

NEWS RELEASE

Oct. 19, 2012

Media Contact: Mollie Gore
Corporate Communications
843-761-7093
mollie.gore@santeecooper.com

Santee Cooper board authorizes retirements of Jefferies and Grainger generating units

MONCKS CORNER, S.C. – The Santee Cooper Board of Directors voted today to authorize retirement of six electric generating units at its two oldest stations, after considering Santee Cooper’s generation resource needs and the cost of complying with new environmental regulations. The board directed its president and CEO to take charge of developing and executing plans for an orderly retirement of the four coal and two oil units.

The vote marks Santee Cooper’s first unit retirements since the state-owned utility first generated power 70 years ago. Santee Cooper was established in 1934, first generated electricity in 1942 and today has 165,000 direct-serve customers and hundreds of thousands more who receive Santee Cooper electricity through the state’s 20 electric cooperatives, in all 46 counties of South Carolina.

“As we evaluated the anticipated costs of complying with new regulations and the generation resources we anticipate needing, it became clear that the best action for our customers and the state is to authorize the retirement of these units at Jefferies and Grainger,” Board Chairman O.L. Thompson said. “It is not a decision we make lightly. However, it is the most cost-effective move we can make.”

Santee Cooper expects to relocate affected employees to other positions made available through attrition, and so layoffs are not anticipated. There is no timetable yet for the unit retirements, although Grainger’s units were idled in the spring.

“Santee Cooper’s primary responsibility is to provide South Carolina with affordable, reliable and environmentally protective electricity, and today’s board vote supports that responsibility,” said President and CEO Lonnie Carter. “Even so, this was a difficult recommendation for management to make, given the important legacies of these two generating stations to our utility, our state and to the communities around them.”

Jefferies Generating Station, located in Moncks Corner, has four units slated to be retired: two are coal-fired and two use oil. The oldest two units date to 1954, units 3 and 4 came online in 1970, and

NEWS RELEASE

the four have a combined capacity of 398 megawatts. The decision does not affect Jefferies Hydroelectric Generating Station.

Grainger Generating Station, located in Conway, came online in 1966 and has a capacity of 170 megawatts. The station has been idle since earlier this year as Santee Cooper continued evaluating potential impacts of the U.S. Environmental Protection Agency's new Mercury and Air Toxics Standard (MATS) for air emissions, issued last December.

Santee Cooper continues its evaluation of MATS requirements affecting its other, newer fossil fueled generating units. The utility has an excellent record of environmental stewardship and was the first in South Carolina to install scrubbers on generating units, among other achievements.

“Our priority now will be to evaluate next steps and establish a timetable for retiring the units,” Carter said. “I recognize that these will be important decisions potentially impacting many people, and we will be inclusive and transparent as we go forward. These stations are neighbors to thousands of our customers, after all, and we fully intend to remain involved in these communities.”

Santee Cooper is South Carolina's state-owned electric and water utility, and the state's largest power producer. The ultimate source of electricity for 2 million South Carolinians, Santee Cooper is dedicated to being the state's leading resource for improving the quality of life for the people of South Carolina. For more information, visit www.santecooper.com.