Cash Flows From Investing Activities:		
Net (increase) decrease in investments	(13,510)	16,289
(Increase) decrease in cash and investments held by Trustee (Designated)	(28,567)	35,175
Interest on investments	19,471	20,875
Net cash (used in) provided by investing activities	(22,606)	72,339
Cash Flows From Noncapital-Related Financing Activities:		
Distribution to the State of South Carolina	(5,629)	(5,366)
Net cash used for noncapital related financing activities	(5,629)	(5,366)
Cash Flow From Capital-Related Financing Activities:		
Proceeds from sale of bonds	21,416	17,405
Proceeds from sale of commercial paper	70,000	0
Repayment and refunding of bonds	(35,571)	(34,570)
Construction and betterments of utility plant	(92,473)	(85,153)
Interest paid on borrowings	(139,399)	(134,379)
Proceeds from sale of plant assets	438	500
Unamortized bond-related expenses	399	420
Increases in other deferred debits	(8,777)	(7,969)
Increase in construction fund liabilities	2,236	451
Other	(2,877)	(2,811)
Net cash used for capital-related financing activities	(184,608)	(245,999)

	1990	1989
Net (Decrease) increase in Cash and Cash Equivalents	(421)	18,877
Cash and Cash Equivalents at the Beginning of the Year	27,232	8,355
Cash and Cash Equivalents at the End of the Year	\$ 26,811	\$ 27,232
Reconciliation of Cash and Cash Equivalents:		
Cash and investments held by trustee (as shown on balance sheet)	\$ 53,960	\$ 40,869
Less investments, not considered cash and cash equivalents	(27,149)	(13,657)
Cash and cash equivalents at the end of the year	\$ 26,811	\$ 27,232

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

December 31, 1990

Note 1 - Summary of Significant Accounting Policies:

A - Reporting Entity - The South Carolina Public Service Authority (the "Authority"), a component unit of the State of South Carolina, was created by the 1954 State Legislature. The Board of Directors is appointed by the Governor of South Carolina. The purpose of the Authority is to provide electric power to the people of South Carolina. Capital projects are funded by bonds issued by the Authority and internally generated funds. The Board of Directors sets rates charged to customers to pay debt service, operating expenses and provide funds required under bond covenants.

B - System of Accounts - The accounting records of the Authority are maintained substantially in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC).

C - Utility Plant Capitalization and Maintenance - Additions to plant are recorded at cost, which includes material, labor, overhead, and interest capitalized during construction. The costs of repairs and minor replacements are charged to appropriate operating and maintenance expense. The costs of renewals and betterments are capitalized. The original cost of utility plant retired and the cost of removal less salvage are charged to accumulated depreciation.

D - Depreciation - Depreciation is computed on a straight line basis over the estimated useful lives of the various classes of the plant. Annual depreciation provisions, expressed as a percent of average depreciable utility plant in service, were approximately 3.5% for each of the two years in the period ended December 31, 1990. Amortization expense of capitalized leases is included in depreciation expense.

E - Revenue Recognition - Substantially all wholesale and industrial revenues are billed and recorded at the end of each month. Revenues from retail customers are recognized as billed on a monthly cycle basis. Fuel costs are reflected in operating expenses as consumed.

F - Amortization - Unamortized debt discount, premium and expense are amortized to income over the terms of the related debt issues. Unamortized gains or losses on refunded debt are amortized to income as impacted through the rate-making process, generally over the terms of the new debt issues.

G - Cash Flow - During 1990, the Authority adopted Statement of Governmental Accounting Standard No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting," and has presented the prior year's financial statements on a basis consistent with that of 1990. For purposes of the statements of cash flows, the Authority considers highly liquid investments with a maturity of less than three months and cash on deposit with financial institutions as cash and cash equivalents. Cash and Investments Held by Trustee (Designated) are not included in cash and cash equivalents for the purpose of the statements of cash flows.

Note 2 - Costs to be Recovered from Future Revenue:

The Authority's electric rates are established based upon debt service and operating fund requirements. Depreciation is not considered in the cost of service calculation. This results in timing differences between costs as defined in the rate-making process and costs determined in accordance with generally accepted accounting principles. These differences are recognized as costs to be recovered from future revenue. The recovery of outstanding amounts associated with costs to be recovered from future revenue will coincide with the retirement of the outstanding long-term debt of the Authority.

For the years ended December 31, 1990 and 1989, costs to be recovered from future revenue included in the statement of reinvested earnings consists principally of the difference between depreciation and debt service requirements.

Note 3 - Cash and Investments Held by Trustee (Designated):

Unexpended funds from the sale of expansion bonds, debt service funds, other special funds, and cash and investments are held and maintained by trustees and their use designated in accordance with applicable provisions of various trust indentures, bond resolutions, lease agreements, and the Enabling Act included in the South Carolina law. Such funds consist principally of investments in government securities carried at amortized cost.

Cash - Cash is categorized as follows: Category 1 includes bank balances entirely covered by federal deposit insurance. Category 2 includes bank balances that are uncollateralized or collateralized with securities held by pledging financial institutions but not in the Authority's name.

Investments - Trust indentures and resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies, instrumentalities, and certificates of deposit. The Authority's investments consist of U.S. Government securities, certificates of deposit, and repurchase agreements. The Authority requires that securities underlying repurchase agreements have a market value of at least 102 percent of the cost of the repurchase agreement. Securities underlying repurchase agreements are delivered by broker-dealers to the Authority's trust agents. At December 31, 1990, the Authority's repurchase agreements totaled \$65,631,000.

The Authority's investments are categorized (see following page) to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by trust agents in the Authority's name. Category 2 includes uninsured certificates of deposit which are collateralized with securities held by the pledging financial institution but not in the Authority's name.

	1990					
	Investments		Cash		Total	
	Category 1	Category 2	Category 1	Category 2	Carrying Value	Market Value
(Thousands)						
Cash and Investments Held by Trustee (Designated):						
General Improvement Funds	\$ 25,175	\$ 100	\$ 14	\$ 399	\$ 25,688	\$ 25,699
Debt Service and Special Funds						
Indentured Bonds						
Interest Fund	1,026	—	—	—	1,026	1,026
Bond Fund	1,196	—	—	—	1,196	1,196
Debt Service	8,899	—	—	—	8,899	9,035
Expansion Bonds						
Interest Fund	—	—	—	60,068	60,068	60,068
Bond Fund	10,881	—	—	2	10,883	10,885
Debt Service	127,899	—	—	18	127,917	130,958
Subordinated Bonds						
Interest Fund	—	—	—	2,768	2,768	2,768
Bond Fund	6,750	—	—	—	6,750	6,750
Debt Service	3,639	1,400	—	—	5,039	5,049
Mini-Bonds						
Interest 1988 & 1989	1,110	—	—	—	1,110	1,110
Interest 1990	—	—	—	307	307	307
Debt Service 1989 & 1989 issue	1,113	—	—	—	1,113	1,113
Debt Service 1990 Issue	769	—	—	—	769	765
Other Special Funds	37,136	—	—	(8,147)	28,989	26,248
Total	200,418	1,400	—	55,016	256,834	257,278
Total Cash and Investments						
Held by Trustee (Designated)	\$225,593	\$1,500	\$ 14	\$55,415	\$282,522	\$282,977
Cash and Investments Held by Trustee:						
Revenue Fund	\$ 37,473	\$ —	\$ —	\$ 2,141	\$ 39,614	\$ 39,666
Special Reserve Fund	14,232	—	100	14	14,346	14,443
Total Cash and Investments Held by Trustee	\$ 51,705	\$ —	\$ 100	\$ 2,155	\$ 53,960	\$ 54,109

	1989					
	Investments		Cash		Total	
	Category 1	Category 2	Category 1	Category 2	Carrying Value	Market Value
(Thousands)						
Cash and Investments Held by Trustee (Designated)						
General Improvement Funds	\$ 9,541	\$ 100	\$ —	\$ (637)	\$ 9,004	\$ 9,009
Debt Service and Special Funds						
Indentured Bonds						
Interest Fund	1,060	—	—	—	1,060	1,060
Bond Fund	1,161	—	—	—	1,161	1,161
Debt Service	8,896	—	—	—	8,896	9,073
Expansion Bonds						
Interest Fund	—	—	—	60,731	60,731	60,731
Bond Fund	9,270	—	—	—	9,270	9,270
Debt Service	138,060	—	—	55	138,055	130,151
Subordinated Bonds						
Interest Fund	—	—	—	3,267	3,267	3,267
Bond Fund	6,750	—	—	—	6,750	6,750
Debt Service	3,719	1,350	—	7	5,076	5,041
Mini-Bonds						
Interest	902	—	—	—	902	902
Debt Service	454	—	—	—	454	455
Debt Service	659	—	—	—	659	679
Other Special Funds	24,462	—	—	(5,792)	18,670	17,725
Total	185,333	1,350	—	58,268	244,951	246,247
Total Cash and Investments Held by Trustee (Designated)	\$ 194,874	\$ 1,450	\$ —	\$ 57,631	\$ 253,955	\$ 255,254
Cash and Investments Held by Trustee:						
Revenue Fund	\$ 36,391	\$ —	\$ —	\$ 2,240	\$ 38,631	\$ 38,738
Special Reserve Fund	2,132	—	100	6	2,238	2,242
Total Cash and Investments Held by Trustee	\$ 38,523	\$ —	\$ 100	\$ 2,246	\$ 40,869	\$ 40,980

Note 4 - Long-Term Debt Outstanding:

	December 31,	
	1990	1989
	(Thousands)	
Electric Revenue Bonds - Priority Obligations:		
Series of 1950, bearing interest at 2.70% and due 1991 to 1993	\$ 6,015	7,915
Series of 1967, bearing interest at 4.10% and due 1991 to 2006	46,080	46,500
Total Electric Revenue Bonds - Priority Obligations	52,095	54,415
Electric System Expansion Revenue Bonds:		
1975 Series, bearing interest from 5.30% to 5.75% and due 1991 to 1993 and 2013	88,055	89,485
1974 Series, bearing interest from 6.25% to 6.75% and due 1991 to 1999 and 2014	97,360	98,866
1977 Refunding Series, bearing interest from 5.30% to 6.00% and due 1991 to 1997 and 2002 and 2016	179,785	183,405
1977 Series, bearing interest from 4.90% to 5.75% and due 1991 to 2002 and 2017	110,705	111,275
1978 Series, bearing interest from 5.10% to 5.875% and due 1991 to 1998 and 2008 and 2018	191,490	192,645
1979 Series A, bearing interest from 5.85% to 6.875% and due 1991 to 2003 and 2009 and 2019	101,740	102,935
* 1980 Series A, bearing interest from 9.25% to 9.50% and due 1991 to 1995	7,440	8,570
* 1981 Series A, bearing interest from 8.45% to 9.30% and due 1991 to 1997	10,290	11,230
* 1981 Series C, bearing interest at 11.75% and due 1991	1,185	2,255
* 1982 Series A, bearing interest at 11.75% and due 1991	2,105	4,010
* 1982 Series B, bearing interest from 11.60% to 11.25% and due 1991 to 1992	2,255	3,195
* 1982 Refunding Series, bearing interest from 8.20% to 8.75% and due 1991 to 1994	2,660	3,205
* 1985 Refunding Series, bearing interest from 7.50% to 9.10% and due 1991 to 2000	8,385	8,910
* 1985 Refunding Series A, bearing interest from 7.25% to 9.00% and due 1991 to 1999 and 2003	51,560	51,940
1986 Refunding Series A&B, bearing interest from 6.75% to 8.10% and due 1991 to 2008 and 2019 and 2020	195,955	195,955
1986 Refunding Series C&D, bearing interest from 5.40% to 7.30% and due 1991 to 2007 and 2012 and 2021 and 2022	333,245	334,075
1987 Refunding Series A, bearing interest from 4.80% to 7.00% and due 1991 to 2007 and 2012 and 2021 and 2022	189,505	190,355
1988 Refunding Series A, bearing interest from 7.00% to 7.875% and due 1992 to 2005 and 2015 and 2021	188,575	188,575
Total Electric System Expansion Revenue Bonds	1,762,295	1,780,895
Electric System Revenue Bonds, 1985 Series, bearing interest from 7.70% to 8.70% and due 1991 to 1995	67,500	81,000
Capitalized-Subordinated Lease Contracts, payable 1991 to 2015	61,832	64,700
Total Long-Term Debt	\$1,943,722	\$1,980,990

* See schedule for refunded debt.

The Authority refunds and defeases debt primarily as a means of reducing debt service, thereby postponing or reducing future electric rate adjustments.

Amounts outstanding, original loss on refunding, and the unamortized loss at December 31, 1990 follow:

Refunding issue	Refunded Bonds	Refunded Amount Outstanding	Original Loss	Unamortized Loss
			(Thousands)	
1977 Refunding	1971 and 1976 Series	\$ ---	\$ 11,244	\$ 6,247
1982 Refunding	\$ 100,000 of the 1981 Series C and \$ 127,000 of the 1982 Series A	227,000	62,588	2,212
1985 Refunding	\$ 150,000 of the 1982 Series B	150,000	30,570	7,897
1985 A Refunding	\$ 139,000 of the 1981 Series B \$ 40,000 of the 1981 Series C	179,000	27,853	2,708
Cash Defeasance	\$ 20,000 of the 1982 Series A	20,000	2,763	2,320
1986 A&B Refunding	\$ 42,725 of the 1980 Series A \$ 42,000 of the 1981 Series A \$ 61,600 of the 1981 Series B \$ 4,420 of the 1981 Series C \$ 7,820 of the 1982 Series A \$ 9,010 of the 1982 Series B	166,975	43,736	42,310
1986 C&D Refunding	\$ 280,275 of the 1982 Refunding Series	280,275	97,109	88,267
1987 A Refunding	\$ 160,510 of the 1985 Refunding Series	160,510	48,038	42,666
1988 A Refunding	\$ 18,220 of the 1980 Series A \$ 18,315 of the 1981 Series A \$ 9,110 of the 1982 Refunding Series \$ 5,000 of the 1985 Refunding Series \$ 120,890 of the 1985 Refunding Series A	171,535	28,644	28,644
Total		\$1,355,295	\$ 352,545	\$ 223,271

The Authority's bond indentures provide for certain restrictions, the most significant of which are:

The Authority covenants to establish rates and charges adequate to provide revenues sufficient, among other things, to pay debt service when due on the priority obligations and expansion bonds, to make required payments when due into the lease fund and the capital improvement fund, and to pay the costs of operation and maintenance of the Authority's electric system and all necessary repairs, replacements, and renewals thereof.

The Authority is presently required to pay annually into its capital improvement fund an amount which, together with the amounts deposited therein the two preceding fiscal years, is at least equal to 8% of the Authority's gross revenues (as defined) in the three preceding fiscal years. The Authority may issue additional parity expansion

bonds if, among other things, the Authority's Consulting Engineer certifies that net revenues (as defined) in each succeeding fiscal year after the date on which such additional bonds are sold to and including the later of (a) the third succeeding full fiscal year after such date or (b) the first full fiscal year after the estimated date of commercial operation of any power plant to pay the cost of construction of which additional expansion bonds have been, are being, or are then authorized to be issued, shall be at least equal to the sum of the amounts required in such fiscal year for (i) debt service on the priority obligations and the expansion bonds then outstanding, being issued, or authorized, but not yet issued, (ii) payments into the lease fund, and (iii) payments into the capital improvement fund.

The Authority may also issue bonds subordinate to the Expansion Bonds under a resolution adopted by the Authority on August 27, 1990

(Revenue Bond Resolution). The Revenue Bond Resolution requires, among other things, the Authority's consulting Engineer and Chief Financial Officer certify that:

(1) Net Revenues (as defined) during (i) the fiscal year preceding the fiscal year such revenue bonds are issued, or (ii) any 12 consecutive month period ending not more than 180 days prior to the date of delivery of such revenue bonds (the historic revenue test period), be not less than 125% of the total of (i) the principal and interest requirements during the current fiscal year, on all senior debt and revenue bonds theretofore issued, and outstanding, and (ii) any payments to the lease fund during the current fiscal year; and

(2) For each of the five fiscal years following the later of the date of the delivery of such revenue bonds or the period (if any) for which interest is funded from the proceeds of such revenue bonds, net revenues as forecast by the consulting Engineer and the Chief Financial Officer will be not less than 125% of the total of (i) the sum of principal and interest requirements (as defined) and revenue bonds theretofore issued prior to the issuance of the then proposed revenue bonds, and the then proposed revenue bonds to be outstanding during such fiscal year, and (ii) any payments from the revenue fund into the lease fund; and

(3) Net Revenues forecasted by the consulting Engineer and the Chief Financial Officer, for the fifth fiscal year immediately following the issuance of such revenue bonds, on the period (if any) for which interest is funded from the proceeds of such Revenue Bonds, will be not less than 125% of the maximum aggregate total in any succeeding fiscal year of (i) the principal and interest requirements on (A) all senior debt and revenue bonds theretofore issued prior to the issuance of the proposed revenue bonds, and (B) the then proposed revenue bonds, and (ii) any payments from the revenue fund into the lease fund.

Electric revenue and expansion bonds maturing during the years ending December 31, 1991 through 1995, are as follows:

	Electric Revenue Bonds	Priority Obligations & Expansion Bonds	Total
	(Thousands)		
December 31, 1991	\$ 13,500	\$ 24,155	\$ 37,655
December 31, 1992	13,500	26,685	40,185
December 31, 1993	13,500	28,495	41,995
December 31, 1994	13,500	30,205	43,705
December 31, 1995	13,500	32,200	45,700
Total	\$ 67,500	\$ 141,650	\$ 209,150

Note 5 - Summer Nuclear Station

The Authority and South Carolina Electric and Gas (SCE&G) are parties to a joint ownership agreement providing that the Authority and SCE&G shall own the Summer Nuclear Station with undivided interest of 55 1/3% and 44 2/3%, respectively. SCE&G is solely responsible for the design, construction, budgeting, management, operation, maintenance, and decommissioning of the Summer Nuclear Station, and the Authority is obligated to pay its ownership share of all costs relating thereto. The Authority receives 55 1/3% of the net electricity generated. At December 31, 1990 and 1989, the plant accounts included approximately \$428,779,000 and \$428,692,000, respectively, representing the Authority's investment, including capitalized interest, in the Summer Nuclear Station. The Authority's original investment totaled approximately \$426,000,000 and was financed solely by long-term debt. Subsequent additions and betterments were financed through the Authority's internally generated funds for capital improvement. For the years ended December 31, 1990 and December 31, 1989, the Authority's operation and maintenance expenses included \$53,167,000 and \$57,663,000, respectively for operation and maintenance expenses of the Summer Nuclear Station.

Nuclear fuel costs are being amortized based on energy expended which includes a component for estimated disposal costs of spent nuclear fuel. These amortizations are included in fuel expense and are recovered through the Authority's rates. Beginning in 1990, the Authority adjusted its provision for decommissioning costs to comply with NRC regulation and has provided a Certificate of Financial Assurance for its 1/3 share of the station's estimated decommissioning expenses. Decommissioning costs (costs to take plant out of service in the future) for the Summer Nuclear Station are estimated to be \$500 million for the Authority's 1/3 ownership based on a 40-year useful life with decommissioning expected to commence in the year 2025. The Authority accrues for its share of the estimated decommissioning costs over the remaining life of the facility. These costs are being recovered through the Authority's rates. The funding amounts will be adjusted annually, if necessary. A new decommissioning study is currently underway at Summer Nuclear Station.

SCE&G has determined that the Summer Nuclear Station steam generators must be replaced due to stress corrosion cracking. SCE&G estimates replacement of the steam generators will cost approximately \$156 million of which the Authority's share will be approximately \$52 million exclusive of the Authority's indirect costs. Replacement of the generators is scheduled for 1996. Because the debt service related to the cost of the generators will be recovered through future rates, the accelerated replacement of this asset has not resulted in a charge to the statement of reinvested earnings. SCE&G has filed suit against the manufacturer of the generators seeking damages for the replacement of the generators. The ultimate outcome of the claim cannot be determined at this time, accordingly no benefit has been recorded in the financial statements.

The supplier under the original uranium supply contract breached the contract in 1975 due to uranium market conditions. SCE&G initiated action seeking specific performance of the contract provisions, and a final settlement was reached and approved by all parties in April 1980. By terms of the settlement, the Authority has received approximately \$10,245,000 in cash as partial settlement of the lawsuit. Additionally, the agreement provides for delivery of uranium, long-term deliveries of equipment and services (including conversion and fuel fabrication) at a discount. The cash and discounts received (and related interest earned) which approximated \$16,572,000, were recorded as deferred credits. During 1990, deferred credits and related interest of approximately \$3,752,000 were used to offset the additional fuel costs associated with replacement energy during the Summer Nuclear Station refueling outage. The remaining deferred credits of \$4,395,000 will be used during scheduled refueling outages in future years.

**Note 6 - Commercial Papers, Mini-Bonds,
and 1990 Series M Revenue Bonds**

The Board of Directors authorized the issuance of commercial paper not to exceed \$150,000,000. The paper is issued for valid corporate purposes with a term not to exceed 270 days at an annual interest rate not to exceed 9 1/2%. As of December 31, 1990 and 1989, the effective interest rate on outstanding borrowing was 6.02% and 6.10%, respectively. During 1990 and 1989, the average amount outstanding was \$96,410,000 and \$50,000,000, respectively; the average maturity was 37 and 35 days, respectively; the average effective interest rate was 6.06% and 6.60%, respectively.

At December 31, 1990, the Authority had a Revolving Credit Agreement of \$150,000,000. This Agreement is used to support the Authority's issuance of commercial paper. Under an agreement signed August 1990, the Authority is required to pay a fee equal to 1/8 of 1% on the total line of credit. No loans were outstanding under the Agreement at December 31, 1990.

In September 1990, the Authority issued the 1990 Series M Revenue Bonds (the "1990 M Revenue Bonds") in the amount of \$21.1 million at 7 3/8% pursuant to the Revenue Bond Resolution adopted by the Authority on August 27, 1990. The 1989 Series M Mini-Bonds (the "1989 Mini-Bonds") were issued in October, 1989, totaling \$17.4 million at 7% pursuant to the Mini-Bond Resolution. The Authority covenanted not to issue any more Mini-Bonds or 1985 Electric System Revenue Bonds (the "Lien Level Obligations").

The Mini-Bonds and the 1990 M Revenue Bonds are due on demand of the registered owner, and are considered current liabilities of the Authority.

The Lien Level Obligations were issued on a parity with each other but junior and subordinate to the pledge of revenue securing the Priority Obligations, Electric System Expansion Revenue Bonds and the Capital Lease Obligations. The 1990 M Revenue Bonds are junior and subordinate to the pledges of revenue securing the Priority Obligations, Electric System Expansion Revenue Bonds, Lien Level

Obligations and, so long as any Lien Level Obligations are outstanding, Capital Lease Obligations, but superior to the lien and pledge of revenue securing the Commercial Paper Notes.

Note 7 - Contracts with Central Electric Power Cooperative, Inc.

The Authority has lease contracts with Central Electric Power Cooperative, Inc. (Central) covering a steam electric generating plant, transmission facilities, and various other facilities. The lease terms range from five to twenty-five years. Quarterly lease payments are based on a sum equal to the interest on, and principal of, Central's indebtedness to the Rural Electrification Administration for funds borrowed to construct the above-mentioned facilities. The Authority has an option to purchase the leased properties at any time during the period of the lease agreement for a sum equal to Central's indebtedness remaining outstanding on the property involved at the time the option is exercised or to return the properties at the termination of the lease. The Authority plans to exercise each and every option to acquire ownership of such facilities prior to expiration of the leases.

Future minimum lease payments on Central leases, at December 31, 1990 were:

Years ending December 31	(Thousands)
1991	\$ 5,259
1992	5,259
1993	5,259
1994	5,240
1995	5,233
Thereafter	62,060
Total minimum lease payments	88,510
Less amounts representing interest	26,678
Balance at December 31, 1990	\$ 61,832

Lease property under capitalized leases and related accumulated amortization included in utility plant at December 31, 1990 totaled \$102,000,000 and \$49,500,000, respectively and, at December 31, 1989, totaled \$102,200,000 and \$46,900,000, respectively.

Power supply and transmission services are provided to Central in accordance with the Power System Coordinating and Integration Agreement dated January 19, 1981, and amended as of March 31, 1988. The amendment provides for a change in the Authority's rate-making methodology for Central. In addition, the Authority will be the sole supplier of Central's energy needs excluding what Central receives from the Southeastern Power Administration and SCE&G. The agreement allows Central to audit all charges by the Authority. Audits for the period July 1986 through December 1989 were presented to management during 1990 and are being discussed with Central. Management does not believe there will be any material effect

to the Authority as a result of these audits.

Note 8 - Commitments and Contingencies:

Budget - The Authority's capital budget provides for expenditures of approximately \$164,950,000 during the year ending December 31, 1991, and \$559,000,000 during the two years thereafter.

Future Generation - The Authority's Board of Directors approved the construction of a second 20-megawatt, coal-fueled electric generating unit at the Cross Plant with power generation to begin no later than May 1995.

The estimated cost of construction is expected to total approximately \$540.0 million which includes \$496.7 million for the generating unit, \$25.9 million for related transmission facilities, \$9.2 million for coal cuts, and \$9.1 million for the initial coal stockpile.

Dam Reinforcement - During 1982, FERC notified the Authority that the Pinopolis West Dam and the Santee North Dam, which form a part of the Authority's electric utility system, possessed marginal seismic stability under applicable design earthquake criteria. FERC indicated that remedial measures should be undertaken by the Authority to provide an increased level of seismic stability.

The preliminary design on the reinforcement of the Pinopolis West Dam was completed by the U.S. Army Corps of Engineers (Corps), and a contract was awarded in April 1988 to the Corps. The construction of the bolster is the responsibility of the Corps and was completed in the fall of 1990.

FERC provided final approval of a Comprehensive Emergency Action Plan (EAP) for Dam Failure for the flood plain located downstream of the North Santee Dam. The proposed EAP was modified by FERC to incorporate a number of additional requirements, all of which have been completed except for the acquisition of certain properties as designated by FERC and located in the flood plain.

The acquisitions are currently underway and are scheduled to be obtained by August of 1991. All other matters associated with the seismic safety of the project dams and dikes have been reconciled to the satisfaction of FERC and its staff.

Purchase Commitments - The Authority's outstanding minimum obligations as of December 31, 1990 under existing coal and purchased power contracts were approximately \$1.1 billion and \$0.2 billion, respectively.

During November 1990, the Authority filed a complaint against two coal companies having long-term contracts with the Authority. The Authority is alleging, among other things, a conspiracy by the coal companies and others to overcharge the Authority for the coal purchased.

The Authority has commitments of approximately \$29.7 million under the joint ownership agreement with SCE&G for the purchase, conversion, and fabrication of uranium. Additionally, the Authority has commitments for uranium enrichment through its agreement with SCE&G. Minimum obligations under the enrichment contract cannot be determined.

Note 9 - Retirement Plan:

Substantially all Authority full-time employees must participate in the South Carolina Retirement System ("System"), a cost-sharing, multiple-employer public employee retirement system. The payroll for employees covered by the System for each of the years ended December 31, 1990 and 1989 was \$55,355,000 and \$51,860,000, respectively.

Employees who retire at or after age 65 or have 30 years of service are entitled to a retirement benefit, payable monthly for life equal to 1.87 percent of their average final compensation. Benefits fully vest on reaching five years of service. Vested employees may retire at 60 and receive reduced retirement benefits. The System also provides death and disability benefits. Benefits are established by State statute.

Employees are required by State statute to contribute six percent of salary. The Authority is required by the same statute to contribute 7.55 percent of total payroll. The contribution requirement for each of the years ended December 31, 1990 and 1989 was \$4,109,000 and \$3,780,000 from the Authority and \$3,198,000 and \$3,112,000 from employees.

An actuarial valuation is performed for the System annually. At the most recent valuation date, June 30, 1990, the pension benefit obligation for retired and active members was approximately \$9.5 billion. The amortized cost of assets of the System was approximately \$6.8 billion. The unfunded pension obligation was approximately \$2.7 billion. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure, which is an actuarial present value of credited projected benefits, is intended to help users assess the System funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The System does not make separate measurements of assets and benefits payable for individual employers. The Authority's contribution represented approximately two percent of the total contribution to the System.

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1990 comprehensive annual financial report.

Note 10 - Other Post-Retirement Benefits:

The Authority provides certain health care and life insurance benefits for retired persons. Substantially all of the Authority's employees may become eligible for these benefits if they are age 65 or have completed 30 years of employment. The cost of retiree health care and life insurance benefits is recognized as expense as the premiums are paid. For 1990 and 1989, these costs totaled \$270,000 and \$215,000, respectively.

Note 11 - Major Customers:

Sales to two major customers for the years ended December 31, were:

	1990	1989
	(Thousands)	
Genital Electric Power Cooperative, Inc.	\$ 225,000	\$ 221,000
Alumax of South Carolina, Inc.	\$ 84,000	\$ 82,000

During the three-year period ended December 31, 1990, Alumax of South Carolina, Inc. was entitled to receive, under the contract amendment dated January 1, 1986, rate relief up to \$17.6 million per year. The rate reduction is available if the average monthly price of aluminum is \$.62 (1986 dollars) per pound or below as provided Alumax operates at a specified load. Alumax must begin to repay the rate relief if the price of aluminum is \$.72 (1986 dollars) per pound or more. During 1990, the net amount of rate relief granted totaled approximately 4.4 million. There was no rate relief granted to Alumax in 1989.

During the period 1991 through 1993, Alumax is required to repay such granted net rate relief in the monthly amount of \$1,467 million for any month in which the price of aluminum equals or exceeds \$.72 (1986 dollars) per pound.

Note 12 - Storm Damage:

On September 21, 1989, the Authority's system was substantially damaged by Hurricane Hugo. Through December 1990, the Authority has incurred approximately \$22.2 million to repair and replace damaged facilities and systems. Substantially all of such costs have been funded by insurance and federal emergency assistance grants.

The Authority does not expect to increase rates due to the impact of Hurricane Hugo and foresees no measurable long-term impact on its operations or the demand for electricity by its customers.

Note 13 - 1991 Revenue Bonds:

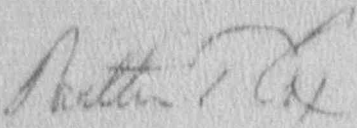
In March 1991, the Authority plans to issue a preliminary official statement for the sale of Revenue Bonds, 1991 Series A. The Authority expects to sell between \$250 million and \$400 million of these bonds during March or April 1991.

Audit Committee Chairman's Letter

The Finance-Audit Committee of the Board of Directors is composed of five independent directors: Walter T. Cox, Chairman; Leon S. Goodall; A. Clint Gossett; E. Gene Rickenbaker; and Johnnie (Joe) Young. The Committee meets monthly with members of management and Internal Audit to review and discuss their activities and responsibilities.

The Finance-Audit Committee oversees Santee Cooper's financial reporting and internal auditing processes on behalf of the Board of Directors. Monthly briefings on the financial statements and periodic reports from management and the internal auditors pertaining to operations and representations were received. In fulfilling its responsibilities, the Committee also reviewed the overall scope and specific plans for the respective audits by the internal auditors and the independent public accountant. The Committee discussed the Company's financial statements and the adequacy of its internal controls.

The Committee met with the independent public accountant, without management present, to discuss the results of the examination, the evaluation of Santee Cooper's internal controls, and the overall quality of Santee Cooper's financial reporting.



Walter T. Cox, Chairman
Finance-Audit Committee

Schedule of Bonds Outstanding

As of December 31, 1990

(In Thousands)

Maturity Date	1966 Series		1967 Series		1973 Series		1974 Series		1977 Refunding Series		1977 Series		1978 Series		1979 Series	
	Int. Rate	Am't.	Int. Rate	Am't.	Int. Rate	Am't.	Int. Rate	Am't.	Int. Rate	Am't.	Int. Rate	Am't.	Int. Rate	Am't.	Int. Rate	Am't.
1991	2.70	1,350	4.10	440*	5.30	1,455	6 1/4	1,590	5.30	3,830	4.90	590	5.10	2,220	5.85	1,240
1992	2.70	2,005	4.10	455*	5.40	1,530	6.30	1,625	5.40	4,035	5.00	625	5.15	1,285	5.90	1,300
1993	2.70	2,050	4.10	480*	5.40	1,615	6.30	1,795	5 1/2	4,260	5.10	660	5.20	1,355	5.95	1,360
1994			4.10	2,005*	5 1/4	1,700*	6.40	1,910	5.60	4,480	5.20	720	5 1/4	1,440	6.00	1,425
1995			4.10	2,720*	5 1/4	1,795*	6.40	2,035	5.65	4,710	5.30	785	5.30	1,515	6.05	1,490
1996			4.10	2,645*	5 1/4	1,900*	6.40	2,155	5.70	4,995	5.40	830	5.35	1,585	6.10	1,565
1997			4.10	2,975*	5 1/4	2,010*	6 1/2	2,295	5.70	5,265	5.45	890	5.40	1,670	6.20	1,645
1998			4.10	3,105*	5 1/4	2,125*	6 1/2	2,435	5 1/4	5,590*	5 1/2	935	5.40	1,760	6.30	1,725
1999			4.10	3,245*	5 1/4	2,245*	6 1/2	2,590	5 1/4	5,915*	5 1/2	1,005	5.70	1,850*	6.35	1,815
2000			4.10	3,395*	5 1/4	2,375*	6 1/4	2,750*	5 1/4	6,275*	5.65	1,065	5.70	1,940*	6.40	1,915
2001			4.10	3,545*	5 1/4	2,510*	6 1/4	2,920*	5 1/4	6,665*	5.60	1,130	5.70	2,045*	6.45	2,025
2002			4.10	3,705*	5 1/4	2,655*	6 1/4	3,110*	5 1/4	7,050*	5.60	1,220	5.70	2,145*	6 1/2	2,135
2003			4.10	3,870*	5 1/4	2,810*	6 1/4	3,295*	6.00	7,490*	5 1/4	1,295*	5.70	2,260*	6 1/2	2,260
2004			4.10	4,045*	5 1/4	2,970*	6 1/4	3,505*	6.00	7,950*	5 1/4	1,380*	5.70	2,380*	6 1/4	2,390*
2005			4.10	4,230*	5 1/4	3,140*	6 1/4	3,730*	6.00	8,450*	5 1/4	1,460*	5.70	2,500*	6 1/4	2,540*
2006			4.10	4,420*	5 1/4	3,325*	6 1/4	3,950*	6.00	8,970*	5 1/4	1,570*	5.70	2,630*	6 1/4	2,695*
2007					5 1/4	3,515*	6 1/4	4,205*	6.00	9,400*	5 1/4	1,705*	5.70	2,785*	6 1/4	2,865*
2008					5 1/4	3,715*	6 1/4	4,470*	6.00	9,950*	5 1/4	1,845*	5.70	2,945*	6 1/4	3,010*
2009					5 1/4	3,930*	6 1/4	4,745*	6.00	10,565*	5 1/4	2,000*	5 1/4	3,130*	6 1/4	3,160*
2010					5 1/4	4,155*	6 1/4	5,045*	6.00	11,210*	5 1/4	2,225*	5 1/4	3,345*	6 1/4	3,335*
2011					5 1/4	11,520*	6 1/4	5,350*	6.00	4,980*	5 1/4	2,180*	5 1/4	9,390*	6 1/4	3,525*
2012					5 1/4	12,180*	6 1/4	5,695*	6.00	5,315*	5 1/4	2,300*	5 1/4	9,980*	6 1/4	3,720*
2013					5 1/4	12,880*	6 1/4	6,045*	6.00	5,625*	5 1/4	2,500*	5 1/4	10,590*	6 1/4	3,925*
2014							6 1/4	20,045*	6.00	6,010*	5 1/4	2,640*	5 1/4	11,250*	6 1/4	4,140*
2015									6.00	9,515*	5 1/4	21,065*	5 1/4	11,950*	6 1/4	4,370*
2016									6.00	11,285*	5 1/4	21,235*	5 1/4	12,555*	6 1/4	4,610*
2017											5 1/4	34,590*	5 1/4	13,190*	6 1/4	4,870*
2018													5 1/4	50,600*	6 1/4	5,135*
2019															6 1/4	25,550*
2020																
2021																
2022																
Total Outstanding		6,015		46,080		88,055		97,360		179,785		110,705		191,490		101,740
Bonds Redeemed to 12-31-90		9,285		5,520		11,945		11,640		35,365		4,295		8,510		8,260
Bonds Refunded to 12-31-90		0		0		0		0		0		0		0		0
Original Issue Amt.	15,300		51,600		100,000		109,000		215,150		115,000		200,000		110,000	

* Term Bonds

See Schedule of Refunded Bonds Outstanding.

1961 Series		1964 Series		1967C Series		1967A Series		1967B Series		1967 Refunding Series		1967 Refunding Series		1967 Series		1967A Refunding Series		1967A Refunding Series	
Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.
8 1/4	1,235	8.45	1,050	11 1/4	1,185	11 1/4	2,105	11.00	1,050	8.20	585	7 1/2	585	7.70	13,500	7 1/2	410	6 1/4	1,800
9.30	1,350	8.60	1,165					11 1/4	1,190	8.40	635	7 1/4	605	8.00	13,500	7 1/2	440	7.00	5,600
9.40	1,475	8 1/4	1,295							8.60	690	8.00	650	8.20	13,500	7 1/4	470	7.15	7,200
9.45	1,615	8.90	1,435							8 1/4	750	8.20	705	8.40	13,500	8.00	510	7.30	7,800
9 1/2	1,765	9.00	1,600							8.40	765	8.40	765	8.70	13,500	8.20	2,425	7.40	8,500
		9.15	1,775							8.60	825					8.40	2,030	7 1/2	7,000
		9.30	1,970							8.80	900					8.60	2,390	7.60	7,300
										9.00	1,060					8.70	4,980	7.70	5,900
										9.05	1,160					8 1/4	5,405	7.80	6,300
										9.10	1,150							7.80	13,200
																9.00	11,020*	7.90	9,000
																9.00	6,090*	7.90	9,000
																9.00	15,390*	8.00	4,600
																		8.00	5,000
																		8.00	5,400
																		8.00	5,900
																		8.10	6,300
																		8.10	6,800
																		8.00	7,400
																		8.00	8,000
																		8.00	10,400
																		8.00	11,000
																		8.00	12,200
																		8.00	2,000
																		8.00	2,200
																		8.00	2,400
																		8.00	2,600
																		8.00	2,800
																		8.00	3,700
																		7.60	23,000

7.440	10,290	1.185	2,105	2.255	2,660	8.385	67,500	51,560	195,900
6.815	4,395	4.395	8,075	9.735	1,965	2,320	67,500	5,395	
60,945	60,315	144,420	154,820	159,010	289,385	165,510	0	120,890	
75,000	75,000	150,000	165,000	165,000	294,000	176,215	135,000	177,845	195,900

Schedule of Refunded Bonds Outstanding

As of December 31, 1995
(In Thousands)

Year	Series 201A July 1, 1991		Series 201B July 1, 1991		Series 201C July 1, 1991		Series 201A July 1, 1991		Series 201B July 1, 1991		Series 201C Ref. July 1, 1992		Series 201D Ref. July 1, 1993		Series 201E Ref. July 1, 1995	
	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.	Int. Rate	Amnt.
1996					10.00	1,315	10.00	2,330								
1998					12.25	1,470	12.30	1,530	11.30	1,345						
1999					12.50	1,825	12.00	2,095	11.80	1,815						
2000			11.00	3,000					12.10	1,815						
2001			11.10	4,000					12.20	2,040						
2002			11.20	4,320					12.30	2,290						
2003			11.30	4,500												
2004			11.40	5,000												
2005			11.50	12,010												
2006					13.25	26,000*										
2007	9.75	14,910*										9.875	9,110*			
2008							13.75	20,000*								
2009																
2010									12.75	46,000*			9.375	5,000*		
2011																
2012												9.00	37,235*			
2013			9.25	26,000*												
2014																
2015					10.00	20,000*										
2016																
2017																
2018																
2019																
2020	10.25	42,000*	12.00	80,000*												
2021			10.50	50,000*	13.75	100,000*									9.20	120,890*
2022									14.125	127,000*	13.00	110,000*	9.70	243,040*	9.50	160,510*
Total Per Series		50,310		200,000		141,420		154,820		159,010		299,385		166,510		120,890
Total Per Call Date				550,565						449,395					286,400	

*Term Bonds

Advisory Board

Carroll S. Campbell Jr.
Governor

John T. Campbell
Secretary of State

T. Davis Meade
Attorney General

Earle E. Mcern
Comptroller General

Grady L. Patterson Jr.
State Treasurer

Board of Directors

John S. Peasey
Chairman

Walter T. Gize
1st Vice Chairman
Representing the 3rd Congressional District

Freddie Robertson
2nd Vice Chairman
Representing the 1st Congressional District

Robert D. Bennett
Representing the electric cooperatives of
South Carolina

Ralph Ellis
Representing Horry County

Loran S. Goodall
Representing the 2nd Congressional District

A. Clint Gossett
Representing the 4th Congressional District

Eugene F. Oliver
Representing Berkeley County

D. Gene Rickenbaker
Representing the 5th Congressional District

Henry B. Rickenbaker
Representing the 6th Congressional District

Johanna Joe Young
Representing Georgetown County

Management

Kenneth R. Ford
President and
Chief Executive Officer

Robert V. Turner
Senior Executive Vice President
Production

T. Graham Edwards
Executive Vice President
Administration and Finance

Robert E. Rainear
Executive Vice President
Engineering and Operations

John H. Tierchen
Senior Vice President
and General Counsel

Emily S. Brown
Vice President
Administration

Bill McGall
Vice President
Production Operations

Robert E. Petracca
Vice President
Property and Transportation

Byron C. Rodgers
Vice President
Production Engineering
and Construction Management

Joseph P. Thomas
Vice President
Planning and Operations

Curtis L. Williamson
Vice President
Horry-Georgetown Division

H. Roderick Murchison
Treasurer

Elaine G. Peterson
Controller

Jerry L. Stafford
Director
Corporate Communications

SI
APERTURE
CARD

Also Available On
Aperture Card

For Additional Information Contact:

Jerry L. Seifert
Director, Corporate Communications
One Riverwood Drive
Moncks Corner, SC 29461
(803) 761-4051



**Santee
Cooper**

One Riverwood Drive
Moncks Corner, SC 29461