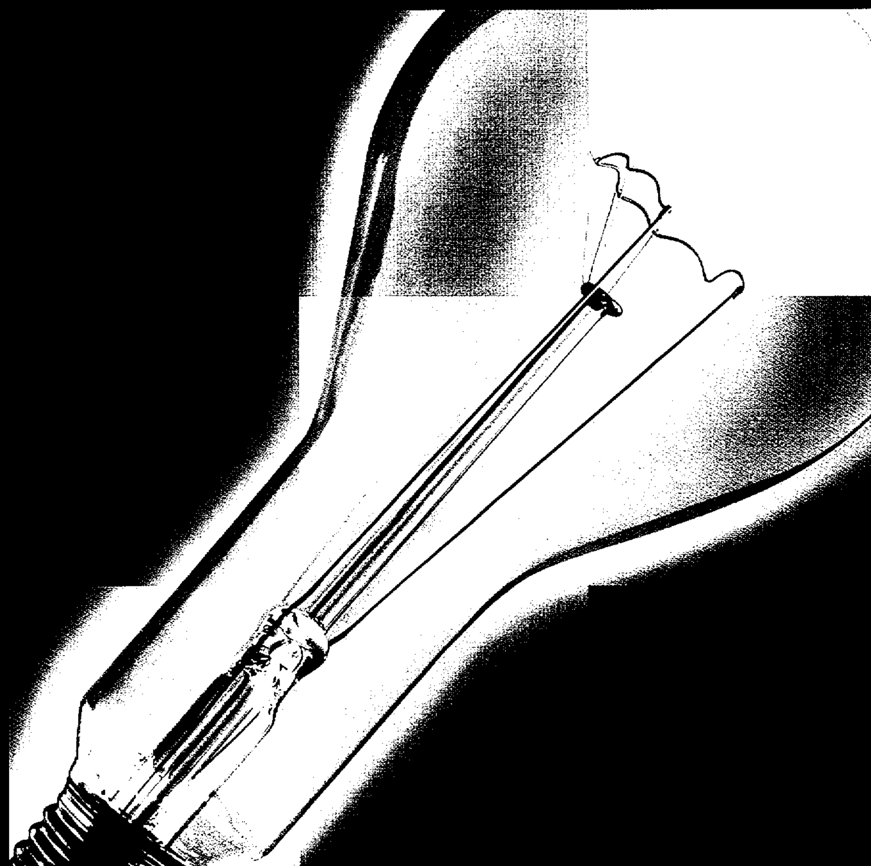
SANTEE COOPER 1999 ANNUAL REPORT



The Power Behind The People of South Carolina

Santee Cooper®

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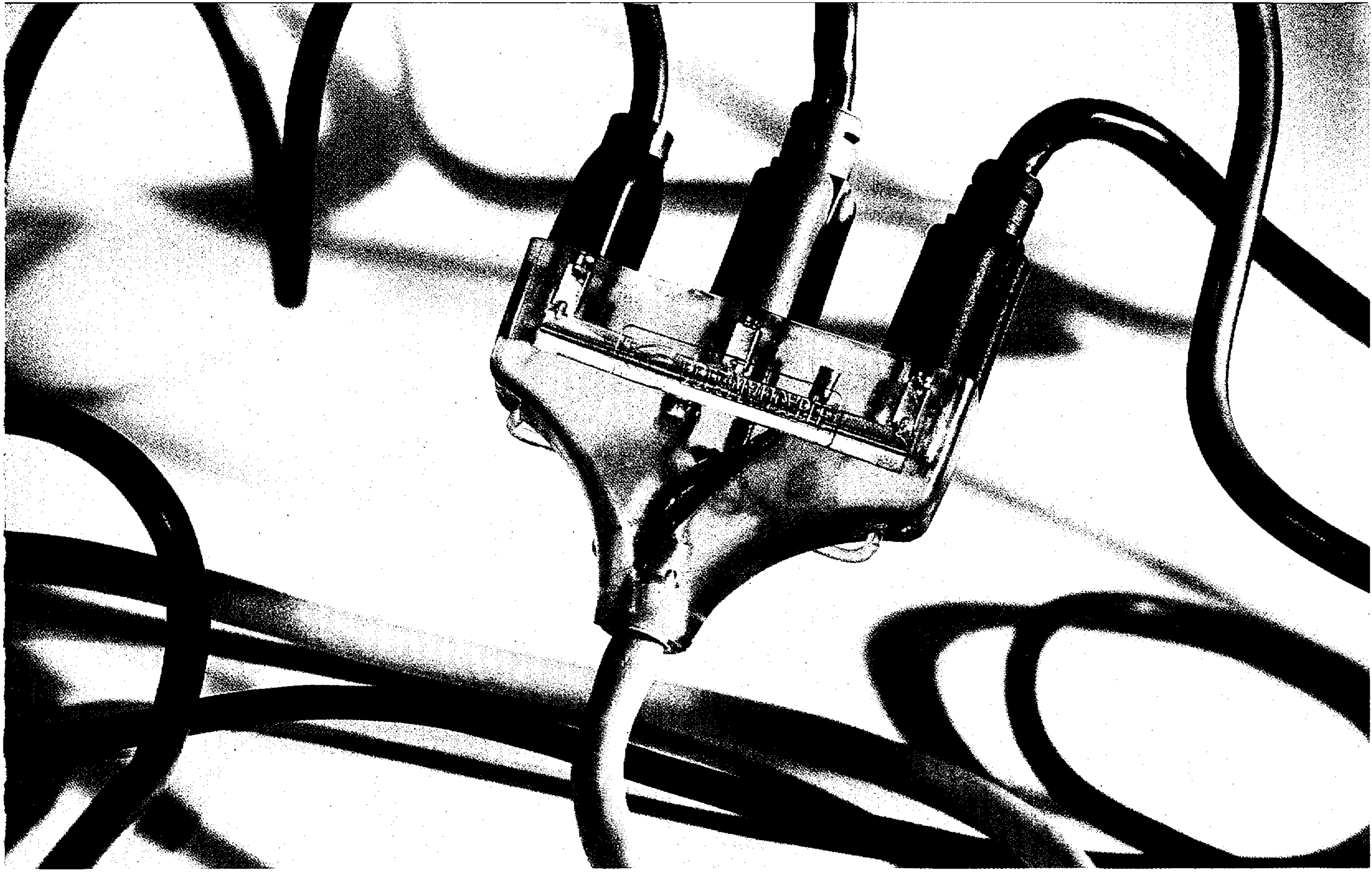


Introduction

Santee Cooper — The power behind the people of South Carolina

Construction of the Santee Cooper project began on April 18, 1939, with the first electricity generated Feb. 17, 1942 from the Pinopolis Power Plant, (renamed Jefferies Hydroelectric Station in 1966), a five-unit hydroelectric facility near Moncks Corner.

Santee Cooper serves almost 125,000 retail customers in Berkeley, Georgetown and Horry counties and supplies power to the municipalities of Bamberg and Georgetown, 34 large industries, and one military installation in North Charleston. The state-owned electric and water utility also generates the power distributed by 15 of the state's 20 electric cooperatives to almost 450,000 customers located in 38 counties of South Carolina.

In addition to its original hydroelectric station, the utility owns and operates four large-scale, coal-fired generating stations in South Carolina: Jefferies Station in Moncks Corner, Cross Station in Cross, Winyah Station in Georgetown and Grainger Station in Conway.

Santee Cooper also owns and operates combustion turbine-peaking units at Myrtle Beach and Hilton Head Island and a small hydroelectric unit at the Santee Dam.

The utility owns a one-third ownership in the V.C. Summer Nuclear Station near Jenkinsville.

In October 1994, the Santee Cooper Regional Water System began commercial operation. This signaled a new era in Santee Cooper service to South Carolina. The citizens of Moncks Corner, Goose Creek and Summerville and customers of the Berkeley County Water & Sanitation Authority, some 89,000 water users, are the beneficiaries of this stable supply of one of life's most precious commodities.

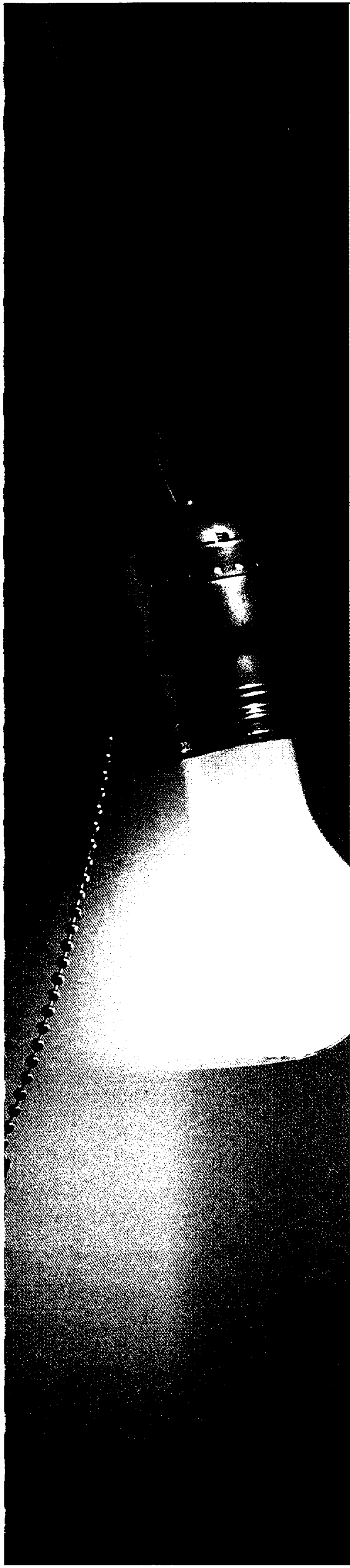
Corporate Statistics

Calendar Year			1999	1998	1997	1996	1995
Total Electric Revenue (in thousands of dollars)			810,572	772,157	724,211	696,026	640,361
Interdepartmental Sales of Electricity and Water			(230)	(223)	(239)	(258)	(253)
Total Electric Revenue-Net of Interdepartmental Sales (in thousands of dollars)			810,342	771,934	723,972	695,768	640,108
Water System			3,824	3,705	3,852	3,838	3,730
Total Operating Revenues (in thousands of dollars)			814,166	775,639	727,824	699,606	643,838
Operating & Maintenance Expenses Charged to Operations (in thousands of dollars)			480,371	446,537	429,209	400,556	380,291
Sums in Lieu of Taxes Charged to Operations(1) (in thousands of dollars)			2,238	2,134	2,203	1,928	1,929
Payments to the State Charged to Reinvested Earnings (in thousands of dollars)			7,883	7,605	7,462	6,682	6,436
Net Operating Revenues Available for Debt Service (in thousands of dollars)			354,830	345,498	317,940	322,673	284,364
Reinvested Earnings (in thousands of dollars)(2)			47,384	39,345	13,596	62,293	50,665
Energy Sales (in gigawatt-hours)			20,281	19,466	18,437	17,549	16,022
Number of Customers (at year end)							
	Retail		124,647	119,470	114,290	107,986	103,857
	Military and Large Industrial		35	33	33	33	31
	Wholesale(3)		4	5	5	5	5
Total			124,686	119,508	114,328	108,024	103,893
Summer Peak Generating Capability, (net megawatts)			3,518	3,518	3,360	3,360	3,340
Power Requirements and Supply (in gigawatt-hours)							
	Generation:	Hydro	304	571	520	523	595
		Steam	17,165	15,933	15,401	14,501	12,782
		Combustion Turbine	46	41	7	3	6
		Nuclear	2,450	2,723	2,412	2,375	2,515
Total (in gigawatt-hours)			19,965	19,268	18,340	17,402	15,898
Purchases, Net Interchanges, etc. (in gigawatt-hours)			408	506	310	(110)	499
Total Territorial Energy Sales (in gigawatt-hours)			20,373	19,774	18,650	17,292	16,397
Territorial Peak Demand (in megawatts)			3,729	3,523	3,336	3,441	3,102

(1) Amounts accrued for payment to the municipalities as franchise fees are not included. Amounts totaled $2,427,000 for 1999, $2,333,000 for 1998, $2,168,000 for 1997, $2,237,000 for 1996 and $2,123,000 for 1995.
(2) Prior year amounts for 1997 and 1996 have been re-stated to conform to current year presentation.
(3) Does not include non-firm sales to other utilities.

Comparative Highlights

Calendar Year	1999	1998	% Change
Financial (in thousands of dollars)			
Total Revenues & Income	$ 833,367	$ 798,022	4
Total Expenses & Interest Charges	744,738	712,461	5
Other	(41,245)	(46,216)	11
Reinvested Earnings	$ 47,384	$ 39,345	20
Debt Service Coverage	1.79 times	1.68 times	—
Debt/Equity Ratio	73/27	71/29	—



Our 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. To fulfill this mission, Santee Cooper is committed to:

- *being the lowest-cost producer and distributor of reliable energy, water and other essential services;*
- *providing excellent customer service;*
- *maintaining a quality workforce through effective employee involvement and training;*
- *operating according to the highest ethical standards;*
- *protecting our environment; and*
- *being a leader in economic development.*

Energy Sales

Direct Retail Service

At the end of 1999, Santee Cooper was serving 124,647 residential, commercial and other retail customers located in Berkeley, Georgetown and Horry counties. This was an increase of 4 percent over 1998. Sales to these retail customers were 2,879 gigawatt-hours, up 3 percent from the previous year.

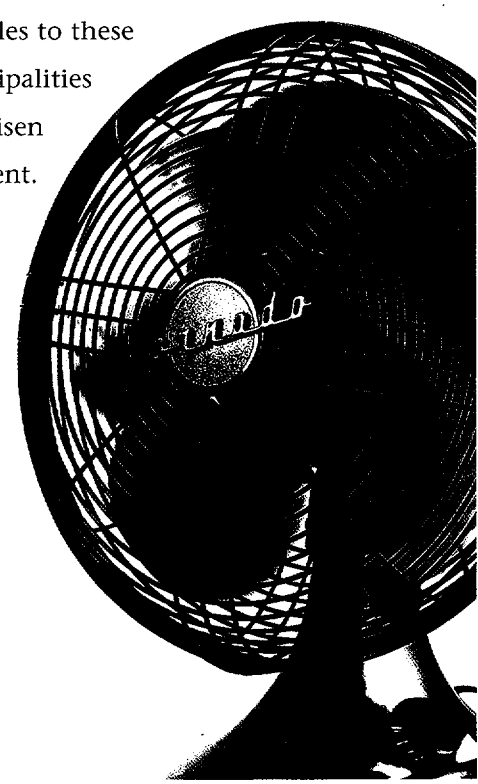
Military & Large Industrial

Military and large industrial sales were up 4 percent over the past year.

Wholesale

Sales to the Central Electric Power System for its 15 member cooperatives increased 6 percent. Central is Santee Cooper's largest single customer. The electric cooperatives distribute power to more than 450,000 customers in 38 counties.

Santee Cooper also provides electricity to the municipalities of Bamberg and Georgetown. The sales to these municipalities have risen 4 percent.



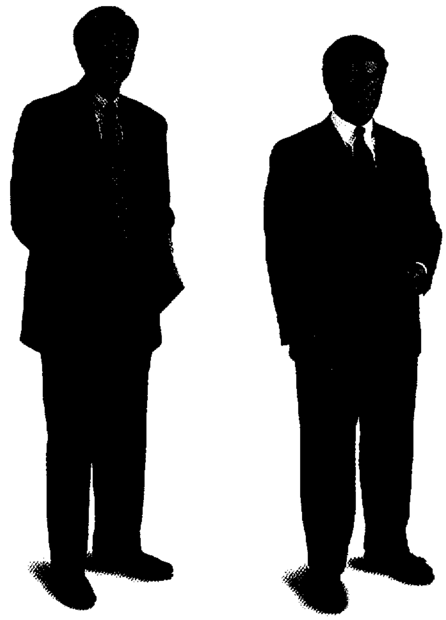
1999 Executive Report

1999 marks the end of a century, one that saw many changes in all industries, and the electric utility industry is no exception. It was during this century that electricity was delivered to homes and businesses in South Carolina. And it was during this period that Santee Cooper was developed and constructed to provide a source of power for the darkened rural areas of South Carolina. Nuclear energy was discovered and used to generate electricity in the 20th century. In these 100 years, most of the laws, rules and regulations that govern the way electricity is delivered to customers were established. And, it was during the latter part of this century that the rules began to significantly change.

Industry Restructuring

Restructuring of the electric utility industry is ongoing. Many efforts are being made to ensure that all classes of customers will benefit from the major changes in the way electricity is delivered.

An issue that must be resolved before we can move to an equitably deregulated environment is private use. Private use is a shorthand expression for federal tax laws that restrict the ability of publicly owned utilities to sell and transport



John S. Rainey T. Graham Edwards

electricity to private parties. The current private-use restrictions were developed as part of the Tax Reform Act of 1986, long before anyone seriously considered restructuring the electric utility industry.

On Feb. 11, 1999, the Bond Protection and Fairness Act of 1999, was introduced in the U.S. House of Representatives. If enacted, it would bring the power industry one step closer to resolving the many questions raised in the new era of private use and restructuring of power generation, transmission, and distribution. This act would allow public utilities to grandfather their existing tax-exempt debt incurred from building generating facilities and permit them to operate outside the restrictive current private use rules.

Santee Cooper is preparing to maintain a competitive edge in a restructured industry. Employees are working diligently to keep the cost low and at the same time provide reliable electric power. In 1999, Santee Cooper's availability was 99.996 percent for both transmission and distribution.

Year's Milestones

In 1999, we marked some major milestones. On Jan. 25, the board of directors approved plans to construct a generating station, comprised of a 500-megawatt class, natural gas-fired, combined-cycle unit and two 150 MW class simple cycle units, in Iva, S.C., a small community in Anderson County. This facility, the John S. Rainey Generating Station, will provide the electricity needed to meet increased demand and customer growth. Costs for the station including financing, are estimated to be approximately

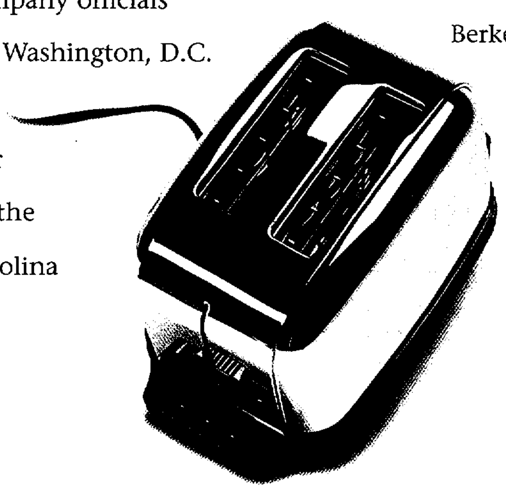
$397 million, and the station is projected to create up to 40 full-time jobs. The project is on schedule to begin commercial operation in early 2002.

On Sept. 15, $323,640,000 of 1999 Series A & B Revenue Obligations were issued of which approximately $279 million were used to finance a portion of this station's construction. The 1999 Series A Revenue Obligations were tax-exempt, with a True Interest Cost (TIC) of 5.53 percent. The 1999 Series B Revenue Obligations were the first long term taxable debt issued by Santee Cooper and had a TIC of 7.31 percent. The combined TIC for the 1999 Series A & B issue was 6.1 percent.

Another milestone was reached in April 1999 when company officials signed documents in Washington, D.C. that will allow Santee Cooper power to begin flowing in the Upstate of South Carolina in 2001. This means that Santee Cooper power will be flowing through all regions of the state. The signing of this agreement marked the culmination of more than a year of work among Santee Cooper, Saluda River Electric Cooperative (Saluda River), and Central Electric Power Cooperative (Central). In the arrangement, Saluda River became a member of Central. Central presently purchases all but a fraction of its power from Santee Cooper and sells 8.9 million megawatt-hours annually to its 15 distribution cooperatives located in the Lowcountry, Pee Dee, and Midlands. Central's load is about 1,900 megawatts. Saluda River is a generation cooperative and sells power to five Upstate distribution cooperatives that serve 154,000 customers. Saluda River owns nearly 9 percent of Catawba Nuclear Station and purchases additional energy from Duke Power and the Southeastern Power Administration. The Santee Cooper-Saluda River-Central agreement will replace Saluda River's purchased power when its contract with Duke expires on Jan. 1, 2001. This will add about 350 megawatts to Santee Cooper's system load.

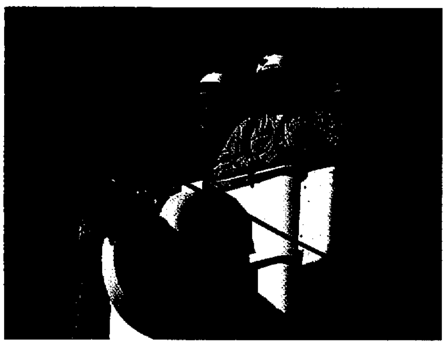
To market wholesale power, Santee Cooper joined with the Municipal Electric Authority of Georgia and Jacksonville Electric Authority in 1997 to form The Energy Authority (TEA). It is the nation's first wholesale public power marketing organization. In June 1999, Nebraska Public Power District (NPPD) joined TEA. NPPD is Nebraska's largest electric utility, serving approximately 112,000 residential, commercial, industrial, and wholesale customers. With the addition of NPPD, TEA's combined generating capacity is 10,000 MW. In 1999, TEA bought and sold over 9.8 million megawatt-hours of power with about one million of the total on behalf of Santee Cooper.

On the economic development front, the Mt. Holly Commerce Park in Berkeley County was dedicated in October and at the same time, a multinational aerospace firm announced it would be the first tenant. The commerce park is a public-private partnership among Santee Cooper, Alcoa, and Berkeley County.



Employee Commitment

Our employees pulled together once again during the 1999 hurricane season. Three hurricanes brushed the South Carolina coast, none doing major damage. In late August, Hurricane Dennis caused minor power outages, with interruption of power to only about 500 customers.



September's Hurricane Floyd caused some 66,000 customers to temporarily lose power. The worst damage from this hurricane came from flooding. None of our facilities was severely damaged because of the hard work of the employees. With pumps and sandbags, they protected Grainger Station in Conway from the rising waters of the Waccamaw River.

Then, in October, Hurricane Irene brushed the coast. The storm caused minimal damage to the electric system, but water from the storm caused more damage to homes in the already rain soaked areas along the Grand Strand and around Conway.

Financial Standing

With rates among the lowest in the state, a customer satisfaction rating of 99.7 percent, and our strong financial performance, Santee Cooper is prepared to move forward into the increasingly competitive restructured electric utility industry. The financial standing of Santee Cooper remains strong.

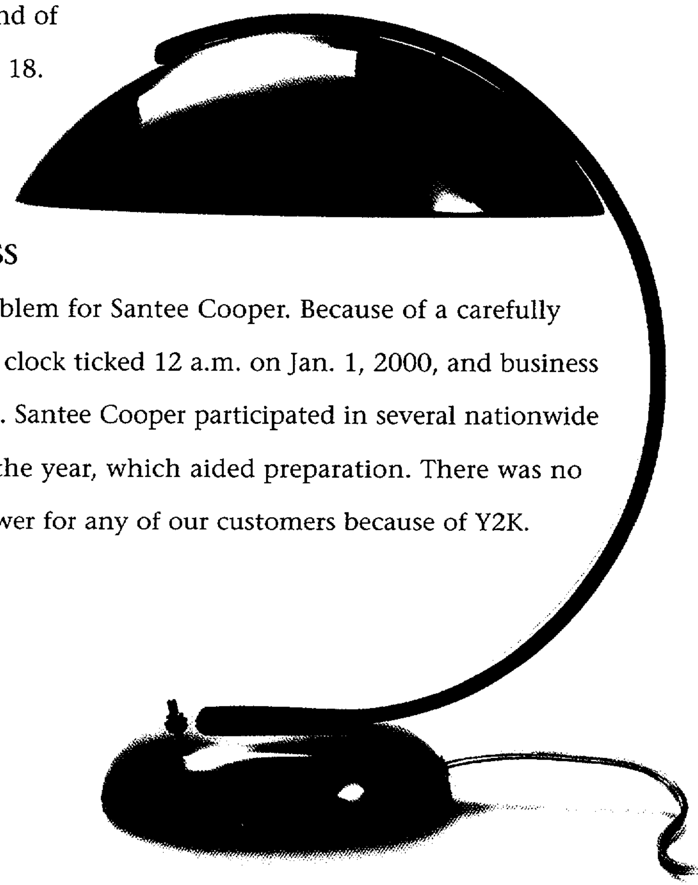
A new master bond resolution, the Revenue Obligation Resolution, was adopted by the board of directors in April. This resolution incorporates significant flexibilities not available in previous resolutions. The additional flexibilities were accomplished while maintaining the existing ratings of AA by both Moody's and Fitch IBCA, Inc. and AA- by Standard and Poor's.

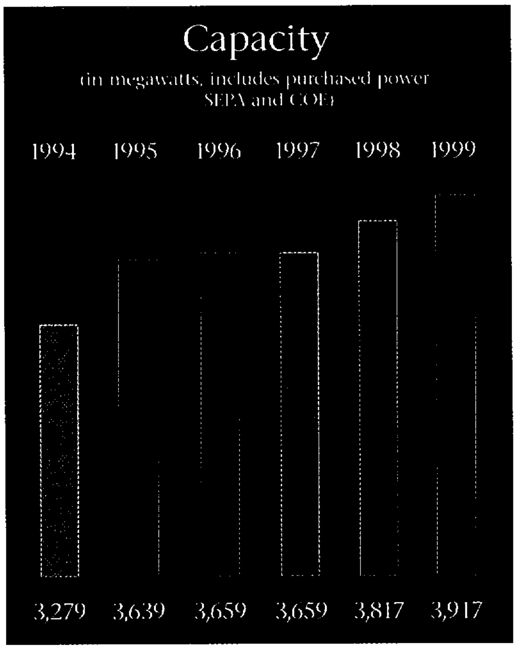
Reinvested Earnings were $47.4 million, representing an $8 million increase over 1998. The increase was primarily due to increased kilowatthour sales, lower interest charges, and gains in costs to be recovered from future revenue.

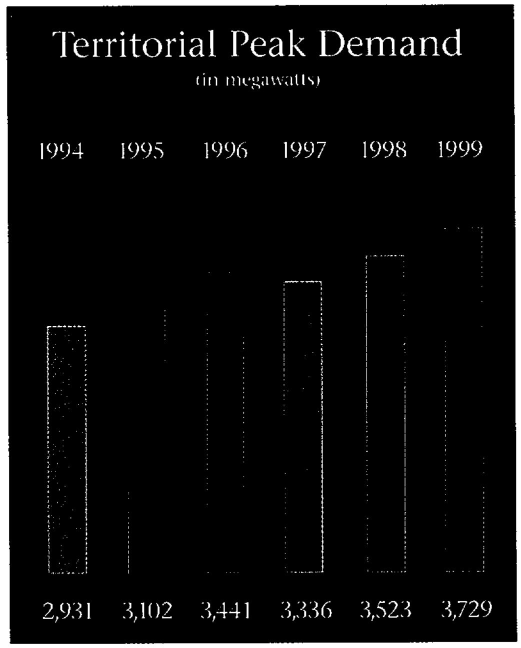
The increase in kilowatthour sales resulted from two major factors. First, Santee Cooper's retail customer base grew 4 percent, with overall kilowatt hour sales increasing 4 percent. It was just four years ago that Santee Cooper marked the 100,000th customer; now we're at almost 125,000. And secondly, the summer of 1999 was a hot one. Santee Cooper set a new system peak demand of 3,729 MW on Aug. 18.

Y2K Readiness

Y2K was not a problem for Santee Cooper. Because of a carefully executed plan, the clock ticked 12 a.m. on Jan. 1, 2000, and business continued as usual. Santee Cooper participated in several nationwide drills throughout the year, which aided preparation. There was no interruption of power for any of our customers because of Y2K.



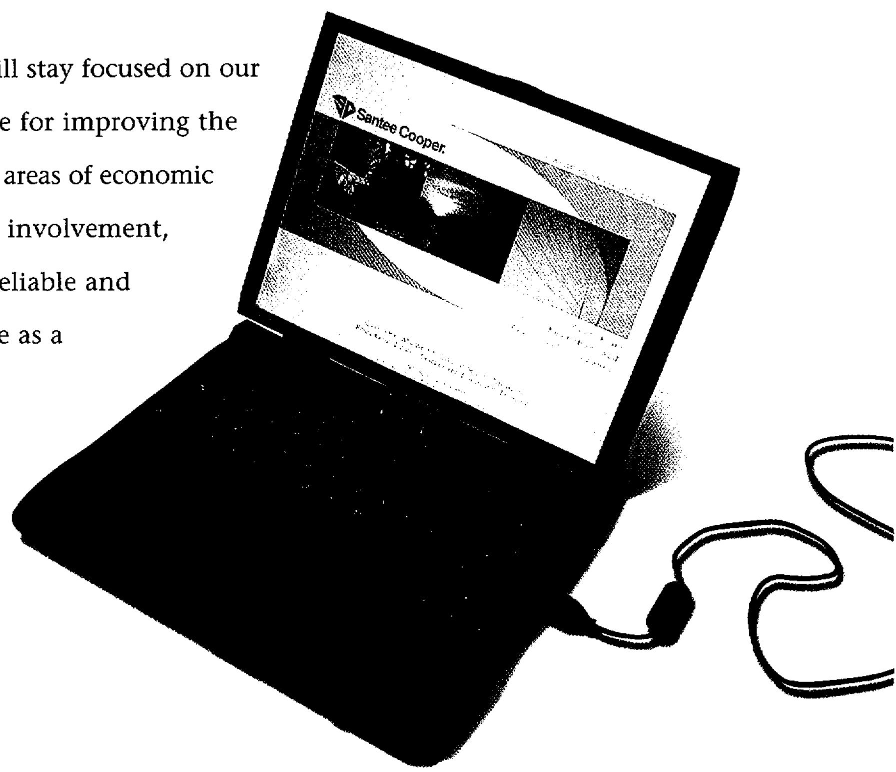




SEPA=Southeastern Power Administration
COE=U.S. Army Corps of Engineers

The New Millennium

As Santee Cooper moves into the 21st century, we will stay focused on our corporate mission: To be the state's leading resource for improving the quality of life for the people of South Carolina. In the areas of economic development, environmental concerns, community involvement, sound fiscal planning, and most of all, delivery of reliable and low-cost electric power, Santee Cooper will continue as a leader in the new millennium.



John S. Rainey
Chairman, Board of Directors

T. Graham Edwards
President and Chief Executive Officer

Year in Review

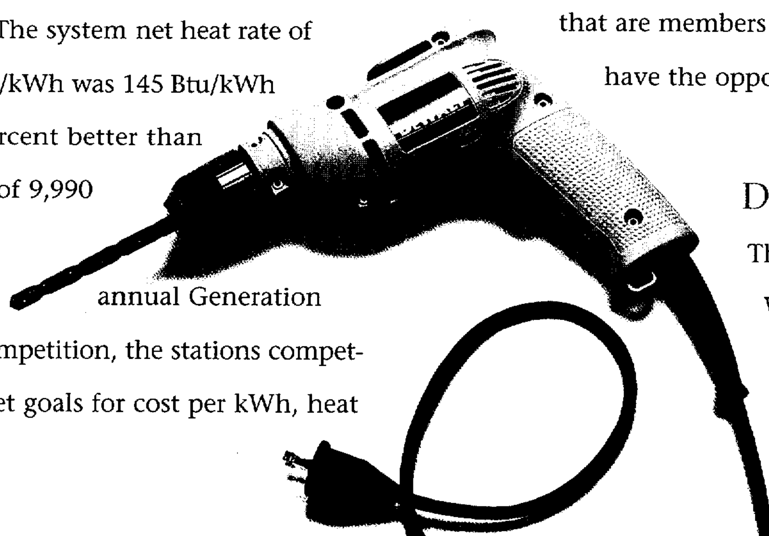
Generation

To meet the increasing demand for electricity on the Santee Cooper system, the board of directors in January authorized the construction of a natural-gas fired generating facility — the John S. Rainey Generating Station. This facility is being constructed in Anderson County near

the towns of Iva and Starr. The Rainey Station will utilize a 500-MW class combined-cycle unit and two 150-MW class simple-cycle combustion turbines. The budgeted cost of the Rainey Station is approximately $397 million. The unit's projected date for commercial operation is January 2002.

The availability of coal-fired units was 92.4 percent, exceeding the goal of 92 percent. The system net heat rate of 9,875 Btu/kWh was 145 Btu/kWh or 1.2 percent better than the goal of 9,990 Btu/kWh.

In the annual Generation Goals Competition, the stations competed to meet goals for cost per kWh, heat rate, equivalent forced outage rate, and inventory. Grainger Station won the 1999 competition by meeting all of their goals, resulting in an annual savings of approximately $850,000.



Transmission

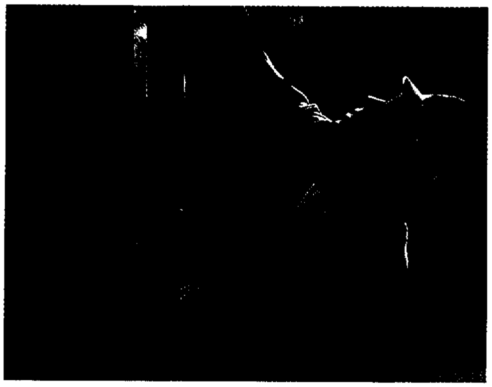
Construction of the John S. Rainey Generating Station will require the construction of 33 miles of transmission line. The line will connect to Santee Cooper's transmission network of 4,219 miles of line at the Greenwood County Switching Station near Hodges. The projected cost is $24.3 million. Transmission service is a key component in the delivery of electric power to Santee Cooper's retail customers and to the 15 electric cooperatives receiving power generated by Santee Cooper. The following major transmission projects were completed:

- *The 69-kV Latta Switching Station*
- *The 69-kV Grantham Switching Station*
- *A 69-kV service to the Newberry Industrial Park, served by Newberry Electric Cooperative*
- *A 28-mile 69-kV line from Scottsville to Lake City*
- *A rebuild of the Lake City to Friendfield 69-kV line*

Work continued on the 900-megahertz trunking radio system, scheduled for completion in early 2001. The $24.7 million system will help reduce restoration time after severe weather outages or equipment malfunctions in addition to enhancing day-to-day communications. Electric cooperatives that are members of Central Electric Power Cooperative will have the opportunity to use the system.

Distribution

The slice of South Carolina east of the Waccamaw River from Georgetown to Little River is the heart of Santee Cooper's retail service territory. This jewel of South Carolina,



coined the "Grand Strand" in the 1950s with Myrtle Beach as its crown, is the nation's second most popular tourism destination behind the Orlando, Florida area. The accelerated growth of tourism has intensified demands on Santee Cooper's distribution system to meet the needs of residential and commercial customers.

On Jan. 1, 1999, Santee Cooper served 119,470 retail customers in Berkeley, Georgetown and Horry counties. By New Year's Eve, that number increased to 124,647. This was a 4 percent increase over 1998. Seventy-one miles of distribution lines were added to the system, a 3.6 percent increase. The vast majority of distribution's expansion was underground — 91.5 percent.

Customer Service

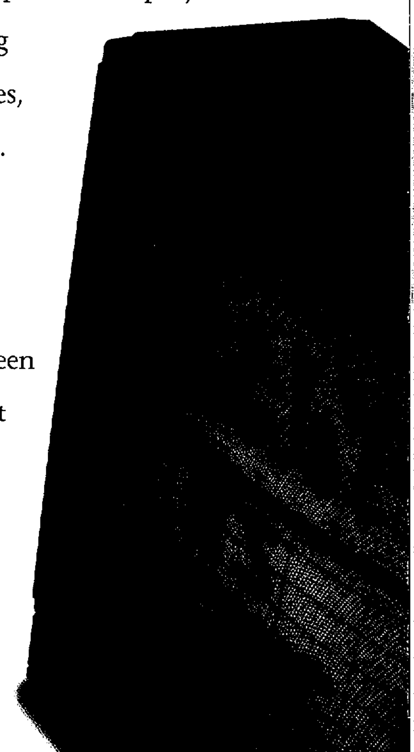
The almost 125,000 customers who receive an electric bill from Santee Cooper are not only receiving the lowest overall rates of any major utility in the state — but they are likely to be the most satisfied with service.

In the most recent customer survey, overall customer satisfaction remained high at 99.7 percent. This 1999 rating is up from last year's already remarkable level of 98.6 percent.

Retail customers now have an additional way to conduct business with Santee Cooper — through a local Customer Care Center. The Care Center provides customers an efficient way to handle transactions over the telephone. This additional customer service option is an integral part of Santee Cooper's "easy to do business with" philosophy. The Care Center is in addition to the eight Customer Service Centers located throughout Santee Cooper's service area. Through the Customer Information System, customers are now billed for payments on their Good Cents loans as a line item on their monthly bill. All accounting is processed internally, increasing efficiency for the customer — and Santee Cooper.

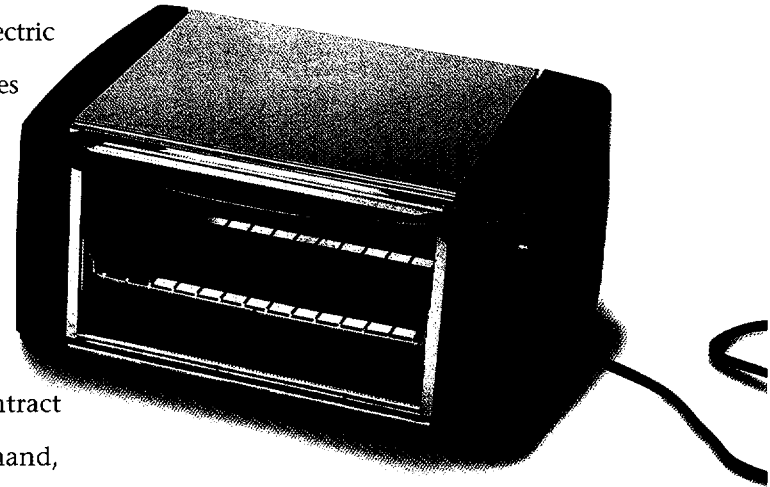
The rental outdoor lighting program has been expanded with the addition of new decorative fixtures and poles. The new series features unique fixtures that complement the great variety of construction projects and distinctive neighborhoods along the Grand Strand and in Berkeley County. The new selections complement the more traditional dusk-to-dawn lights already available to homeowners, businesses and municipalities.

A pilot project for remote meter-reading was conducted to allow meter readers to use hand-held computers. The computers receive data from an electronic transponder on the meter. Readings are transmitted by a radio signal and downloaded to the hand-held computers. The project is improving operating efficiency and decreasing operating costs in neighborhoods where fences, foliage and over-protective dogs are prevalent.



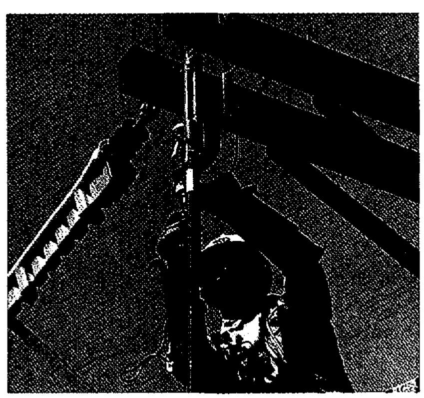
Wholesale and Commercial Customers

A major contract was approved on May 6 between Santee Cooper and South Carolina's two largest wholesale power-supply cooperatives. This groundbreaking development will result in Santee Cooper power flowing to all 20 electric cooperatives in the state beginning in 2001. Through the agreement, Saluda River Electric Cooperative became a member of Central Electric Power Cooperative. Central, headquartered in Columbia, purchases wholesale power from Santee Cooper — selling electricity to its 15 member cooperatives serving nearly 450,000 customers located in 38 counties. Central is Santee Cooper's largest single customer. The five upstate cooperatives for which Saluda River provides power serve approximately 154,000 customers. The approximate load to be served at the time the Saluda River contract begins in 2001 is 350 MW. In order to meet this increased demand, Santee Cooper has executed long-term contracts for the purchase of electric power until the Rainey Station comes online in 2002.



A commercial customer survey revealed an overall satisfaction rate of 96 percent. A cross section of all types of businesses were surveyed including retail, hotels/motels, restaurants and others.

The Energy Authority (TEA) added Nebraska Public Power District (NPPD) as an additional member on June 1. In addition to Santee Cooper, TEA members are the Jacksonville Electric Authority (JEA), MEAG Power (the Municipal Electric Authority of Georgia), and now NPPD. Formed in May 1997, TEA markets wholesale power through the purchases and sales of generating capacity for its member owners. This results in the maximized use of electrical energy resources, reduced operating costs and increased operating revenues.

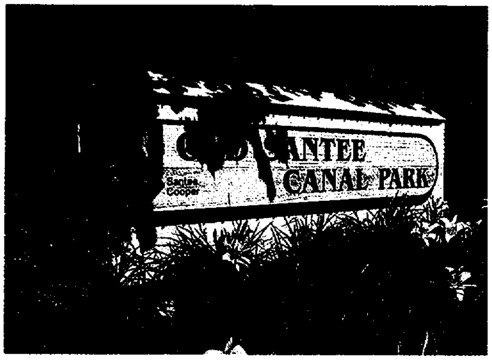


Outreach and Employee Recognition

For the 12th consecutive year, 75 teachers, principals and administrators from throughout South Carolina participated in the Santee Cooper Energy Education Seminars. Three four-day sessions are held each summer at the Wampee Conference Center in Pinopolis.

The history of Santee Cooper has at its very core the responsibility of stewardship for South Carolina's largest freshwater resource: the Santee Cooper Lakes. These lakes, Lake Marion and Lake Moultrie, harbor precious natural areas of biodiversity featuring flora and fauna held in a perpetual trust by Santee Cooper and other agencies.

A new era of stewardship and community outreach began in June when operations and management of the Old Santee Canal Park was transferred from the S.C. Department of Parks, Recreation and Tourism (PRT) to Santee Cooper. The park, located on Biggin Creek and the Tailrace Canal, is where the west branch of the Cooper River begins. It features four miles of boardwalks and trails and an interpretive center, where visitors see exhibits and displays that tell the story of America's first true canal. The 10-lock, 22-mile canal enabled agricultural products and other goods to be shipped to the port of Charleston. Built from 1793 to 1800, it ceased operating in



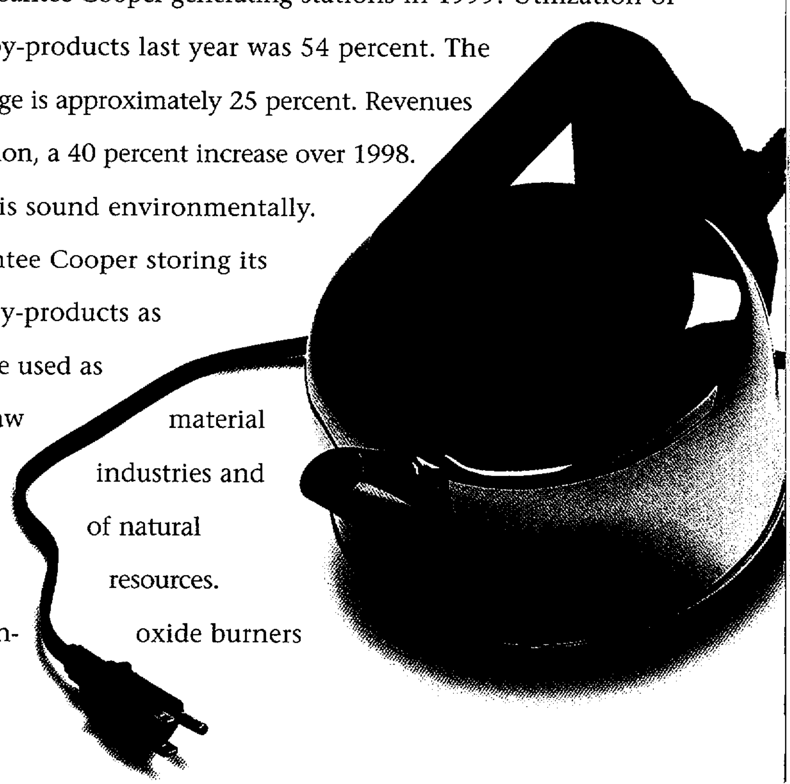
1850 due to shutdowns in times of drought and development of the railroad. While Santee Cooper always owned the park's 195-acres and constructed the facilities that opened in 1989, S.C. PRT operated the park. Santee Cooper assumed responsibility of the park to provide the highest possible satisfaction to the public through facilities and services, while maintaining its educational, historical, environmental, aesthetic and recreational qualities and values. The picnic shelter and other amenities, destroyed by a September 1998 tornado, have been replaced. The interpretive center and the antebellum Stony Landing House were refurbished. A park director and a staff, which includes a historical education coordinator, an environmental education coordinator, two park specialists and a park technician, manage and operate the park. The former superintendent's house has been converted into a learning center. As a recreational and educational resource, the Old Santee Canal Park is promoted to the public for increased use as a site for meetings, festivals, fund-raisers, family functions, special events and other community-based programs.

Environmental Protection

Santee Cooper's Give Oil for Energy Recovery Program (GOFER) is the state's largest used motor oil collection program targeting do-it-yourself (DIY) oil changers. For the last several years, GOFER has collected nearly 85 percent of the state's DIY oil, according to figures from the S.C. Department of Health and Environmental Control. Since its inception in 1990 as a way to observe the 20th anniversary of Earth Day, Santee Cooper has partnered with county and municipal governments, electric co-ops and businesses and industries to collect and safely turn used oil into electric power. Over 500 oil tanks are located throughout the state and comprise the GOFER pick-up system. GOFER collected a record 1.52 million gallons of used oil in 1999, a 14 percent increase over the previous year. This is the third consecutive year GOFER collections exceeded 1 million gallons. While the DIY portion of GOFER continues to be the richest source of collections, the emerging commercial/industrial used-oil collection had a 23 percent increase.

The Combustion Products Utilization Program found alternate uses for approximately 250,000 tons of coal ash and 53,000 tons of synthetic gypsum from Santee Cooper generating stations in 1999. Utilization of combustion by-products last year was 54 percent. The national average is approximately 25 percent. Revenues were $1.1 million, a 40 percent increase over 1998. The program is sound environmentally. Instead of Santee Cooper storing its combustion by-products as waste, they are used as a secondary raw material for various industries and offset the use of natural materials and resources.

Low nitrogen-oxide burners



and a burner-management system were installed on the 153-MW Unit 3 at Jefferies Station and will result in lower emissions and compliance with Phase 2 of the Clear Air Act.

In 1995, the nuisance aquatic weed hydrilla covered 45,000 of the 156,000 acres of lakes Marion and Moultrie. The unrelenting advance of this non-native plant was choking the biological, recreational and economic life from the lakes. The public, from lakeside residents who could not launch their watercraft, to experienced fishing guides and occasional lake users, demanded action. Today, hydrilla covers less than 200 acres. The stocking of the sterile Chinese grass carp is responsible for this level of control. Water quality has increased and the lakes once again can be used more fully. The annual cost of control efforts has gone from $2 million four years ago to $124,000 last year. The program to control noxious aquatic weeds is based upon the S.C. Aquatic Plant Management Plan. Through the years, this weed-control effort at balancing the lake-user's interests has been funded by Santee Cooper, the U.S. Army Corps of Engineers and the Land, Water & Conservation Division of the S.C. Department of Natural Resources.

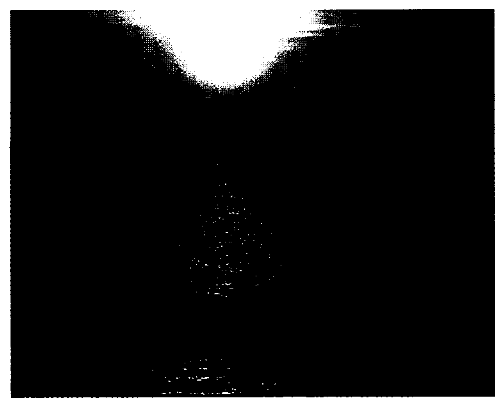
Corporate

Santee Cooper, as did other electric utilities, faced the monumental task of preparing for the transition to the new year against the backdrop of potential computer problems posed by the "Y2K bug." When the clock struck midnight, the delivery of power and water continued without interruption — as expected. The Santee Cooper Year 2000 Team and their work of four years will produce long-lasting benefits. Computer upgrades and newer equipment will result in improved communications, increased system reliability and gains in administrative efficiency.

On a financial note, further evidence of change for public power utilities occurred on Sept. 15 when for the first time in its 65-year history, Santee Cooper issued taxable bonds. The bonds, totaling $125,320,000, were part of a total $323,640,000 issue which will be used primarily to construct the Rainey Generating Station.

A Goals Incentive Program for Santee Cooper employees has been in place since 1993. This year, through our successful program, employees were rewarded for operating with lower costs. The cost-of-power target was reached through improved operating efficiency, cost reductions and off-system energy sales.

The Santee Cooper 2000 Strategic Plan was updated to include a balanced corporate scorecard, which uses the language of measurement to more clearly define strategic concepts and values such as revenue, growth, customer



satisfaction, productivity, reliability, operating efficiency and corporate image. By accurately describing corporate strategy, the scorecard is used as a roadmap for translating the corporate mission into strategies, measurements and targets.

The 1999 Santee Cooper safety record continues to be below national averages for electric utilities. The overall incident rate of 3.11, and lost-time incident rate of .42 are approximately 34 percent and 83 percent respectively, below national averages for 1998, the most current data available from the National Safety Council.

Economic Development

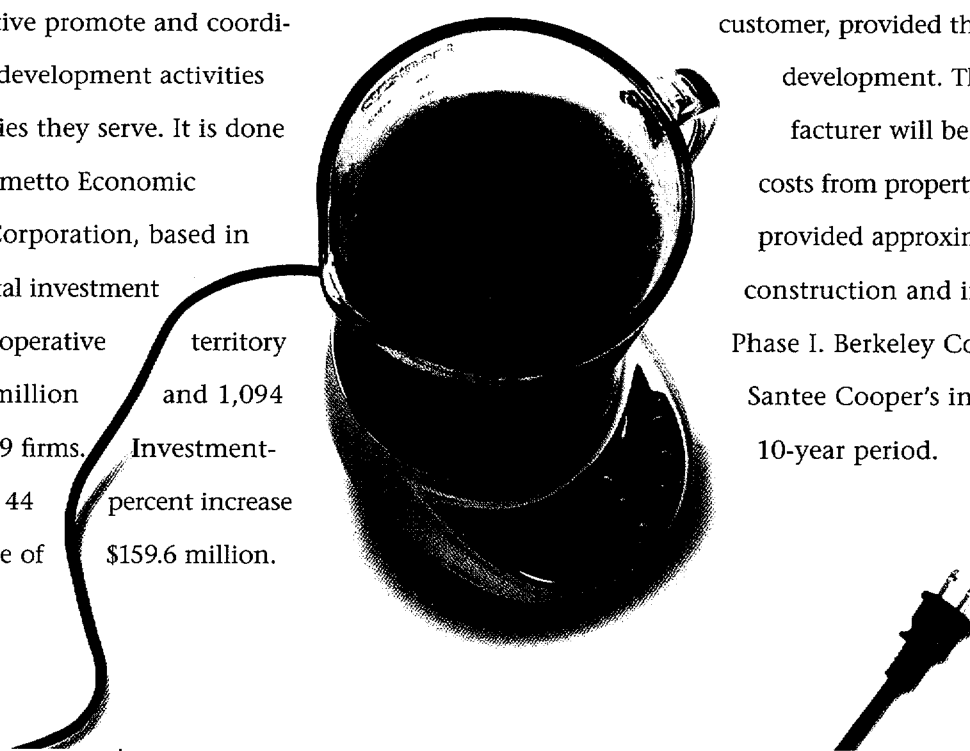
It was a record-breaking year for economic development in the Palmetto State. South Carolina produced $6.3 billion in capital investment and nearly 30,000 new jobs, according to the S.C. Department of Commerce. In Berkeley, Georgetown and Horry counties, new or expanded investments totaled $285 million and created 1,546 new jobs. Highlights include an $85 million expansion at Nucor Steel in Berkeley County, which created 40 new jobs; the $76.3 million expansion at Barefoot Landing in Myrtle Beach; and the $33 million Triun Development, a shopping and entertainment mall, resulting in 500 new jobs.

Santee Cooper and the 15 member cooperatives served by Central Electric Power Cooperative promote and coordinate economic development activities in the 38 counties they serve. It is done through the Palmetto Economic Development Corporation, based in Columbia. Capital investment in Palmetto's cooperative territory totaled $229.9 million and 1,094 new jobs from 19 firms. Investment-wise, this was a 44 percent increase over 1998's figure of $159.6 million.

The 1,000-acre Mount Holly Commerce Park, the first "Class A" industrial park of its kind in Berkeley, Charleston and Dorchester counties, opened in October. The park is located off U.S. Highway 52 between Moncks Corner and Goose Creek. The $13 million public/private partnership between Santee Cooper, Berkeley County and Alcoa-Mount Holly, already has its first tenants. At October's ribbon-cutting event, Parker Hannifin, a Fortune 500 multinational firm that is a designer and manufacturer of fuel injection components, announced it would construct an $8 million facility in the park and create 80 new jobs. A 56,000-square foot speculative building was also announced at the October opening.

The park's first phase comprises a 319-acre development of eight tracts, ranging in size from 11 to 99 acres. The remaining 15 tracts range in size from four acres to 138 acres for a total of 379 acres. Phase II development, estimated to be approximately $6 million, will be available in the coming years.

Mount Holly includes infrastructure already installed, a big drawing card for tenants. The term "Class A" means these amenities are already in place: water, sewage, curbed roads and a permitted storm-water management plan. Alcoa-Mount Holly, Santee Cooper's largest industrial customer, provided the land for the park's development. The aluminum manufacturer will be reimbursed for land costs from property sales. Santee Cooper provided approximately $5 million for construction and improvements in Phase I. Berkeley County will repay Santee Cooper's investment over a 10-year period.



Glossary of Terms

Availability - The amount of time that a system is available to provide service, usually expressed in percentage, for a specific period of time such as a month or year.

Btu (British Thermal Unit) - The standard unit for measuring quantity of heat energy, such as the heat content of fuel. It is the amount of heat energy necessary to raise the temperature of one pound of water one degree Fahrenheit.

Capacity - The load for which a generating unit, generating station, or other electrical apparatus is rated either by the user or by the manufacturer.

Combustion turbine - A jet-type turbine engine which burns gas or oil and propels a generator to produce electricity.

Commercial customer - All nonresidential retail customers served under the General Service rate schedules. Generally, these customers have a demand less than 1,000 kW per month.

Demand - The rate at which electric energy is delivered to or by a system, part of a system or a piece of equipment. It is expressed in kilowatts at a given instant or averaged over any designated period of time. The primary source of "demand" is the power-consuming equipment of the customers.

Deregulation - The elimination of regulation from a previously regulated industry of sector.

Distribution - The process of delivering electric energy from convenient points on the transmission or bulk power system to the consumers. Also, a functional classification relating to that portion of utility plant used for the purpose of delivering electric energy from convenient points on the transmission system to consumers, or to expenses relating to the operation and maintenance of distribution plant.

Electric cooperative - A group of persons who have organized a joint venture for the purpose of supplying electric energy to a specified area. In South Carolina, there are 20 electric co-ops, of which 15 receive Santee Cooper-generated power.

Energy sales - The sale of electric energy to wholesale and retail customers usually expressed in kilowatt-hours.

FERC (Federal Energy Regulatory Commission) - An independent federal agency created within the Department of Energy, FERC is vested with broad regulatory authority over wholesale electric, natural gas, and oil production and the licensing of hydroelectric facilities. Among other things, the agency has regulatory authority over the safety of Santee Cooper's dams and dikes.

Fly ash - Gas-borne particles of matter resulting from the combustion of fuels and other materials.

Generating unit - A combination of equipment needed to produce electricity, such as turbine-generator and its boiler. A generating station usually consists of several units.

Gypsum - This is both a naturally occurring and an artificially produced calcium sulfate ($CaSO_4$) compound. It is used for a multitude of purposes including sheetrock, fertilizer and cement production. Artificial gypsum may be produced by utilities using forced-oxidation desulfurization systems.

Heat rate - A measure of generating station thermal efficiency, generally expressed in Btu per net kilowatt-hour. It is computed by dividing the total Btu content of fuel burned for electric generation by the resulting kilowatt-hour generation. The lower the heat rate, the more efficient the production.

Hydrilla - A non-native aquatic plant. It is the most problematic aquatic plant species in the Santee Cooper Lakes, as well as in the state. Hydrilla forms large, dense populations which displace native species and impair water activities such as boating and fishing.

Industrial customer - Very large retail customers served under Santee Cooper's Large Light and Power rate schedule (or associated riders). These customers have a demand greater than 1,000 kW.

Investor-owned utility - Refers collectively to those integrated utilities organized as privately owned, taxpaying entities financed by the sale of stock in the free market and managed by representatives (directors) regularly elected by stockholders.

Kilowatt (kW) - 1,000 watts.

Kilowatt-hour (kWh) - The basic unit of electric energy equal to one kilowatt (1,000 watts) of power flowing through an electric circuit steadily for one hour.

Load - The amount of electric power delivered or required at any specified point or points on a system.

Megawatt (MW) - One million watts or 1,000 kilowatts.

Megawatt-hour - The basic unit of electric energy equal to one megawatt (1,000 kilowatts) of power flowing through an electric circuit steadily for one hour.

Mini-Bonds - Bonds issued by Santee Cooper in denominations of $500 for current interest bearing bonds (CIBS) or $200 for capital appreciation bonds (CABS) in a maximum amount to any one individual of $5,000, which were sold directly to customers and other residents of South Carolina.

North American Electric Reliability Council (NERC) - Formed in 1968, its mission is to promote the reliability of the electricity supply for North America.

Open Access Same-Time Information System (OASIS) - A computer information system that enables all buyers and sellers to have equal access to Santee Cooper's transmission system. It is designed to ensure that transmission owners do not have an unfair advantage in using their own transmission resources to sell or wheel power.

Peak demand - The maximum amount of electricity used by a utility customer at any instant during a specific time period. The peak is used to measure the amount of electric generating capacity that is required to meet that maximum demand.

Public power - Refers collectively to those utilities owned by municipalities or the state or federal government. Although not government owned, electric cooperatives are sometimes considered within the scope of public power.

Reinvested earnings - Net revenues available for reinvestment in the business.

Residential customer - The classification of customers to whom electricity is sold for household purposes.

Restructuring - The changes in the regulatory and statutory policies governing electric utilities as well as the changes that are taking place in the marketplace and electric utility industry as a result of these changes in policies.

Retail customer - These customers are the ultimate consumer of electric energy. Includes residential, commercial, small industrial and other non-wholesale customers.

Revenue bond - A bond payable solely from net or gross non-taxable revenues derived from the operation and charges paid by users of the system.

Substation - An assemblage of equipment for the purpose of switching and/or changing or regulating the voltage of electricity.

Tax-exempt financing - A form of financing employed by publicly owned utilities that allows such utilities to issue bonds where the interest paid on the bonds is not generally subject to taxation. This policy, established in law, stems from the long-standing philosophical viewpoint that publicly owned utilities (electric, water, sewer) provide basic services to the citizens they serve and thus should not be taxed.

Transmission - The process of transporting electric energy in bulk from a source or sources of supply to other principal parts of the system or to other utility systems. Also, a functional classification relating to that portion of utility plant used for the purpose of transmitting electric energy in bulk to other principal parts of the system or to other utility systems, or to expenses relating to the operation and maintenance of transmission plant.

Watt - The basic electrical unit of power or rate of doing work. The rate of energy transfer equivalent to one ampere flowing due to an electrical pressure of one volt at unity power factor. One watt is equivalent to approximately 1/746 horsepower, or one joule per second.

Wholesale customer - A customer who purchases all or part of their electricity from the electric utility for resale.

Financial Statements

Calendar Year 1999

Report of Independent Public Accountants

To the Advisory Board and Board of Directors of the
South Carolina Public Service Authority:

We have audited the accompanying balance sheets of the South Carolina Public Service Authority (a component unit of the state of South Carolina—Note 1) as of December 31, 1999 and 1998 and the related statements of accumulated earnings reinvested in the business, reinvested earnings, and cash flows for each of the three years in the period ended December 31, 1999. 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.

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 as of December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Charlotte, North Carolina,
February 23, 2000.

Balance Sheets

South Carolina Public Service Authority
December 31, 1999 and 1998

ASSETS	1999	1998
	(Thousands)	
Utility Plant – At Cost:		
Plant in service	$ **3,414,822**	$ 3,380,480
Less accumulated depreciation	**1,294,079**	1,203,257
Total plant in service - net	**2,120,743**	2,177,223
Construction in progress	**160,148**	51,411
Nuclear fuel – at amortized cost	**20,551**	18,417
Total utility plant – net	**2,301,442**	2,247,051
Other Physical Property (Net of Accumulated Depreciation)	**1,728**	1,768
Investment in associated company	**4,382**	6,328
Cash and Investments Held by Trustee (Designated)	**435,259**	218,617
Current Assets:		
Cash and investments held by trustee	**143,983**	103,087
Bond funds – current portion	**122,158**	128,827
Accounts receivable – net of allowance for doubtful accounts of $991,000 and $890,000 at December 31, 1999 and 1998, respectively	**83,156**	88,214
Accrued interest receivable	**5,163**	2,262
Inventories, at average cost:		
Fuel (coal and oil)	**48,346**	61,596
Materials and supplies	**33,100**	32,972
Prepaid expenses	**773**	671
Total current assets	**436,679**	417,629
Deferred Debits and Other Assets:		
Unamortized debt expense	**27,646**	25,988
Costs to be recovered from future revenue	**304,476**	345,721
Deferred coal contract buy-out costs	**25,600**	32,200
Other	**26,011**	27,008
Total deferred debits and other assets	**383,733**	430,917
Total	$ **3,563,223**	$ 3,322,310

The accompanying notes to financial statements are an integral part of these balance sheets.

LIABILITIES AND CAPITALIZATION		1999		1998
			(Thousands)	
Long-Term Debt:				
Electric Revenue Bonds – Priority Obligations	$	23,815	$	27,210
Revenue Bonds		1,931,175		2,011,300
Revenue Obligations		323,640		0
Capitalized Lease Obligations		29,485		32,253
Total long-term debt (net of current portion)		2,308,115		2,070,763
Less:				
Unamortized loss on refunded debt		262,464		275,785
Reacquired debt		1,070		655
Unamortized debt discount and premium – net		40,408		42,975
Long-term debt – net		2,004,173		1,751,348
Current Liabilities:				
Current portion of long-term debt		86,283		85,232
Accrued interest on long-term debt		61,665		56,310
Commercial paper notes-net		370,059		456,100
Accounts payable		53,664		34,267
Other		20,075		19,289
Total current liabilities		591,746		651,198
Deferred Credits and Other Noncurrent Liabilities:				
Construction fund liabilities		4,220		307
Nuclear decommissioning costs		62,461		60,987
Unamortized gain on reacquired debt		368		448
Other		31,672		29,152
Total deferred credits and other noncurrent liabilities		98,721		90,894
Commitments and Contingencies				
Capital Contributions – U.S. Government Grants		34,650		34,438
Accumulated Earnings Reinvested in the Business		833,933		794,432
Total	$	3,563,223	$	3,322,310

Statement of Accumulated Earnings Reinvested in the Business

South Carolina Public Service Authority
Years Ended December 31, 1999, 1998, and 1997

	1999	1998	1997
		(Thousands)	
Accumulated earnings reinvested in the business – beginning of year	**$ 794,432**	$ 762,692	$ 756,558
Reinvested earnings for the year	**47,384**	39,345	13,596
Total	**841,816**	802,037	770,154
Distribution to the state of South Carolina	**7,883**	7,605	7,462
Accumulated earnings reinvested in the business – end of year	**$ 833,933**	$ 794,432	$ 762,692

The accompanying notes to financial statements are an integral part of these statements.

Statement of Reinvested Earnings

South Carolina Public Service Authority
Years Ended December 31, 1999, 1998, and 1997

	1999	1998	1997
		(Thousands)	
Operating Revenues:			
Sale of electricity	**$ 801,837**	$ 764,870	$ 717,467
Sale of water	**3,824**	3,705	3,852
Other operating revenues	**8,505**	7,064	6,505
Total operating revenues	**814,166**	775,639	727,824
Operating Expenses:			
Electric operation expense:			
Production	**301,335**	286,075	274,112
Purchased and interchanged power	**38,959**	23,723	17,015
Transmission	**11,033**	10,769	4,129
Distribution	**6,547**	7,023	3,822
Customer accounts	**4,213**	4,107	3,751
Sales	**2,371**	2,018	1,707
Administrative and general	**50,684**	52,602	61,615
Electric maintenance expense	**63,889**	58,894	61,937
Water operation expense	**1,076**	1,068	897
Water maintenance expense	**264**	258	224
Total operation and maintenance expense	**480,371**	446,537	429,209
Depreciation and amortization	**109,718**	106,702	101,795
Sums in lieu of taxes	**2,238**	2,134	2,203
Total operating expenses	**592,327**	555,373	533,207
Operating Income	**221,839**	220,266	194,617
Other Income:			
Interest income	**20,024**	16,794	18,230
Net (decrease) increase in the fair value of investments	**(3,518)**	3,154	3,284
Other – net	**2,695**	2,435	6,286
Total other income	**19,201**	22,383	27,800
Interest Charges:			
Interest on long-term debt	**118,659**	118,423	132,921
Other	**33,752**	38,665	35,151
Total interest charges	**152,411**	157,088	168,072
Costs to be Recovered from Future Revenue	**(41,245)**	(46,216)	(40,749)
Reinvested Earnings	**$ 47,384**	$ 39,345	$ 13,596

The accompanying notes to financial statements are an integral part of these statements.

Statement of Cash Flow

South Carolina Public Service Authority
Years Ended December 31, 1999, 1998, and 1997

	1999	1998	1997
		(Thousands)	
Cash Flows From Operating Activities:			
Operating income	**$ 221,839**	$ 220,266	$ 194,617
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	**118,617**	116,665	111,034
Impact of transactions involving associated company	**(21,586)**	(15,531)	(3,322)
Distributions from associated company	**22,791**	13,263	1,033
Other income	**228**	(33)	39
Changes in assets and liabilities:			
Accounts receivable, net	**(15,344)**	(15,217)	(4,669)
Inventories	**14,059**	(6,405)	(11,240)
Prepaid expenses	**(102)**	1,032	(1,620)
Other deferred debits	**(1,293)**	(5,049)	(1,532)
Deferred coal contract buy-out costs	**6,600**	6,300	6,000
Accounts payable	**19,397**	9,403	(3,785)
Other current liabilities	**20,649**	606	(15,275)
Other noncurrent liabilities	**8,353**	11,990	8,992
Net cash provided by operating activities	**394,208**	337,290	280,272
Cash Flows From Investing Activities:			
Net (increase) decrease in investments	**(259,740)**	(51,381)	79,123
Interest on investments	**17,111**	16,680	22,284
Net investment in associated company	**0**	0	(4,500)
Net cash (used) provided by investing activities	**(242,629)**	(34,701)	96,907
Cash Flows From Noncapital-Related Financing Activities:			
Distribution to the state of South Carolina	**(7,883)**	(7,605)	(7,462)
Water System Grant	**212**	0	0
Net cash used in non-capital financing activities	**(7,671)**	(7,605)	(7,462)
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of bonds	**325,882**	127,811	215,597
Reacquired debt-(purchase) retirement	**(403)**	3,272	1,122
Net commercial paper (repayments) proceeds	**(85,998)**	214,450	36,877
Repayment and refunding of bonds	**(81,627)**	(442,306)	(355,217)
Interest paid on borrowings	**(127,787)**	(142,567)	(154,733)
Construction and betterments of utility plant	**(170,400)**	(68,043)	(84,203)
Debt issuance costs	**(5,318)**	(5,020)	(9,586)
Other	**(3,610)**	(3,610)	(3,527)
Net cash used in capital and related financing activities	**(149,261)**	(316,013)	(353,670)
Net (decrease) increase in Cash and Cash Equivalents	**(5,353)**	(21,029)	16,047
Cash and Cash Equivalents at the Beginning of the Year	**217,150**	238,179	222,132
Cash and Cash Equivalents at the End of the Year	**$ 211,797**	$ 217,150	$ 238,179

	1999	1998	1997
		(Thousands)	
Reconciliation of Cash and Cash Equivalents:			
Cash and investments held by trustee (designated)	**$ 435,259**	$ 218,617	$ 184,567
Cash and investments held by trustee	**143,983**	103,087	120,866
Bond funds – current portion	**122,158**	128,827	111,592
Less investments, not considered cash and cash equivalents	**489,603**	233,381	178,846
Cash and Cash Equivalents at the End of the Year	**$ 211,797**	$ 217,150	$ 238,179

The accompanying notes to financial statements are an integral part of these statements.

Notes to Financial Statements

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 in 1934 by the state legislature. The Board of Directors is appointed by the Governor of South Carolina with the advice and consent of the Senate. The purpose of the Authority is to provide electric power and wholesale water to the people of South Carolina. Capital projects are funded by commercial paper notes in addition to bonds and internally generated funds. The Board of Directors sets rates charged to customers to pay debt service and operating expenses and to provide funds required under bond covenants.

B - **System of Accounts** - The accounting records of the Authority are maintained on an accrual basis in accordance with generally accepted accounting principles (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting and the Financial Accounting Standards Board (FASB) that do not conflict with rules issued by the GASB. The Authority's financial statements include the accounts of the Lake Moultrie Regional Water System after elimination of intercompany accounts and transactions. The accounts are maintained substantially in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) for the electric system and the National Association of Regulatory Utility Commissioners (NARUC) for the water system. The Authority also complies with policies and practices prescribed by its Board of Directors and to practices common in both industries. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

C - **Utility Plant** - Utility plant is recorded at cost, which includes materials, labor, overhead, and interest capitalized during construction. Interest is capitalized when funded through borrowings. There was no interest capitalized in 1999, 1998, or 1997. The costs of maintenance, repairs and minor replacements are charged to appropriate operation and maintenance expense accounts. 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 percentage of average depreciable utility plant in service, were approximately 3.4% for the periods ended December 31, 1999 and 1998 and 3.3% for the period ended December 31, 1997. Amortization of capitalized leases is also included in depreciation expense.

E - **Revenue Recognition and Fuel Costs** - Substantially all wholesale and industrial revenues are billed and recorded at the end of each month. Revenues for electricity delivered to retail customers which have not been billed are accrued. Fuel costs are reflected in operating expenses as fuel is consumed.

F - **Bond Issuance Costs** - Unamortized debt discount, premium, and expense are amortized to income over the terms of the related debt issues. Gains or losses on refunded debt are amortized to income over the shorter of the remaining life of the refunded debt or the life of the new debt. The unamortized loss on refunded debt is being shown as a reduction in Long-term debt-net.

G - **Cash and Cash Equivalents** - For purposes of the statements of cash flows, the Authority considers highly liquid investments with original maturities of less than three months and cash on deposit with financial institutions as cash and cash equivalents.

H - **Payment to the State**- The distribution to the state of South Carolina is a payment in lieu of taxes and is determined consistent with requirements under the 1949 Indenture. This payment totaled $7.9 million in 1999, $7.6 million in 1998, and $7.5 million in 1997.

I - **Deferred Coal Contract Buy-Out Costs** - During 1995, the Authority exercised a buy-out option on an existing coal contract in order to take advantage of lower coal costs. The cost of the buy-out, which was approximately $53,000,000, is recorded in deferred debits and included as a component of fuel costs over the remaining life of the former contract. The balance in this account at December 31, 1999 was $25,600,000.

J - **Investment in Associated Company** - Investment in Associated Company represents an equity investment in a wholesale power marketing venture (the "Venture") formed by the Authority and two unrelated publicly owned electric utilities (collectively the "members") in May 1997. In 1999, a third unrelated entity joined the Venture .The Authority now has a 25 percent ownership interest in the Venture which provides services to the members and non-members and allocates transaction savings and operating expenses to the members pursuant to a Settlement Agreement. During 1999, the Authority recorded distributions of $22,291,000 from the Venture and recognized $21,586,000 in reductions to power costs partially offset by $740,000 in equity losses. The Authority also received $500,000 representing return of a portion of trading capital previously extended due to the entry of the additional member. During 1998, the Authority received distributions of $13,263,000 and recognized $15,531,000 in reduction to power costs, partially offset by $171,000 in equity losses. In addition, the Authority provides certain guarantees and has pledged certain collateral to support the transactions of the Venture. The Authority's Board of Directors has approved the use of $15 million to support the Venture's trading activities in the form of corporate guarantees, letters of credit and/or cash as determined by management.

K - **Impairment of Long-Lived Assets** - The Company adopted Statement of Financial Accounting Standards No. 121 (SFAS 121), "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of" on January 1, 1996, with no material effect on the financial statements. This statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This statement also imposes stricter criteria for regulatory assets by requiring that such assets be probable of future recovery at each balance sheet date. The Authority will reassess the effect of SFAS No. 121 in the future as competitive factors influence wholesale and retail pricing in the industry.

L - **Issued But Not Yet Effective Pronouncements** - In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." The Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met.

In June 1999, the Financial Accounting Standards Board issued Statement No. 137, "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of Statement No. 133," delaying the effective date of Statement No. 133 to fiscal quarters beginning after June 15, 2000. Management has not yet quantified the impacts of adopting Statement 133 on the Authority's financial statements.

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, "Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments." The objective of this Statement is to enhance the understandability and usefulness of the general-purpose external financial reports of state and local governments to the citizenry, legislative and oversight bodies, and investors and creditors. This Statement is effective for the Authority beginning in fiscal year 2002. While adoption of this statement will alter the presentation of financial information, management has determined that there will be no material impact to the Authority's financial position, results of operation or 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. Straight-line depreciation is not considered in the cost of service calculation used to design rates. The differences between debt principal maturities (adjusted for the effects of premiums, discounts, and amortization of deferred gains and losses) and straight-line depreciation on debt financed assets 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.

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

Unexpended funds from the sale of bonds, debt service funds, other special funds, and cash and investments are held and maintained by trustees, and their use is 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. In 1998, the Authority adopted the provisions of the GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." GASB Statement No. 31 establishes standards of accounting and financial reporting for certain investments in securities and requires that all equity and debt securities be recorded at their fair value with gains and losses in fair value reflected as a component of nonoperating income in the statement of reinvested earnings. In accordance with the provisions of GASB Statement No. 31, the Authority applied the provisions of this Statement retroactively by restating financial statements for all prior periods presented. Previously, gains and losses in the fair value of investments were reflected as a component of accumulated earnings reinvested in the business. As of December 31, 1999 and 1998, the Authority had investments totalling $714,399,000 and $452,002,000, respectively.

As of December 31, 1999, the Authority's investments carried at fair market value included nuclear decommissioning funds of $60,907,000 with related unrealized holding gains of $6,290,000. As of December 31, 1998, decommissioning funds totaled $59,665,000 with related unrealized holding gains of $13,298,000. These unrealized holding gains are reflected in the decommissioning liability and not as a separate component of nonoperating income in the statement of reinvested earnings.

All the Authority's investments with the exception of decommissioning funds are limited to a maturity of ten years or less. For the year ended December 31, 1999, the Authority made investment purchases at cost totalling approximately $21.2 billion and realized proceeds on the sale of investments totalling approximately $21.0 billion. For 1998, purchases at cost and realized proceeds from the sale of investments totalled approximately $20.3 billion.

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, 1999, the Authority's repurchase agreements totaled $116,500,000.

The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority 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 pledged to the Authority by pledging financial institutions but not held in the Authority's name.

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

	1999					
	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	$ 34,817	$ 850	$ 0	$ 0	$ 35,667	$ 35,667
Debt Service Reserve Funds	68,466	0	54	0	68,520	68,520
Other Special Funds	331,025	0	11	36	331,072	331,072
Total Cash and Investments Held by Trustee (Designated)	$ 434,308	$ 850	$ 65	$ 36	$435,259	$435,259
Cash and Investments						
Held by Trustee						
Revenue Fund	$ 72,225	$ 0	$ 774	$(14,140)	$ 58,859	$ 58,859
Revenue Fund–Water System	431	0	0	0	431	431
Special Reserve Fund	84,283	0	38	229	84,550	84,550
Special Reserve Fund – Water	143	0	0	0	143	143
Total Cash and Investments Held by Trustee	$ 157,082	$ 0	$ 812	$(13,911)	$143,983	$143,983
Bond Funds – Current Portion						
Interest	$ 45,273	$ 0	$ 0	$ 0	$ 45,273	$ 45,273
Bond Principal	16,088	0	0	0	16,088	16,088
Lease	344	0	0	0	344	344
Unclassified Securities	0	0	0	0	60,453	60,453
Total Bond Funds-Current Portion	$ 61,705	$ 0	$ 0	$ 0	$122,158	$122,158

	1998					
	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	$ 62,820	$ 950	$ 7	$ 114	$ 63,891	$ 63,891
Debt Service Reserve Funds	72,509	0	20	0	72,529	72,529
Other Special Funds	82,117	0	80	0	82,197	82,197
Total Cash and Investments Held by Trustee (Designated)	$217,446	$ 950	$107	$ 114	$218,617	$218,617
Cash and Investments Held by Trustee						
Revenue Fund	$ 56,226	$ 0	$264	$(2,346)	$ 54,144	$ 54,144
Revenue Fund – Water System	819	0	0	0	819	819
Special Reserve Fund	47,641	0	100	282	48,023	48,023
Special Reserve Fund – Water	101	0	0	0	101	101
Total Cash and Investments Held by Trustee	$104,787	$ 0	$364	$(2,064)	$ 103,087	$103,087
Bond Funds – Current Portion						
Interest	$ 56,279	$ 0	$ 0	$ 0	$ 56,279	$ 56,279
Bond Principal	72,130	0	0	0	72,130	72,130
Lease	418	0	0	0	418	418
Total Bond Funds – Current Portion	$128,827	$ 0	$ 0	$ 0	$ 128,827	$128,827

Note 4 – Long-Term Debt Outstanding:

The Authority's long-term debt at December 31, 1999 and 1998 consisted of the following:

	1999	1998	Interest Rate(s)	Call Price
		(Thousands)		
Electric Revenue Bonds - Priority Obligations: (mature through 2006)	**$ 27,210**	$ 30,455	4.1%	100
Capitalized Lease Obligations: (mature through 2014)	**32,248**	35,576	N/A	N/A
Revenue Bonds: (mature through 2032)				
1991 Refunding Series A	**0**	340	6.3	Non-callable
1991 Refunding & Improvement Series B	**14,205**	16,985	6.30-6.70	102
1991 Series D	**5,550**	10,805	5.65-5.80	102
1992 Refunding Series A	**138,270**	146,210	5.5-6.375	102
1993 Refunding Series A&B	**385,125**	385,125	4.8-5.538	102
1995 Refunding Series C	**587,570**	594,524	4.20-5.125	102
1995 Refunding Series A	**122,530**	131,635	5.50-6.25	102
1995 Refunding Series B	**170,585**	172,405	5.10-6.50	102
1996 Refunding Series A	**226,255**	236,410	5.75-6.25	102
1996 Refunding Series B	**36,290**	53,695	5.00-5.50	102
1997 Refunding Series A	**212,435**	214,130	3.95-5.125	101
1998 Refunding Series A	**85,770**	100,885	4.00-5.00	Non-callable
1998 Refunding Series B	**26,715**	26,815	4.00-5.25	101
Total Revenue Bonds	**2,011,300**	2,089,964		
Revenue Obligations: (mature through 2022)				
1999 Tax-exempt Series A	**198,320**	0	4.45-5.75	101
1999 Taxable Series B	**125,320**	0	6.53-7.42	Non-callable
Total Revenue Obligations	**323,640**	0		
Current Portion-Long-term Debt	**86,283**	85,232		
Total Long-term Debt - (Net of current portion)	**$2,308,115**	$ 2,070,763		

Maturities of long-term debt through 2004 are as follows:

Year Ending December 31,	Priority Obligations	Capitalized Leases	Revenue Bonds (Thousands)	Revenue Obligations	Total
2000	$ 3,395	$ 2,763	$ 80,125	$ 0	$ 86,283
2001	$ 3,545	$ 2,552	$ 61,985	$ 0	$ 68,082
2002	$ 3,705	$ 2,654	$ 61,190	$ 5,000	$ 72,549
2003	$ 3,870	$ 2,762	$ 58,500	$ 24,365	$ 89,497
2004	$ 4,045	$ 2,761	$ 37,085	$ 34,625	$ 78,516
Total	$ 18,560	$ 13,492	$ 298,885	$ 63,990	$ 394,927

The fair value of the Authority's debt is estimated based on quoted market prices for the same or similar issues or on the current rates offered to the Authority for debt with the same remaining maturities. Based on the borrowing rates currently available to the Authority for tax-exempt bonds and other debt with similar terms and average maturities, the fair value of debt is approximately $2.64 billion and $2.66 billion at December 31, 1999 and 1998, respectively.

On September 15, 1999, the Authority's Board of Directors authorized the sale of $323,640,000 Revenue Obligations, 1999 Series A & B Bonds (1999 A & B Bonds). The 1999 Tax-Exempt Series A (1999 A Bonds) totaled $198,320,000. The 1999 Taxable Series B (1999 B Bonds) totaled $125,320,000. The 1999 B Bonds were issued as taxable bonds to comply with IRS Private Use Regulations.

The 1999 A & B Bonds were issued October 12, 1999. The 1999 A & B Bond proceeds will be used primarily for the construction of a 500 mW class combined cycle generating unit and two 150 mW class simple combustion turbine generators at the Rainey Generating Station. Bond proceeds of $55,475,000 were used to retire outstanding Commercial Paper notes issued previously for the Rainey Generating Station.

The 1999 A & B Bonds were sold at an all-in-true interest cost of 6.10% and mature between January 1, 2002 and 2022.

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

In 1998, the Authority issued $100,885,000 in 1998 Refunding Series A Bonds and $26,815,000 in 1998 Refunding Series B Bonds. These refundings reduced the Authority's total debt service over the life of its bonds by approximately $62,548,000, resulting in an economic gain over the life of the bonds of approximately $16,846,000. Also in 1998, the Authority refunded $263,075,000 of outstanding Electric System Expansion Revenue Bonds primarily with the proceeds of $243,980,000 tax-exempt commercial paper notes. This refunding reduced the Authority's total debt service requirements by approximately $38 million, resulting in an economic gain of approximately $23 million (over what would have been the life of the bonds).

Refunded amounts outstanding, original loss on refunding, and the unamortized loss at December 31, 1999 are as follows:

Refunding Issue	Refunded Bonds	Refunded Amount Outstanding	Original Loss	Unamortized Loss
		(Thousands)		
Cash Defeasance	$ 20,000 of the 1982 Series A	$ —	$ 2,763	$ 1,658
1991 A,B,&C Refunding & Improvement Series	$ 4,855 of the 1980 Series A $ 8,075 of the 1981 Series A $ 13,500 of the 1985 Series $ 32,500 of the 1985 A Refunding Series	—	4,856	0
1992 A Refunding	$ 3,370 of the 1985 Refunding Series $ 5,405 of the 1985 A Refunding Series $ 100,010 of the 1986 Refunding Series A $ 22,555 of the 1988 Refunding Series A $ 15,370 of the 1991 Refunding Series B $ 12,085 of the 1991 Series D	27,455	42,188	23,250
1993 A&B Refunding	$ 86,180 of the 1974 Series $ 93,360 of the 1979 Series A $ 4,980 of the 1985 A Refunding Series $ 14,935 of the 1986 Refunding Series A $ 23,675 of the 1986 Refunding Series B $ 135,705 of the 1991 Refunding & Improvement Series B and C	135,705	38,870	38,870
1993 C Refunding	$ 167,660 of the 1977 Refunding Series $ 900 of the 1985 Refunding Series $ 2,390 of the 1985 A Refunding Series $ 6,365 of the 1986 Refunding Series A $ 14,905 of the 1988 Refunding Series A $ 100,110 of the 1991 Refunding & Improvement Series B and C $ 279,905 of the 1991 Series D	380,015	72,311	61,186
1995 A Refunding	$ 138,505 of the 1988 Refunding Series A	—	20,024	13,800
1995 B Refunding	$ 175,330 of the 1987 Refunding Series A	—	40,758	28,630
1996 A Refunding	$ 257,795 of the 1986 Refunding Series C	—	92,596	69,733
1996 B Refunding	$ 5,925 of the 1986 Refunding Series A $ 5,830 of the 1986 Refunding Series C $ 62,325 of the 1986 Refunding Series D $ 6,940 of the 1987 Refunding Series A $ 4,155 of the 1988 Refunding Series A	—	4,831	2,762
Cash Defeasance	$ 14,080 of the 1992A Series $ 14,955 of the 1996A Series	29,035	4,779	3,584
1997 A Refunding	$ 100,000 of the 1978 Series $ 68,325 of the 1991 Series B $ 37,495 of the 1991 Series D	105,820	16,990	15,408
Commercial Paper	$ 76,050 of the 1973 Series $ 105,605 of the 1977 Series $ 81,420 of the 1978 Series	—	2,099	1,769
1998 B Refunding	$ 25,000 of the 1992 B	25,000	1,970	1,814
Total		$ 703,030	$ 345,035	$ 262,464

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

1. The Authority covenants to establish rates sufficient to pay all debt service, required lease payments, capital improvement fund requirements, and all costs of operation and maintenance of the Authority's electric system and all necessary repairs, replacements, and renewals thereof.

2. The Authority is restricted from issuing additional parity bonds unless certain conditions are met.

As of December 31, 1999, the Authority is in compliance with all debt covenants.

Note 5 – Commercial Paper and Mini-Bonds:

The Board of Directors has authorized the issuance of commercial paper not to exceed $500,000,000. The paper is issued for valid corporate purposes with a term not to exceed 270 days. For the years ended December 31, 1999, 1998, and 1997, the information related to commercial paper was as follows:

	1999	1998	1997
Effective interest rate (at December 31)	**3.76%**	3.11%	3.83%
Average annual amount outstanding ($000)	**$439,055**	$ 424,962	$ 225,004
Average maturity	**56 days**	73 days	63 days
Average annual effective interest rate	**2.93%**	3.50%	3.65%

Commercial Paper outstanding at December 31, is as follow:

	1999	1998
Commercial Paper-Gross	**$ 370,102**	$ 456,100
Less: Unamortized Discount on Taxable Commercial Paper	**43**	0
Commercial Paper-Net	**$ 370,059**	$ 456,100

At December 31, 1999 the Authority had a Revolving Credit Agreement with Toronto Dominion (Texas), Inc. for $500,000,000. This agreement is used to support the Authority's issuance of commercial paper. There were no borrowings under the agreement during 1999 or 1998.

Under the Revenue Bond Resolution, small denomination bonds due on demand (Series M Bonds) were issued. The remaining Series M Bonds were refunded by the 1998 Refunding Series A Bonds.

Note 6 – 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 interests of 33 1/3% and 66 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 33 1/3% of the net electricity generated. At December 31, 1999 and 1998, the plant accounts included approximately $494,000,000 and $506,000,000 respectively, representing the Authority's investment, including capitalized interest, in the Summer Nuclear Station. For each of the three years ended December 31, 1999, 1998, and 1997, the Authority's operation and maintenance expenses included $41,801,000, $44,051,000, and $45,712,000, respectively, for 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. This amortization is included in fuel expense and is recovered through the Authority's rates.

SCE&G has an on-site spent fuel storage capability until at least 2006 and expects to be able to expand its storage capacity to accommodate the spent fuel output for the life of the plant through rod consolidation, dry cask storage, or other technology as it becomes available.

The Nuclear Regulatory Commission (NRC) requires a licensee of a nuclear reactor to provide minimum financial assurance of its ability to decommission its nuclear facilities. In compliance with the applicable NRC regulations, the Authority established an external trust fund and began making deposits into this fund in September 1990. In addition to providing for the minimum requirements imposed by the NRC, the Authority makes deposits into an internal fund in the amount necessary to fund the difference between a site-specific decommissioning study completed in 1991 and the NRC's imposed minimum requirement. The Authority's one-third share of the estimated decommissioning costs of the Summer Nuclear Station equals approximately $76,266,000 in 1990 dollars. 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.

Based on current decommissioning cost estimates developed by SCE&G, these funds, which totaled approximately $60,366,000 (adjusted to market) at December 31, 1999, along with future deposits into both the external and internal decommissioning accounts and investment earnings, are estimated to provide sufficient funds for the Authority's one-third share of the total decommissioning costs.

The Energy Policy Act of 1992 gave the Department of Energy (DOE) the authority to assess utilities for the decommissioning of its facilities used for the enrichment of uranium included in nuclear fuel costs. In order to decommission these facilities, the DOE estimates that it would need to charge utilities a total of $150,000,000, indexed for inflation, annually for 15 years based on enrichment services used by utilities in past periods. Based on an estimate from SCE&G covering the 15 years, the Authority's remaining one-third share of the liability at December 31, 1999 totals $1,407,000. Such amount has been deferred and will be recovered through rates as paid. These costs are included on the accompanying balance sheets in "Deferred Debits and Other Assets" and "Deferred Credits and Other Noncurrent Liabilities."

Note 7 – Leases:

The Authority has capital lease contracts with Central Electric Power Cooperative, Inc. (Central), covering a steam electric generating plant, transmission facilities, and various other facilities. The remaining lease terms range from 1 to 15 years. Quarterly lease payments are based on a sum equal to the interest on and principal of Central's indebtedness to the Rural Utilities Service (formerly Rural Electrification Administration) for funds borrowed to construct the above-mentioned facilities. The Authority has options to purchase the leased properties at any time during the period of the lease agreements for sums equal to Central's indebtedness remaining outstanding on the properties at the time the options are 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, 1999 were:

Year ending December 31:	Amount (Thousands)
2000	$ 4,132
2001	3,818
2002	3,818
2003	3,819
2004	3,708
Thereafter	22,304
Total minimum lease payments	41,599
Less amounts representing interest	9,351
Balance at December 31, 1999	$ 32,248

Property under capital leases and related accumulated amortization included in utility plant at December 31, 1999 totaled $97,341,000 and $71,256,000 respectively, and at December 31, 1998 totaled $97,452,000 and $68,531,000, respectively.

Operating lease payments, including the operating lease payments for leased coal cars which are reflected in fuel inventory, totaled $5,665,000, $6,231,000, and $5,811,000 during the years ended December 31, 1999, 1998, and 1997, respectively.

Note 8 – Contracts with Electric Power Cooperatives:

Power supply and transmission services are provided to Central Electric Power Cooperative Inc. (Central) in accordance with a power system coordination and integration agreement. In addition, the Authority will be the sole supplier of Central's energy needs excluding energy Central receives from the Southeastern Power Administration and SCE&G.

Power supply will be provided to Saluda River Electric Power Cooperative Inc. (Saluda) in accordance with a power sales agreement between Saluda and the Authority beginning January 1, 2001. The Authority will be the sole supplier of Saluda's energy needs excluding energy Saluda receives from its ownership interest in the Catawba Nuclear Station, the Southeastern Power Administration and its own diesel generators.

Note 9 – Commitments and Contingencies:

Budget - The Authority's capital budget provides for expenditures of approximately $273,251,000 during the year ending December 31, 2000 and $387,257,000 during the two years thereafter. These expenditures include $314,959,000 associated with new generating facilities being constructed to begin operations in 2002, $71,052,000 for future generating facilities and an additional $14,250,000 for the completion of a 900 megahertz trunking radio system. The total cost, including the financing costs, of the new generating facilities to begin operations in 2002 is estimated to be $396,128,000. The cost of the trunking radio system is expected to be

$24,753,000. Capital expenditures will be financed by internally generated funds and a combination of taxable and tax exempt debt.

Purchase Commitments - The Authority has contracted for long-term coal purchases under contracts with estimated outstanding minimum obligations at December 31, 1999 as follows:

Year ending December 31:	Amount (Thousands)
2000	$ 105,714
2001	93,509
2002	93,804
2003	24,480
Total	$ 317,507

The Authority's outstanding minimum obligations under two existing long term purchased power contracts as of December 31, 1999 were approximately $91 million and $36 million with remaining terms of 35 and 4 years, respectively. In addition, the Authority has three short term purchased power contracts with minimum obligations of approximately $25 million with terms of one year or less beginning in 2001.

The Authority has commitments for nuclear fuel enrichment and fabrication contracts which are contingent upon the operating life of the nuclear unit. As of December 31, 1999, these commitments total approximately $83.6 million over the next 10 years.

Risk Management – The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; and errors and omissions. The Authority purchases commercial insurance to cover these risks, subject to coverage limits and various exclusions. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Policies are subject to deductibles ranging from $1,000 to approximately $850,000 with the exception of named storm losses which carry deductibles up to $3,000,000. Also a $1 million general liability self-insured layer exists between the Authority's primary and excess liability policies.

The Authority is self-insured for auto and dental, and environmental incidents that do not arise out of an insured event. The Authority purchases commercial insurance, subject to coverage limits and various exclusions, to cover automotive exposure in excess of $2 million per incident. Risk exposure for the dental plan is limited by plan provisions. There have not been any third-party claims for environmental damages for 1999 or 1998. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Additionally, effective September 1, 1997, the Authority is self-insured for claims of employees for workers' compensation benefits. Prior to September 1, 1997, workers' compensation claims were covered by the State Accident Fund (the Fund). Any work-related incidents or illnesses that have an occurrence or diagnosis date prior to September 1, 1997, are covered under the Fund. As of December 31, 1999, the amount of the workers' compensation self-insured liability was $1,381,000.

Effective January 1, 1997, the Authority adopted the provisions of Statement of Position (SOP) 96-1 "Environmental Remediation Liabilities." This statement provides authoritative guidance for recognition, measurement, display, and disclosure of environmental remediation liabilities in financial statements. SOP 96-1 did not have a material impact on the Authority's financial position or results of operations upon adoption.

At December 31, 1999, the amount of the self-insured liabilities was $2.1 million. The liability is the Authority's best estimate based on available information. Changes in the reported liability in each of the past two years are as follows:

	1999	1998
	(Thousands)	
Unpaid claims and claim expenses at beginning of year	**$ 1,562**	$ 1,293
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	**2,233**	1,563
Decreases in provision	**(28)**	(303)
Payments for current and prior years	**1,632**	991
Total unpaid claims and claim expenses at end of year	**$ 2,135**	$ 1,562

The Authority pays insurance premiums to certain other state agencies to cover risks that may occur in normal operations. The insurers promise to pay to, or on behalf of, the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits. Several state funds accumulate assets, and the state itself assumes all risks for the following:

1) Claims of covered employees for health benefits (Office of Insurance Services); and
2) Claims of covered employees for long-term disability and group life insurance benefits (Retirement Systems).

Employees elect health coverage through either a health maintenance organization or through the state's self-insured plan. All other coverages listed above are through the applicable state self-insured plan except that additional long-term disability premiums are remitted to commercial carriers. The Authority assumes the risk for claims of employees for unemployment compensation benefits and pays claims through the state's self-insured plan.

Nuclear Insurance – The maximum liability for public claims arising from any nuclear incident has been established at $9.5 billion by the Price-Anderson Indemnification Act. This $9.5 billion would be covered by nuclear liability insurance of about $200 million per site, with potential retrospective assessments of up to $88.1 million per licensee for each nuclear incident occurring at any reactor in the United States (payable at a rate not to exceed $10 million per incident, per year). Based on its one-third interest in Summer Nuclear Station, the Authority would be responsible for the maximum assessment of $29.4 million, not to exceed approximately $3.3 million per incident, per year. This amount is subject to further increases to reflect the effect of (i) inflation, (ii) the licensing for operation of additional nuclear reactors, and (iii) any increase in the amount of commercial liability insurance required to be maintained by the NRC.

Additionally, SCE&G and the Authority maintain with American Nuclear Insurers (ANI) and Nuclear Electric Insurance Limited (NEIL) $500 million primary and $1.5 billion excess property and decontamination insurance to cover the costs of cleanup of the facility in the event of an accident. In addition to the premiums paid on the excess policy, SCE&G and the Authority could also be assessed a retrospective premium, not to exceed five times the annual premium, in the event of property damage to any nuclear generating facility covered by NEIL. Based on the current annual premium and the Authority's one-third interest, the Authority's maximum retrospective premium would be $2 million.

The Authority is self-insured for any retrospective premium assessments, claims in excess of stated coverage, or cost increases due to the purchase of replacement power.

Clean Air Act – The Authority endeavors to ensure that its facilities comply with applicable environmental regulations and standards.

Congress has promulgated comprehensive amendments to the Clean Air Act, including the addition of a new federal program relating to acid precipitation. The Authority has evaluated the potential impact of this legislation, including new limits on the allowable rates of emission of sulfur dioxide and nitrogen oxides. While the legislation contains a number of new restrictions, the most significant new requirements, relating to acid precipitation, became effective January 1, 2000.

The Clean Air Act Amendments require, among other things, specific reductions in sulfur dioxide and nitrogen oxide emissions from fossil-fired generating units. These reductions will be required in two phases. Phase I compliance was implemented January 1, 1995, while Phase II compliance became effective January 1, 2000. The Authority projects that it will be necessary to purchase sulfur dioxide emission credits and upgrade the sulfur removal capabilities of existing units to meet Phase II sulfur dioxide emission limitations. To meet monitoring requirements of the Clean Air Act, the Authority has installed continuous emissions monitoring equipment at a cost of $5.2 million. It is also necessary that the Authority upgrade the combustion systems on some of its boilers to meet Phase II nitrogen oxide limitations. These efforts commenced in 1998 and will continue through 2000. The Authority has budgeted $8.2 million to complete these combustion upgrades. Most Clean Air Act Amendment regulations have been finalized and costs have been quantified. In addition, the Environmental Protection Agency (EPA) has finalized regulations related to ozone transport for 22 eastern states including South Carolina. While these regulations (known as the "SIP call") are now in litigation, potential costs to Santee Cooper could exceed $170 million in capital expenditures by 2004. Annual recurring costs could exceed $30 million.

Safe Drinking Water Act - The Safe Drinking Water Act (SDWA) was reauthorized during 1996. The Authority continues to stay abreast of proposed regulatory changes as they are developed. The most recent proposed state regulations posed no significant concerns for the Authority.

Clean Water Act - The Congress is due to consider reauthorization of the Clean Water Act (CWA). The complex act could generate regulatory changes that could impact the power generation sector. The Authority will be monitoring for CWA regulatory issues impacting electrical utilities.

Open Access Transmission Tariff - In 1997, FERC adopted an order approving the Authority's transmission rates, ancillary charges, and non-rate terms and conditions.

The Authority is participating in the VACAR Open Access Same-Time Information System (OASIS) via the Internet and has implemented and filed with FERC procedures for implementation of non-discriminatory standards of conduct.

Competition - The electric industry has become, and is expected to be, increasingly competitive due to regulatory changes and market developments. As utilities move from a regulated environment where rates are based on cost of service to a deregulated environment where rates are based on market forces, there may be costs that cannot be recovered by charging the market rate. Some deregulation measures proposed to date allow for recovery of some portion of these costs but ultimate regulatory treatment of such costs cannot be predicted.

Bills have been introduced in the U.S. Congress and the S.C. Legislature to provide for retail customer choice. The outcome of these initiatives and the impact on the Authority cannot be determined at this time.

The Authority has developed and is implementing a long-term strategic plan to position the Authority to compete effectively in the changing competitive environment. Consistent with the plan, the Authority is implementing initiatives to reduce outstanding debt, achieve more financial flexibility, reduce operating, maintenance and capital costs, increase revenue, retain customers, and strengthen employee performance and accountability.

While the Authority is taking these and other actions to prepare for a deregulated market, the Authority cannot predict what effects increased competition will have on the operations and financial condition of the Authority.

Contract Dispute with Central - Central, under the terms of the contract with the Authority, has the right to audit costs billed to them under the cost of service contract. There are currently outstanding a number of audit issues regarding the years 1994 through 1998. With regard to the Central audit disputes known to date, the Authority does not expect the outcome of these matters to have a materially adverse effect on the Authority's financial position, results of operations or cash flows.

Note 10 – Retirement Plan:

Substantially all Authority regular employees must participate in one of the components of the South Carolina Retirement System (System), a cost sharing, multiple-employer public employee retirement system, which was established by Section 9-1-20 of the South Carolina Code of Laws. The payroll for employees covered by the System for each of the years ended December 31, 1999, 1998, and 1997 was $78,903,000, $77,091,000, and $77,068,000, respectively.

Vested employees who retire at age 65 or with 30 years of service at any age are entitled to a retirement benefit, payable monthly for life. The annual benefit amount is equal to 1.82 percent of their average final compensation times years of service. Benefits fully vest on reaching five years of service. Reduced retirement benefits are payable as early as age 55. The System also provides death and disability benefits. Benefits are established by state statute.

Article X, Section 16 of the South Carolina Constitution requires that all state-operated retirement plans be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws (as amended) prescribes requirements relating to membership, benefits, and employee/employer contributions.

Employees are required by state statute to contribute 6 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, 1999, 1998, and 1997 was $6,021,000, $5,837,000, and $5,935,000, respectively, from the Authority and $4,746,000, $4,625,000, and $4,624,000, respectively from employees. The Authority made 100% of the required contributions for each of the years ended December 31, 1999, 1998, and 1997.

The System issues a stand alone financial report that includes all required supplementary information. The report may be obtained by writing to:

South Carolina Retirement System
Fontaine Business Center
202 Arbor Lake Drive
Columbia, S.C. 29223

The Authority also provides compensation benefits to certain employees designated by management and the board of directors under the Supplemental Executive Retirement Plan (SERP). The cost of these benefits is accrued on an actuarially determined basis. The accrued liability at December 31, 1999 and 1998 was $5,812,000 and $5,200,000, respectively.

Note 11 – Other Postretirement Benefits:

The Authority provides certain health, dental, and life insurance benefits for retired employees. Substantially all of the Authority's employees may become eligible for these benefits if they retire at any age with 30 years of service or at age 60 with at least 20 years of service. Currently, approximately 362 retirees meet these requirements. The cost of the health, dental, and life insurance benefits are recognized as expense as the premiums are paid. For the years ended December 31, 1999, 1998, and 1997, these costs totaled $987,000, $781,000, and $702,000, respectively.

During their first ten years of service, full-time employees can earn up to 15 days vacation leave per year. After ten years of service, employees earn an additional day of vacation leave for each year of service over ten until they reach the maximum of 25 days per year. Employees earn annually a half day per month plus three additional days at year-end for sick leave.

Employees may carry forward up to 45 days of vacation leave and 180 days of sick leave from one calendar year to the next. Upon termination, the Authority pays employees for accumulated vacation leave at the pay rate then in effect. In addition, the Authority pays employees upon retirement 20 percent of their accumulated sick leave at the pay rate then in effect. Prior to 1995, these costs were carried in a deferred debit and liability account. However, in 1995, the Authority changed its accounting policy and began amortizing the balance over a five-year period. The remaining unamortized balance at December 31, 1998, was $1,800,000. As of December 31, 1999, these costs have been completely amortized. Effective January 1, 1995, the Authority began recognizing these costs as expenses in the period incurred. This change in accounting policy did not have a material impact on the Authority's financial position or results of operation.

Note 12 – Credit Risk and Major Customers:

Concentrations of credit risk with respect to the Authority's receivables are limited due to the large number of customers in the Authority's customer base and their dispersion across different industries. The Authority maintains an allowance for uncollectible accounts based upon the expected collectibility of all accounts receivable.

Sales to two major customers for the years ended December 31, 1999, 1998, and 1997 were as follows:

	1999	1998	1997
		(Thousands)	
Central	**$370,000**	$ 354,000	$ 328,000
Alumax of South Carolina	**$ 92,000**	$ 87,000	$ 85,000

No other customer accounted for more than 10 percent of the Authority's sales for any of the years ended December 31, 1999, 1998, and 1997.

Finance-Audit Committee Chairman's Letter

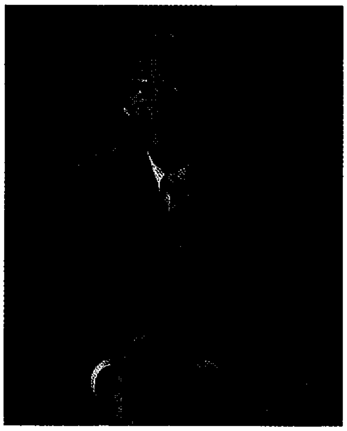
The Finance-Audit Committee of the Board of Directors is composed of five independent directors: Leon S. Goodall, chairman; Larry L. Bigham; Frances B. Gilbert; J. Mac Walters; and Johnnie (Joe) Young. The Committee meets monthly with members of management and Internal Audit to review and discuss their activities and responsibilities.

The Finance-Audit Committee oversees Santee Cooper's financial reporting and internal auditing processes on behalf of the Board of Directors. Periodic financial statements and 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 accountants. The Committee discussed the Company's financial statements and the adequacy of its system of internal controls.

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

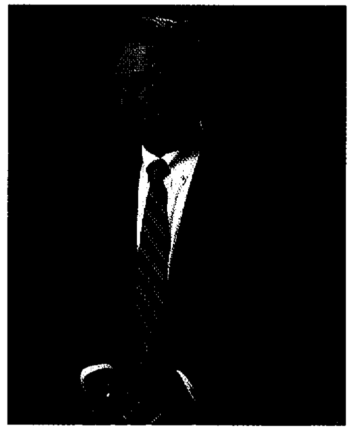
Leon S. Goodall, Chairman
Finance-Audit Committee

Board of Directors



John S. Rainey
Chairman

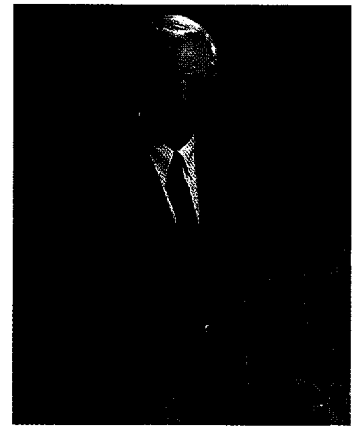
Columbia and Anderson tax attorney and business executive



Leon S. Goodall
First Vice Chairman

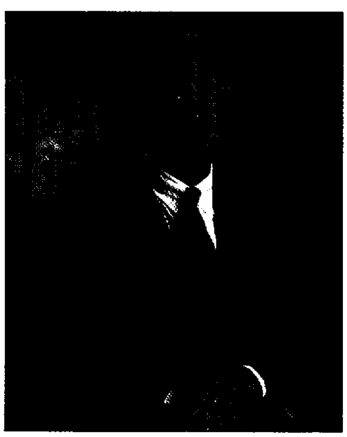
Represents 2nd Congressional District

Chairman of Carolina Continental Insurance Company in Columbia



J. Joseph Young
Second Vice Chairman

Represents Georgetown County
Owner of forest products company in Georgetown and former member of the S.C. House of Representatives

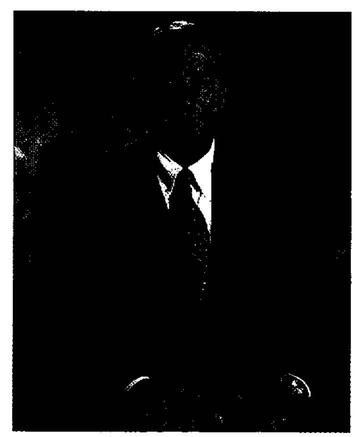


J. Calhoun Land
Represents 6th Congressional District

Manning attorney

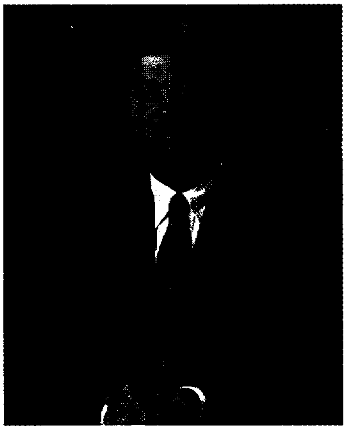
Claude V. Marchbanks Jr.
Represents 3rd Congressional District

Retired Milliken & Company executive and former member of S.C. House of Representatives



Alec B. McLeod
Represents 1st Congressional District

Isle of Palms businessman who is president of Calhoun Oil Co. Inc.

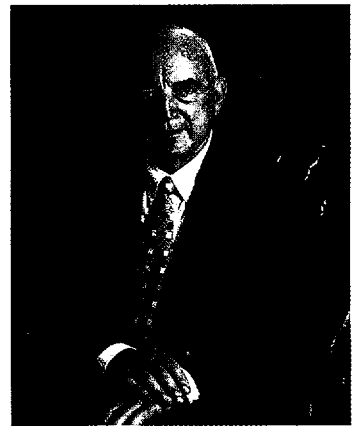


Larry L. Bigham
Represents 5th
Congressional District

Developer/restaurateur in
the Rock Hill area

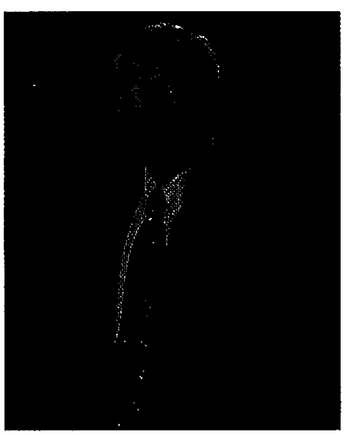
Frances B. Gilbert
Represents Horry County

Senior vice president of
CSI Group Inc. in Conway



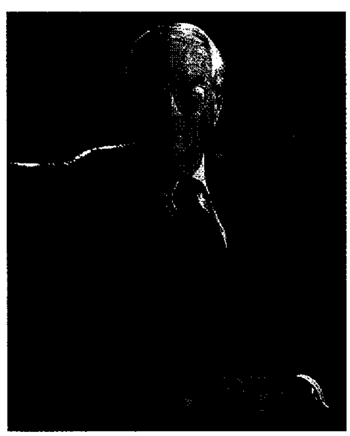
Lewis Harrison
Represents the Electric
Cooperatives

President of Walnut Grove
Auction and Realty Inc.
and former trustee on the
Spartanburg County School
District No. 6 School Board



John D. Trout
Represents Berkeley County

President and owner of
family-owned jewelry store
in Moncks Corner



J. Mac Walters
Represents 4th
Congressional District

Greenville attorney and
former commissioner of the
Internal Revenue Service

Changes in the board

Alec B. McLeod replaced Juanita Brown in May 1999. Brown served on the board for five years.

J. Calhoun Land replaced Henry B. Rickenbaker in May 1999. Rickenbaker served on the board for 13 years.

Advisory Board

James H. Hodges
Governor

James M. Miles
Secretary of State

Charles M. Condon
Attorney General

James A. Lander
Comptroller General

Grady L. Patterson Jr.
State Treasurer

Management

(Effective March 1, 2000)

President and Chief Executive Officer	John H. Tiencken Jr.
President Emeritus	T. Graham Edwards
Executive Vice President and Chief Operating Officer	Bill McCall
Executive Vice President and Chief Financial Officer	Emily S. Brown
Executive Vice President and Chief Legal Officer	John S. West
Senior Vice Presidents:	
Customer Services	Lonnie N. Carter
Generation	Maxie C. Chaplin
Delivery	Terry L. Blackwell
Community Development and Corporate Communications	Ben Cole
Vice Presidents:	
Marketing and Retail Services	Zack W. Dusenbury
Human Resources Management	Ronald H. Holmes
Engineering and Construction Services	Byron C. Rodgers Jr.
Fossil and Hydo Generation	R. M. Singletary
Corporate Communications	Jerry L. Stafford
Delivery Planning	William R. Sutton
Controller	Elaine G. Peterson
Treasurer	H. Roderick Murchison
Corporate Secretary	W. Glen Brown Jr.

Schedule of Refunded Bonds Outstanding

As of December 31, 1999
(In Thousands)

Call Date	**July 1, 2000**		**July 1, 2000**		**July 1, 2001**		**July 1, 2001**		**July 1, 2002**		**July 1, 2002**	
Series	**1992-A REF (6)**		**1996-A REF (6)(2)**		**1991-B&C REF**		**1991-D**		**1991-D**		**1992-B**	
Original Maturity July 1	**Rate (%)**	**Amount ($)**	**Rate (%)**	**Amount ($)**	**Rate (%)**	**Amount ($)**	**Rate (%)**	**Amount ($)**	**Rate (%)**	**Amount ($)**	**Rate (%)**	**Amount ($)**
2000											5.20	335
2001			6 1/4	4,790	6.60	15,370	5.90	5,870			5.30	360
2002	5.80	7,400	6 1/4	4,500					6.00	6,215	5 1/2	380
2003											5.60	405
2004											5.70	435
2005											5.80	460
2006	6.20	6,680	6 1/4	5,665					6.40	6,590	5.90	490
2007					7.00	4,025					5.90	525
2008											6.00	555
2009					7.00	8,915*					6.00	595
2010											6.00	630
2011									6 1/2	7,010*	6.00	670
2012					7.00	25,610*			6 1/2	7,470*	6.00	715
2013									6 1/2	7,955*	6.00	765
2014									6 1/2	8,470*	6.00	810
2015											6.10	865*
2016											6.10	920*
2017											6.10	980*
2018											6.10	1,045*
2019											6.10	1,115*
2020											6.10	1,185*
2021					7.10	135,705*					6.10	1,260*
2022											6.10	1,345*
2023											6.10	1,430*
2024									6 1/2	130,275*	6.10	1,525*
2025											6.10	1,625*
2026					6 1/2	61,560*					6.10	1,730*
2027					6.00	12,120*					6.10	1,845*
2028					6.00	12,850*						
2029					6.00	13,620*						
2030					6.00	14,435*						
2031					6.00	15,300*			6 5/8	149,630*		
2032												
Totals per Series		14,080		14,955		319,510		329,485				25,000
Totals per Call Date		29,035				325,380				348,615		

*Term Bonds

(For Footnotes See "Schedule of Bonds Outstanding")

Schedule of Bonds Outstanding (1)

As of December 31, 1999 (In Thousands)

PRIORITY BONDS

Maturity Date July 1	1967 Series Int. Rate	Amt.	1991 A,B&C Refunding & Improvement Series Int. Rate	Amt.	1991 D Series Int. Rate	Amt.	1992 A Refunding Series Int. Rate	Amt.	1993 A&B Refunding Series Int. Rate	Amt.	1993 C Refunding Series (2) Int. Rate	Amt.	1995 A Refunding Series (2) Int. Rate	Amt.	1995 B Refunding Series (2) Int. Rate	Amt
2000	4.10	3,395*	6.40	4,205	5.80	5,550	5.60	2,385	4.80	16,995	4.30	4,055	6 1/4	9,625	5.20	1,915
2001	4.10	3,545*					5.70	22,505	5.00	6,990	4.40	455	6 1/4	6,005	5.30	2,015
2002	4.10	3,705*	6.70	6,240					5.00	9,810	4 1/2	3,625	6 1/4	5,700	5.35	4,260
2003	4.10	3,870*					6.00	5,940	5.20	6,280	4 1/2	12,030	6 1/4	7,890	5.40	3,410
2004	4.10	4,045*							5.20	10,115	4 1/2	12,590			6 1/2	10,160
2005	4.10	4,230*					6.20	6,290	5.30	7,080	4 5/8	6,440			6 1/2	10,765
2006	4.10	4,420*	7.00	3,760					5.40	10,400 (3)	4 3/4	13,310			6 1/2	10,350
2007							6.20	7,100	5 1/2	8,410	4 7/8	11,755				
2008							6.20	7,540	5 1/2	10,920	5.00	18,230	6 1/8	815*	5.70	3,255
2009							6 3/8	8,005*	5 1/2	9,765	5.00	1,470				
2010							6 3/8	8,515*	5 1/2	11,480	5.10	19,210 (4)	6 1/8	860*	5.80	3,485
2011							6 3/8	10,835*	5 1/2	11,240	5.10	16,740*	6 1/8	915*	5.80	3,705
2012							6 3/8	11,520*	5.60	12,100 (3)	5.00	19,040*	6 1/8	970*	5 7/8	3,940
2013							6 3/8	12,265*	5.60	29,300 (3)	5.00	16,645*	6 1/8	1,025*	5 7/8	4,180
2014							6 3/8	1,935*	5 1/2	38,255*	5.00	9,255*	6 1/8	4,460*	5 7/8	4,430
2015							6 3/8	2,055*	5 1/2	18,905*	5.00	15,825*	6 1/4	8,275*	5 7/8	4,705
2016							6 3/8	2,275*	5 1/2	19,880*	5.00	23,265*	6 1/4	4,670*	5 7/8	5,000*
2017							6 3/8	2,400*	5 1/2	20,920*	5.00	19,045*	6 1/4	680*	5 7/8	5,320*
2018							6 3/8	2,570*	5 1/2	22,000*	5.00	14,055*	6 1/4	720*	5 7/8	5,685*
2019							6 3/8	9,570*	5 1/2	43,270*	5 1/8	18,555*	6 1/4	10,400*	5 7/8	6,085*
2020							6 3/8	7,695*	5 1/2	42,015*	5 1/8	23,880*	6 1/4	23,100*	5 7/8	6,515*
2021							6 3/8	6,870*	5 1/2	18,995*	5 1/8	27,120*	6 1/4	24,915*	5 7/8	6,970*
2022											5.00	29,460*	6 1/4	11,505*	5 7/8	34,165*
2023											5.00	28,595*			5 7/8	30,270*
2024											5.00	28,165*				
2025											5.00	29,575*				
2026											5 1/8	31,055*				
2027											5 1/8	26,585*				
2028											5 1/8	21,890*				
2029											5 1/8	23,010*				
2030											5 1/8	24,185*				
2031											5 1/8	25,425*				
2032											5 1/8	13,030*				
Add: Total Outstanding As of 12/31/99		27,210		14,205		5,550		138,270		385,125		587,570		122,530		170,585
Bonds Redeemed As of 12/31/99		24,390		36,695		14,965		16,195		0		43,790		17,155		6,490
Bonds Refunded As of 12/31/99		0		319,510		329,485		14,080 (6)		0		0		0		0
Net: Original Issue Amt.		51,600		370,410		350,000		168,545		385,125		631,360		139,685		177,075

FOOTNOTES

* Term Bonds

(1) Rounding may cause small variances.

(2) Maturities are on January 1 instead on July 1.

(3) These are floating auction tax-exempt ("FLOATs") and residual interest tax-exempt ("RITES") bonds which have a semiannual bond equivalent yield of 5.40% per annum on those maturing 6/30/2006 and 5.60% per annum on those with a final maturity of 6/28/13.

(4) $10,210,000 are serial bonds and $9,000,000 are term bonds.

(5) Included in year that payment is made. (Exclusive of Accrued Interest.)

(6) Cash defeased to maturity, $14,080,000 of the 1992A Refunding Bonds due 7/1/02 and 7/1/06 and $14,955,000 of the 1996A Refunding Bonds due 1/1/01, 1/1/02 and 1/1/06. Bonds are subject to the original call provisions as stated in each official statement.

(For Details on Calls See "Schedule of Refunded Bonds Outstanding.")

REVENUE BONDS

REVENUE OBLIGATIONS

1996 A Refunding Series (2) Int. Rate	1996 A Amt.	1996 B Refunding Series (2) Int. Rate	1996 B Amt.	1997 A Refunding Series (2) Int. Rate	1997 A Amt.	1998 A Refunding Series (2) Int. Rate	1998 A Amt.	1998 B Refunding Series (2) Int. Rate	1998 B Amt.	1999 A Tax-Exempt Series (2) Int. Rate	1999 A Amt.	1999 B Taxable Series (2) Int. Rate	1999 B Amt.	Total Principal Maturities (5)	Total Revenue Interest (5)	Total Debt Service (5)
6.00	2,565	5.00	14,785	4.05	1,765	4 1/2	15,895	4.00	385					83,520	123,842	207,362
				5.00	1,835	4 1/2	21,610	4.00	570					65,530	124,990	190,520
6 1/4	1,450			5.00	1,925	5.00	27,585	4.00	595			6.53	5,000	69,895	120,813	190,708
6 1/4	1,645					5.00	20,680	4.00	625	5.00	5,360	6.68	19,005	86,735	116,735	203,470
6 1/4	3,565							4 1/8	655	5 3/8	5,670	6.85	28,955	75,755	111,779	187,534
6 1/4	4,645			5.00	2,025			4 1/4	685	5.00	5,990	6.97	4,225	52,375	108,472	160,847
								4.40	715	5 3/8	6,335	7.07	4,455	53,745	105,258	159,003
								4 1/2	750	4.80	6,695	7.12	4,705	39,415	102,867	142,282
6 1/2	3,730							4 1/2	785	5.50	7,070	7.17	4,980	57,325	100,033	157,358
5 3/4	1,035*							4 1/2	825	5.50	7,480	7.22	5,270	33,850	97,399	131,249
5 3/4	15,170*			4 7/8	2,505			4.70	865	5.50	7,940	7.27	5,590*	75,620	94,534	170,154
5 3/4	6,165*			4.90	9,780			4 3/4	905	5.50	18,325	7.27	38,390*	117,000	88,684	205,684
5 3/4	5,615*			5.00	15,040			5 1/4	955*	5 5/8	10,910	7.32	1,465	81,555	83,143	164,698
5 3/4	5,925*			5.00	15,815			5 1/4	1,010*	5 5/8	11,540	7.37	1,580	99,285	78,446	177,731
5 3/4	6,530*			5.00	16,630			5.00	1,065*	5 3/4	12,220	7.42	1,700	96,480	73,038	169,518
5 3/4	7,005*			5.00	12,980			5.00	1,120*	5 3/4	12,940			83,810	67,549	151,359
5 3/4	13,075*			5.00	9,095*			5.00	1,180*	5.50	13,690			92,130	62,776	154,906
5 3/4	19,650*			5.00	9,485*			5.00	1,245*	5.50	14,470			93,215	57,770	150,985
5 3/4	20,735*			5.00	22,410*			5.00	1,310*	5.50	9,230			98,715	52,597	151,312
5 3/4	21,875*			5.00	17,755*			5.00	1,380*	5.50	9,755			138,645	46,885	185,530
5 3/4	23,155*			5.00	380*			5.00	1,455*	5.50	10,305*			138,500	39,020	177,520
5 3/4	38,535*			5.00	400*			5.00	1,530*	5.50	10,890*			136,225	30,565	166,790
5 3/4	24,185*	5 1/2	11,435*	5.00	420*			5.00	1,615*	5.50	11,505*			124,290	22,471	146,761
		5 1/2	10,070*	5.00	440*			5.00	1,700*					71,075	17,060	88,135
				5.00	465*			5.00	1,790*					30,420	14,365	44,785
				5.00	485*			5.00	1,000*					31,060	12,828	43,888
				5.00	510*									31,565	11,243	42,808
				5.00	6,595*									33,180	9,589	42,769
				5.00	12,985*									34,875	7,857	42,732
				5.00	13,635*									36,645	6,041	42,686
				5 1/8	14,315*									38,500	4,124	42,624
				5 1/8	15,050*									40,475	2,100	42,575
				5 1/8	7,710*									20,740	531	21,271
	226,255		36,290		212,435		85,770		26,715		198,320		125,320	2,362,150	1,995,404	4,357,554
	25,835		47,180		2,120		15,115		100		0		0	250,030		
	14,955 (6)		0		0		0		0		0		0	678,030		
	267,045		83,470		214,555		100,885		26,815		198,320		125,320	3,290,210		

Santee Cooper®

FOR ADDITIONAL INFORMATION CONTACT:

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Vice President, Corporate Communications
Santee Cooper
One Riverwood Drive
Moncks Corner, SC 29461-2901
(843) 761-8000

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DESIGN: Amanda Duggan/Newman Saylor & Gregory

As part of Santee Cooper's corporate commitment to protecting and improving our environment, this annual report was printed with soy-based inks on paper that meets United States Environmental Protection Agency guidelines for recycled paper. We urge you to recycle this paper when you are finished with it.

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